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Cc:

TOWN OF SIMSBURY
INSURANCE COMMITTEE

MINUTES OF REGULAR MEETING
September 29, 2010

The meeting began at 7:30 AM. Attending were committee members Ed Sparkowski, Stan Cataldo and Paul Mikkelsen. David Holden, Board of Education Business Manager, Bob Lindberg of Lindberg & Ripple, Carol Fitzsimons and Steve Bixler of CIRMA were also in attendance.

The minutes of the June 23, 2010 Insurance Committee meeting were unanimously approved.

EMPLOYEE BENEFITS UPDATE

Bob Lindberg highlighted a review of the self-funded health plans for the 2010 fiscal year as well as claim activity through July and August of the 2011 year. Areas of focus were the small decline in our in force population, the favorable ratio of expected to actual paid claims, and the actual renewal allocation rates being below market trend.

Bob also reviewed the Early Retiree Reinsurance Program (ERRP) application status, Medicare Plan options, the expected impact of the Patient Protection and Affordable Care Act (PPACA) and advised the committee that the Board of Education is in active negotiations with its collective bargaining groups with Lindberg & Ripple being a resource in these negotiations. Bob also referenced the Connecticut United Benefit Advisors survey report that noted an average Connecticut health care plan cost per employee of \$13,000 with Simsbury just under \$12,000 for 2009-10. However, the cost of health care in Connecticut is roughly 25% above the national average due to the cost of health care in the state and the heavy state regulation.

Bob talked about legislative changes allowing for pooling of health plans among municipalities, but administrative and financial challenges could be an obstacle. The Town of Simsbury has begun a pilot program with some of

its employees utilizing an external health advocate in place of an internal HR person to address employee concerns and issues which has the added benefit of transferring Health Insurance Portability and Accountability Act (HIPPA) liability.

The employee eligibility audit will be conducted in January in preparation for the July 2011 mandated federal health program changes. The wellness programs of each of the health care providers were reviewed and committee members questioned the availability of on-line wellness applications we might utilize. Committee members requested that representatives of CIGNA and Connecticare be invited to the next 2 meetings so that the committee could question them directly.

PROPERTY CASUALTY INSURANCE UPDATE

Carol Fitzsimons and Steve Bixler provided the committee with the LAP and WC experience through August 31, 2010. There have been two large recent property damage claims, the first being water damage at the town residential property on Wolcott Road reserved at roughly \$100,000 and secondly, the fire at a maintenance facility off Iron Horse Boulevard reserved at roughly \$200,000. Both are currently under review and investigation. There is a \$10,000 property deductible limit and \$1000 mobile equipment deductible. There is the possibility of subrogation on one of the losses due to the newness of the facility.

A business plan was distributed to the committee members with a favorable response to this new product. The CIRMA representatives recommended consideration of lowering the uninsured motorist limit from \$1,000,000 down to \$40,000. The Rails-to-Trails program was discussed in light of potential exposures and liability at these locations.

The committee requested that future meetings include a follow-up report on issues generated at the prior meeting, what has happened and implementation date. The CIRMA Stewardship meetings are scheduled for today with both the Town and Board of Education administration.

OTHER BUSINESS

Committee members discussed the process of getting replacement Insurance Committee members nominated by the respective town committees for the three vacant positions. Additionally, the November 17 Insurance Committee meeting may need to be rescheduled due to member schedule conflicts.

The meeting was adjourned at 9:05 AM.

David P. Holden, Business Manager
Simsbury Public Schools

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