

## **Insurance Committee Meeting April 27, 2006**

The meeting was called to order at 5:52 PM by Chairperson Polly Moon.

Committee members present were Polly Moon, Chris Bazinet and Mike Fortunato and Paul Meade.

Also present were Greg Bedula, TD BankNorth Insurance Agency; Jeff Kotkin, Town Council Liaison; and Lisa Hancock, Finance Director, Town of Wethersfield.

Members Absent: Chris Lyons, Sey Adil and Edward Rosania,

Public comments: no one was present from the public to speak.

### **Approval of Minutes:**

A motion was made by Mike Fortunato to approve [the minutes from the February 23, 2006, meeting](#) as revised, and was seconded by Chris Bazinet. All unanimously voted in favor.

### **Report from Greg Bedula, TD BankNorth Insurance:**

Mr. Bedula distributed specialized LAP Pool Frequency and Severity Reports including information on open claims, reserves, payments, etc., as of the period between December 28, 2005, and February 28, 2006:

1. General Liability: Reserves increased from FY 03-04. Other than that the General Liability claims have remained steady.
2. Auto Claims: No significant changes.
3. School Leaders: One claim still open.
4. Public Officials Liability: Experience has been good.
5. Law Enforcement Liability: Minimal claims.
6. Workers Compensation: Claim reserves from FY 03-04 have been reduced due to positive outcomes for the Town side; The BOE side also had a reduction due to a negotiated settlement; there were positive results in claims for FY 04-05, and FY 05-06 had an increase because of a claim in February.

Mr. Bedula will continue to provide these reports quarterly.

### **Workers Compensation: Self Insurance**

Mr. Bedula reported that the Town had been approached to consider implementing Worker's Compensation Insurance on a self-insured basis. He stated that it would not be cost effective at this time. The costs to implement and administer it would be significant, as it would result in additional work for the Town to administer and process. Also the cost of engaging a Third Party Administrator to handle claims and other paperwork would have to be incurred. If the annual premiums exceeded \$1 Million, it might be a process to consider; however, the premium is not close to that point at this time. Another negative with self insurance is the possibility of large additional premium charges in future years that would be difficult to budget for.

### **Parliamentary Procedures:**

Ms. Moon shared with the Committee communications from the Town Clerk regarding parliamentary procedures

during meetings and a memorandum from Town Attorney Jack Bradley regarding communications. She stressed one of the more significant issues, which is that if there is not a quorum; the committee may not meet even on an informal basis for discussion purposes only. She requested that the Committee review the procedures and informed the group that they must abide by them.

### **Safety and Health Committee Minutes:**

The minutes from the Town Safety and Health Committee were distributed. These minutes will continue to be provided. Mr. Bedula reiterated the benefit of a formal Safety and Health Committee to the Town and BOE. Its activity can have a positive impact on the Workers Compensation experience modification factor.

### **Anthem Renewal Quotes:**

Ms. Moon referred to Mr. Monroe's email regarding the renewal of Anthem Health insurance, which has resulted in an expected renewal increase of 4.9%. This represents a reduction from the originally estimated 7.6%. Lisa Hancock discussed the impact of this revision on the FY 06-07 budget and also reported that Mr. Monroe continues to market this program.

In response to questions from Mr. Kotkin and committee members as to the actual impact of the costs of this insurance program to the town's budget, Ms. Hancock indicated that she would provide the final audit numbers of the Self Insurance Fund to the Committee for the period ending June 30, 2006. The renewal reports will be provided at the Insurance Committee meeting in May.

### **Report from Chris Monroe, SS&S:**

In an email Mr. Monroe expressed that claims experience continues to be good as compared to the expected liability, despite several large claims during this policy period that exceeded the stop loss.

Mr. Meade asked what the long-term effect of the stop loss claims would be on annual costs. Lisa Hancock stated that the claims would be factored into claims history and would be part of the trend used to calculate the future cost of health insurance (expected claims). She stated that she would have Mr. Monroe comment on this as well. The Committee also requested that Mr. Monroe provide an update of large claims activity at the next meeting.

Ms. Hancock reported that the Highmark Life Insurance policy was expiring as of June 30, 2006, and that Mr. Monroe was in the process of marketing that product as well.

### **New Business**

There was no new business to discuss.

### **Adjournment**

Mike Fortunato moved for adjournment at 6:57 PM. Seconded by Paul Meade. Motion carried unanimously.

Respectfully submitted,

Lisa A. Hancock  
Director of Finance