

## **INSURANCE COMMITTEE MINUTES**

### **Thursday, January 20, 2005**

### **Town Manager's Conference Room**

The meeting was called to order at 5:40 pm by Chairperson Polly Moon. In attendance were Sey Adil, Michael Fortunato, Paul Meade and Christopher Bazzinet. Also in attendance were Chris Monroe, Greg Bedula and Lisa A. Hancock, Director of Finance.

There was no public present for public comments.

[The December 16, 2004](#) minutes were not forwarded in time for the meeting and will be included with the next meeting agenda.

Greg Bedula discussed the communication from H.D. Segur Insurance. This company is currently trying to solicit the Town's insurance program. At this time we have a contract with Banknorth Insurance for these services. Greg responded to the questions highlighted in the letter and stated that his company does take the appropriate actions to address exposures and minimize losses.

There was also a communication from the Town Manager from Newington regarding their estimated increases in insurance. The information was confusing and Greg stated that he would try to follow up on this communication.

Chris Monroe highlighted his monthly group health insurance report. He has been working with Anthem to obtain the renewal rates and right now it appears that the rates may increase by 10% to 12% and will require further analysis of the information. Anthem is recommending an increase of 36% for the stop loss. It was mentioned that we may have to look at another company to provide stop loss insurance. Administrative expenses are paid as a percentage of claims. Anthem needs to reflect best estimated budget number. He also noted that we met the network access fee cap in November, 2004 for a total of \$174,174.

#### **Old Business**

At the last meeting the committee discussed liability insurance options for rental of Town property. The committee concurred with leaving the various short term rentals of Town facilities as it is and will not be addressing the coverage on those types of rentals. The committee is looking at a policy to address the longer term leases. Chairperson Moon mentioned that Bonnie Therrien thought that the lease agreement for the Olson House should have minimum limits for general liability.

#### **New Business**

Lisa Hancock discussed a new regulation for financial reporting called OPEB. This has to do with how the Town will account for post employment retirement benefits for things such as health insurance paid for retirees etc. This new regulation will require the Town to disclose the liability for current and future costs. The Town does not have to fund the unfunded portion of the liability that is calculated but this may not reflect well when the bond rating agencies review the financial statements as well as our ability to pay for these benefits in the future. We will need to work with Chris Monroe to determine how we will actuarially calculate the costs and will address ideas for funding these costs for the future. Each union currently contributes 2% of the employee pension contributions to a health insurance reserve for future coverage of costs.

The committee accepted a communication from Banknorth outlining the recent legal action taken against the Watson Group for political contributions. The ruling is against the company and no one individual. Banknorth has assured us that they do not participate in this type of activity and that this activity had to do with the Watson Group prior to the merger with Banknorth.

Sey Adil made a motion to adjourn at 6:45 pm; seconded by Paul Meade. The vote was unanimous.