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Cc:

TOWN OF SIMSBURY
INSURANCE COMMITTEE
MINUTES OF REGULAR MEETING
June 24, 2009

The meeting began at 7:30 AM. Attending were committee members Ed Sparkowski, Raymond Wahl, Stan Cataldo, Paul Mikkelsen and Chris Peterson. David Holden, Board of Education Business Manager, Burke LaClair, Board of Education Assistant Business Manager, Bob Lindberg of Lindberg & Ripple, and Carol Fitzsimons of CIRMA were also in attendance. Minutes from the March 25, 2009 meeting were unanimously approved following a motion to approve by Ray Wahl and a second by Paul Mikkelsen. Chris Peterson abstained. Chairman Sparkowski informed the committee members of the resignation of Robert Asensio.

EMPLOYEE BENEFITS UPDATE

Bob Lindberg highlighted the year to date claim summary reports noting favorable comparative claims experience with fewer large claims and less severe large claims. He noted that the average annual increase year over year over a five year period was 7.5% without the impact of the enrollment increase over that time period. Given the population shift to Connecticare, modifications will need to be made to the allocation rates between the plans.

Bob Lindberg updated the committee on the status of the two pieces of legislation (the so called "Donovan" and "Susti Net" proposals) that have been introduced at the state level and may be forwarded to the Governor in the next few days. Each proposal would compete for dollars from the state health insurance pool and convert it to a self-funded pool, but in different timeframes. He believes the Donovan proposal, which has a faster roll-out provision, is the one most likely to fail to be enacted. The Susti Net Proposal addressed the uninsured population first, has a 4 year roll-out period, and would involve the creation of a 9 member board to determine plan design. Several key questions remain, such as definitions of eligibility, is participation mandatory, and even the number of pools that would be created. The possible ramifications of federal health care

legislation were also highlighted.

The status of the competitive market review for 2009-10 consolidation of the self-funded medical and dental program was also discussed and Bob sees the realistic implementation date as 1/1/10. There were interviews held with BOE union representation with two of the carriers/vendors, and they were both strong proposals. If asked to choose today, Dave and Bob would see CIGNA as having the edge. Paul Mikkelson agreed and noted his concern that Connecticare had recently been downgraded relative to its financial condition rating.

Dave Holden explained that a bargaining unit timeline is being developed, but the challenge is that employees see limited value to them in consolidation and those with the company that is not chosen see the potential for disruption to their lives.

Following some clarity on the status of state legislation, committee members supported moving forward to attempt to implement consolidation to achieve administrative cost savings and offered their personal support in assisting with the enrollment process if the collective bargaining is successful.

While the next committee meeting is not scheduled until September, Bob will send out information in June and if necessary, a special meeting could be scheduled earlier.

PROPERTY CASUALTY INSURANCE UPDATE

Carol Fitzsimons provided the committee with the LAP loss analysis and WC loss experience.

There was discussion of a coverage enhancement to the GL policy involving an internship endorsement which CIRMA will review on a case by case basis. Carol recommends that if a student is placed at a business for example, that we attempt to have coverage from that entity to complement the coverage evidence we provide them. Dave will copy CIRMA on letters we send to organizations hosting our supervised interns.

Regarding renewal premiums:

- Worker's compensation – Town premium is flat while BOE is up 4%
- LAP – Increase from \$404,000 to \$408,537 was due to exposure changes
- environmental pollution coverage premium is down

Committee members requested that at the next meeting Carol present options

for a LAP rate guarantee for FY11 and for the three year period FY11 – FY13.

The meeting was adjourned at 9:00 AM.

David P. Holden, Business Manager
Simsbury Public Schools