

**Town of Wethersfield
Insurance Committee Meeting
November 16, 2006**

The meeting was called to order at 5:37 PM by Chairperson Polly Moon.

Committee members present were Polly Moon, Chris Bazinet, Sey Adil, and Ed Rosania. Chris Lyon arrived at 5:38 PM and Mike Fortunato arrived at 5:44 PM.

Also present were Chris Monroe, Savino Sturrock & Sullivan; Greg Bedula, TD BankNorth Insurance Agency; Lisa Hancock, Finance Director, Town of Wethersfield; and Karen Clancy, Director of Business Services, BOE. Jeff Kotkin, Town Council Liaison arrived at 5:39 PM.

Members Absent: Paul Meade (Excused Absence)

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

Approval of Minutes:

A motion was made by Ed Rosania to approve [the minutes from the September 21, 2006](#), and was seconded by Chris Bazinet. All unanimously voted in favor.

Report from Chris Monroe, Savino Sturrock & Sullivan

Mr. Monroe discussed October's results. He stated that we are still doing well as compared to what was estimated.

Mike Fortunato arrived at 5:44 PM.

Mr. Monroe discussed marketing results for Life, AD&D and LTD. He stated that the total renewal cost for our current vendor is \$144,230; Cigna would be \$121,279, and Standard would be \$126,966 - reflecting a downward cost trend in market cost for Basic Life, and AD & D. All proposers will duplicate benefit coverage. Cigna proposed a 3 year rate guarantee on the Life and a 2 year on the LTD. Standard's LTD provides a two-year rate guarantee and would generate a savings. He stated that overall Cigna offers approximately a \$23,000 a year savings. Savings over a three-year period would be between \$63,000 and \$68,000. Mr. Monroe recommended movement to either Cigna or Standard effective January 1, 2007. Lisa Hancock mentioned to Mr. Monroe that sometimes the Life Insurance Company also offers EAP at no additional charge. Mr. Monroe said that he would check with Cigna on this.

Sey Adil moved to accept Chris Monroe's recommendation and to recommend to Town Council to switch to Cigna, which was seconded by Chris Lyons and all voted in favor.

Chris Monroe left the meeting at 5:56 PM.

Report from Greg Bedula, TD Banknorth Insurance Agency

Greg Bedula reviewed a snapshot of losses from April 30, 2006, to September 30, 2006.

- 01/02 - One slip and fall claim was closed and reserves were reduced saving \$60,000
- 02/03 - Had about \$50,000 in savings - 2 slip/falls; reserves reduced, other claims are still open
- 03/04 - About same; slight increase of \$3,000
- 04/05 - About same; slight increase of \$3,000

- 05/06 - Increase of \$35,000 about \$25,000 resulted from a slip/fall; changes in facts of case required the increase
- 06/07 - Water damage to Library/Town Hall was the main driver of an approximately \$66,000 increase

Greg Bedula discussed the Worker's Compensation Pool. The Town side remained almost unchanged for the years between 01-05. There was an increase of \$21,000 in 05/06. Part of this increase was due to a shoulder strain that increased the reserve about \$18,000. Current incurred losses for 06/07 is \$20,719. Regarding the BOE 01/02, 02/03, 03/04 had no change in activity. 04/05 there was an increase of \$31,000 due to a series of small claims that increased the reserves, etc. There have been no large claims to highlight individually. 05/06 there was an increase of \$26,000 initially classified as a small claim in FY 04/05 and now this back injury is more serious which has increased the reserve. The current years workers compensation experience has been good with total incurred workers compensation losses as of 9/30/06 of \$17,635 for BOE and \$20,719 for General Govt.

Lisa Hancock discussed the new benefits under the CIRMA plan for volunteer firefighters and the current VFIS plan. When Mr. Monroe and Mr. Bedula had reviewed the two policies in the past, they determined that the benefits offered by VFIS still had some advantages for the volunteers and that the policy is not totally redundant to the coverage from CIRMA. They recommended that the Town remain with both plans.

Discussion of RFP for Agents of Record

Polly Moon discussed samples that Lisa Hancock shared with the Committee and felt that there was some good information in all of them. It was discussed that the Error and Omission Coverage and Liability Coverage need to be reviewed. Polly Moon asked if anyone on the committee had come prepared with an RFP that they would like to submit for consideration or if anyone had any input on the samples that were provided.

Ms. Moon suggested form a sub-committee to prepare one or two Requests for Proposal as needed.

Ms. Hancock stated that there should be two separate RFP's prepared. One Agent of Record for Employee benefit related insurances and one for property, liability and worker's compensation. She also discussed the RFP process - preparation, advertising, recommendation to Town Council, etc.

Ms. Hancock agreed to check on rules for the meetings of sub-committees.

Mike Fortunato will chair the sub-committee; Chris Bazinet, Sey Adil and Ed Rosania will assist as available. There will be a possible meeting next week.

Jeff Kotkin left the meeting at 6:45 PM

GASB 45

Lisa Hancock discussed GASB 45 - (Post Employment Benefits other than Pension) and the actuarial results that were presented on Monday evening to the Shared Services Committee. She stated that Polly Moon, Mike Fortunato, Sey Adil and Chris Monroe were able to be in attendance to hear about the estimated future costs to the Town resulting from the evaluation. Depending on the funding method of the liability the Town could end up with a liability between \$50 million and \$90 million. The current retirement benefits that are received by employees have a significant cost impact in the future. The Town Manager and Superintendent have been trying to negotiate union contracts in a way to help reduce this future cost, but this will take quite some time and will only affect future employees that are hired. Lisa Hancock requested that the Committee give thought to this issue and make future recommendations that they may have for savings.

New Business

There was no new business to discuss.

Adjournment

Sey Adil moved for adjournment at 7:00 PM. Seconded by Mike Fortunato. Motion carried unanimously.

Respectfully submitted,

Lisa A. Hancock
Director of Finance