

From: SimsburyCT Postings 10/1/09 11:26:50 AM  
Subject: Insurance Commission Minutes 09/23/2009 DRAFT  
To: SimsburyCT\_InsMin  
Cc:

TOWN OF SIMSBURY  
INSURANCE COMMITTEE  
MINUTES OF REGULAR MEETING  
September 23, 2009

DRAFT

The meeting began at 7:30 AM. Attending were committee members Ed Sparkowski, Raymond Wahl, Stan Cataldo, Paul Mikkelson, Nick Mason, and Chris Peterson. David Holden, Board of Education Business Manager, Burke LaClair, Board of Education Assistant Business Manager, Brandon Robertson, Administrative Services Director, Bob Lindberg of Lindberg & Ripple, and Carol Fitzsimons of CIRMA were also in attendance. Minutes from the June 24, 2009 meeting were unanimously approved following a motion to approve by Ray Wahl and a second by Paul Mikkelson.

#### EMPLOYEE BENEFITS UPDATE

Bob Lindberg highlighted the group's solid position as of the fiscal year ending June 30, 2009 with a slight downward trend in claims. Reasons for the trend would seem to be the proactive changes made to the plans, as well as the good fortune of no large dollar claims. He noted that our average unit cost is also stable, which is good for a public plan in CT. Fund balance is approximately 20% of claims.

Paul Mikkelson asked if outsourcing prescription drugs was being considered and Bob indicated that options will be reviewed again in July. Ed Sparkowski asked if CVS/Caremark was a potential pharmacy benefit manager and Bob confirmed this was an option.

The status of the competitive market review for 2009-10 consolidation of the self-funded medical and dental program was also discussed and Bob explained that about half the value of carrier consolidation could be achieved with stop-loss consolidation, but would be transparent to the participants. Symetra is the stop-loss carrier that would provide a 24/12 contract with service guarantees. Dave Holden supported the concept of stop-loss consolidation as the most practical cost saving measure,

explaining that one BOE bargaining unit had just settled a 1 year agreement with a 0% wage increase, and along with Town unions at 0%, the prospects for bargaining a new carrier consolidation were not favorable in the short term.

Bob explained that recently adopted Connecticut Sustinet Legislation will not start until 2012, and that federal legislation could also impact our ability to deal with a possible 10-14% medical inflation trend. Specifically, Health Saving Accounts have tended to work well to control costs with participants happy with them, but the government may not continue to allow them.

Chris asked for how our average cost per person compared with other municipal clients and Bob indicated that the average is \$8,000-\$12,000, with private customers about 20% less.

#### PROPERTY CASUALTY INSURANCE UPDATE

Carol Fitzsimons provided the committee with the LAP loss analysis and WC loss experience, and highlighted the garage related liability enhancement to the general liability form. Our increased cost of construction coverage has also been increased from \$1,000,000 to \$3,000,000.

Carol presented new peer comparisons for both the BOE and Town in regard to worker's compensation frequency and severity and both were favorable. Additionally, she shared CIRMA's recommendations for risk control initiatives from the recent stewardship meeting.

Regarding rates for FY11, Carol hopes to get them by the end of the calendar year, but it is still early for reinsurance carriers to give prices.

The meeting was adjourned at 8:35 AM.

David P. Holden, Business Manager  
Simsbury Public Schools