

**Town of Wethersfield
Insurance Committee Minutes
Thursday, February 18, 2016
Town Manager's Conference Room**

Members Present: Chris Bazinet, Jack Dolan, Nermin Duric, Paul Meade, Frank Sena

Others present: Chris Wardrop, USI Insurance; Chris Monroe, USI Insurance; Jeff Bridges, Town Manager; Mike O'Neil, Finance Director; Matt Kozaka, BOE Business Manager; Anthony Spinella, Town Council; Kristine Ivers, Finance Department

Meeting was called to order by Chairman Bazinet at 5:32 p.m.

Public comment was solicited. None was offered.

The minutes of the January 21, 2016 meeting were reviewed by the Committee. Mr. Sena made a motion to accept the minutes. The motion was seconded by Mr. Dolan, and was approved unanimously.

Reports from Agents of Record:

Chris Wardrop, USI Insurance, Agent of Record for LAP and Workers Compensation Insurance.

Mr. Wardrop reviewed the FY17 renewal update. It reflected a five percent decrease in LAP premium and a three percent increase in Worker's Compensation premium. Mr. Wardrop explained that the increase in Worker's Compensation rates they are seeing in multiple other clients as well. Mr. Sena asked Mr. Wardrop his opinion on what drives Worker's Compensation rates. Chris stated that medical costs and employee profiles of the population insured are two key factors. Mr. Bazinet asked about the LAP decrease and Mr. Wardrop stated that the exposure will be reviewed again once the Wethersfield High School renovations are completed.

Mr. Wardrop discussed the FY15 Worker's Compensation payroll audit results and said that we will be getting a return on premium. He also stated that the State is considering expanding their Worker's Compensation program, especially for fire and police.

Mr. Wardrop reviewed the FY17 program developments concerning cyber liability and explained drone coverage. CIRMA is still in the process of creating their cyber liability package to offer their clients and at this time the Town of Wethersfield sees no need to look into drone coverage.

Mr. Sena asked if there could be an upcoming CIRMA seminar on the rising costs of drug spend. Mr. Wardrop and Monroe said that they are definitely considering it and will bring that suggestion back to CIRMA.

Chris Monroe, USI Insurance, Agent of Record for Health Insurance.

Mr. Monroe reviewed the January 2016 claims report. Based on seven months of experience for the fiscal year, Mr. Monroe projects a surplus. Claims were very low in November and relatively low in December. However, January saw an uptick in claims. Large claims experience for the year is still favorable. There were two claims that were over the deductible of \$125,000 for the year to date. Mr. Sena asked Mr. Monroe to look further into the new large claim that occurred in January.

Mr. Monroe went over the FY17 renewal. Blue Cross Blue Shield is projecting an eleven percent increase in our stop loss rate. We are still waiting for CREC to come out with their stop loss captive offer. CREC will consider the Town's experience and the Town can determine their own stop loss rate. The captive piece would just come into effect for very large claims.

Mr. Monroe stated that in the past USI had been administering the wellness program for the Teachers. With all other union contracts that have come up for renewal during the last year, the wellness program has been added. Mr. Monroe would now recommend to the Committee that a full time wellness program administrator be used going forward, such as Cooper Wellness. This recommendation was put to a motion, which was made by Mr. Duric and seconded by Mr. Meade.

Mr. Monroe, Mr. Bazinet, and Mr. O'Neil met prior to the meeting and created an objectives list as to what they want to ask the four bidders selected to be interviewed for the medical claims audit. The interviews will take place on Wednesday, 2/24 and Friday, 2/26. All Insurance Committee members were invited to attend.

With no further business to come before the Committee, Mr. Meade made a motion to adjourn. The motion was seconded by Mr. Sena, and was approved unanimously.

The meeting was adjourned at 6:22 p.m.

Minutes prepared by:
Kristine Ivers