

**Town of Wethersfield**  
**Insurance Committee Minutes**  
**March 18, 2008**  
**Town Manager's Conference Room**

The meeting was called to order by Mike Fortunato at 5:32 PM.

**Attendance:**

Mike Fortunato, Vice Chairman, Chris Lyons, Matthias DeAngelo, Chris Bazinet, Sey Adil, Paul Meade (arrived at 5:42PM), Jeff Kotkin, Town Council Liaison (arrived at 5:45PM), Karen Clancy, Director of Business Services, BOE, Lisa Hancock-Director of Finance, Chris Monroe - Savino, Sturrock & Sullivan, Greg Bedula - TD BankNorth Insurance.

Excused Absences: Polly Moon-Chairwoman

**Public Comments:**

No one was present from the public for comment.

**Approval of Minutes:**

Chris Lyons moved for the approval of the [minutes from the meeting on February 20, 2008](#); seconded by Sey Adil. Motion carried unanimously.

**Reports from Agents of Record:**

Greg Bedula - TD BankNorth Insurance

Greg Bedula stated that the Youth Services Errors and Omissions Policy is up for renewal for coverage in areas where CIRMA does not cover, dispensing of medicine for the children while they are on trips and counseling. The premium last year was \$9,053 and the renewal is at a lower premium of \$8,781. He stated that it was bid out two (2) years ago and awarded to Scottsdale Insurance. He stated that we will bid it out again next year. The policy also provides additional coverage for sexual misconduct as well. This policy solely covers Youth Services

(Paul Meade arrived at 5:42PM; Jeff Kotkin arrived at 5:45 PM)

Greg Bedula provided estimated premiums for Worker's Compensation and LAP. Worker's Compensation for the Town is estimated at \$262,069 for the Town and \$203,060 for the BOE. The general government had a zero percent increase with a 4% exposure increase in the amount of \$10,079. The BOE has an estimated 7% rate increase and a 5% exposure increase.

The FY 07/08 exposure base was about \$72 Million. In FY 08/09 it is estimated to be \$83 Million, estimating a 6% rate increase plus a \$5,000 estimate for budget increase for the Town for an estimated amount of \$407,535. The BOE is estimated at a 10% increase plus \$5,000 for an amount of \$166,733.

Greg Bedula feels that we need to discuss the rate increase plus prior year's good history with CIRMA. Chris Lyons felt we should maybe also reduce some of the values on equipment to help with the premium.

Jeffrey Kotkin asked about the LAP Policy and the BOE; he wanted to know why he used the 6% increase for them as

well. Greg stated that it is just an even split/increase for the entire Town and BOE.

Greg Bedula left the meeting at 6:10PM.

### Chris Monroe - SS&S

Chris Monroe shared the monthly reports. Chris discussed the renewal analysis for the FY 08/09 budget. He estimates the claim liability to be \$8,962,550 using standard underwriting principles. They were also reduced by major one time claims. Chris also performed a second test looking at the most recent 18 months; that figure was less but he highly recommends that we don't use it because it did not work last year. Administrative Fees are estimated at \$930,721 and Network Access Fees are estimated at \$106,078. The total estimate is at \$10,036,799. There are also Producer Fees of \$25,000, Actuarial Fees of about \$10,000 for GASB45 requirements, and \$2,000 for the Medicare Part D Certification. Chris anticipates about \$8 Million in claims in the current Fiscal Year.

Sey Adil asked what we are paying for Individual Stop Loss. Chris Monroe stated that currently we pay \$455,048 projecting up to \$539,194 and the aggregate stop loss for this year is \$61,476 up to \$71,484. He recommends that the Town eliminates the aggregate stop loss. There is an extremely low probability of the Town missing its target by 25% which would trigger the aggregate stop loss. Chris Lyons stated that they might get more pressure on the individual stop loss premiums.

The overall increase just for Anthem to administer the account is \$114,886. Chris Monroe stated that he would not recommend increasing our individual stop loss. Over the past ten years the Town paid \$2,130,411 in premium and received \$2,517,551 so far through 7 months for FY 07/08.

Chris Monroe stated that if we were to increase the pooling part to \$125,000 from \$100,000 he estimated the premium at \$1,775,343 versus \$1,957,596 in reimbursements. Chris feels that we should absolutely not increase the stop loss. Sey Adil asked Chris Monroe if a recession might impact the costs involved. Chris Monroe stated that he cannot determine if there is a correlation. He feels that Anthem would increase Administrative Fees to make up the difference. Chris discussed the Anthem versus Medco (Segal Coalition) proposal.

Jeff Kotkin left the meeting at 6:46PM.

Chris Monroe stated that Anthem charges an Administrative Fee which is estimated at \$32,267 but then provides an Administrative Credit. The net Administrative Fee is \$1,268. Medco has zero. Dispensing Fees for Anthem are estimated at \$34,285 and Medco is \$23,216 resulting in a fixed cost savings of \$11,069. Medco also will provide a retail and mail order rebate of about \$60,049. The total savings with Medco could be up to \$71,000. Chris Monroe stated that he is still doing more analysis because Anthem has stated that maybe some of the numbers might be different and they need to review them further. Chris Monroe stated that he wants to try to get increased rebates from Anthem.

**Old Business - None**

**New Business - None**

**Adjournment -**

Sey Adil moved to adjourn at 6:50 PM. Seconded by Matthias DeAngelo. Motion carried unanimously.