

INSURANCE COMMITTEE MINUTES

Thursday, March 17, 2005

Town Manager's Conference Room

The meeting was called to order at 5:31 pm by Chairperson Polly Moon. In attendance were Sey Adil, Michael Fortunato and Chris Lyons. Also in attendance were Greg Bedula from Bank North Insurance, Chris Monroe and Tom Ragonese from R.C. Knox and Co. and Lisa A. Hancock, Director of Finance.

There was no public present for public comments.

A motion was made by Michael Fortunato; seconded by Sey Adil to accept [the minutes of January 20, 2005](#) as amended. (Amendment was to remove Chris Lyons name as in attendance on that date). The vote was unanimous.

A motion was made by Chris Lyons; seconded by Sey Adil to accept [the minutes of February 17, 2005](#). The vote was unanimous.

Lisa Hancock discussed that Greg Bedula has been working with CIRMA to agree not to increase rates on the Worker's Compensation Insurance for the Town side of no more than 10% and no more than 30% on the Board of Education side. With the increase in the modification factor due to claim deterioration the actual increase would have been an additional 22% to the above increases. Greg Bedula discussed how CIRMA calculates their premium rates. Calculations took into effect payroll decreases along with the 10% increase on the Town side for a net increase of 7%. The budget estimate on the Town side has been calculated at \$220,000 for FY 2005-06 and the Board of Education has added an increase of 35% to their current premium for FY 2005-06.

Greg obtained claims history for the past 3 years from CIRMA and has determined that there are no real patterns that require improvement in order to have better loss control. Many of the claims have are a result of slip and falls and tripping. Mike Fortunato wanted to know if there were any specific locations where these falls were occurring. Greg stated that they were at various locations and not one significant location. Mike asked Lisa if there is any special training that she might suggest. Lisa stated that the only thing that she could recommend at this time is maybe some training on how to lift items and store items properly. With no significant patterns it is very difficult to focus in on specialized training.

Chris Lyons questioned if some of the falls were related to snow, sand or ice. He wanted to know if the Town subcontracts out the snow removal service. Lisa stated that the subcontracting has been eliminated from the budget and Town forces have taken on this responsibility completely. Chris mentioned that we may have been able to have possible recourse with an outsourced company had they been responsible for the snow and ice removal. Greg Bedula mentioned that not all of the falls were related to snow and ice.

Lisa Hancock discussed the status of the Heart and Hypertension insurance fund. She explained that the fund which is self-insured by the Town was used to account for payments required for Heart and Hypertension claims for Police personnel who fall under this coverage. The coverage was removed by State Legislation in the 1990's, but the Town still faces possible claims for those who were under the Town's employment prior to the Legislative change date. Currently and over the past few years the Town has worked with CIRMA, which is the Claims Administrator for the program, to try to settle as many cases as possible in order to limit exposure. Over the past few years there has been insufficient funding placed within the H&H fund for actual exposures. There will be a significant increase in the FY 2005-06 budget to address the shortfalls from the past.

Chris Monroe discussed the Anthem Health Insurance renewal rates. He stated that there has been a large increase in Administrative, Network Access Fees and stop loss fees. Anthem scaled back some of the administrative increase. They originally had proposed a 12.5% increase and have now agreed to a 9% increase. This will vary as a percentage of claims. If we stay within the estimated claims for the 9% increase we should be ok. If claims go significantly higher, then it could result in a higher percentage being paid. There was a 14% increase in the stop loss payment. Chris reviewed the stop loss history and has recommended that we remain at a stop loss value of \$100,000. The network

access fee also rose 14% initially. Anthem has now agreed to go with the CPI plus 2 points at 5% instead.

The Connecticare renewal is up 17.4%. About 30 of the 50 employees within the plan will be moved to Anthem effective July 1, 2005. The Town is trying to find a way to move the remaining employees into Anthem with the same type of benefits provided.

Polly recommended that a comprehensive review of the retiree benefits take place including review of the various languages written in the union contracts. There may be a way to reduce benefit costs for the future. Lisa mentioned that we are currently working on various issues relating to retiree benefits and that as union negotiations arise, that will provide for an opportunity to discuss change. More than likely many of the current retirees would not be able to be changed.

Chris Monroe had reviewed the February claims, and the trending factor reflected that there may be a possibility that the Anthem projection for FY 2005-06 could be about \$100,000 lower than originally recommended. He feels we should wait until mid-April to get a better idea of the actual claims history at that point. He does not see us reaching \$6.3 million in claims for next year, but did not have an alternative estimate at this time. The overall increase of Anthems rates are about 11.5% for FY 2005-06.

There was no old or new business to address.

Sey Adil made a motion to adjourn at 7:04 pm; seconded by Chris Lyons. The vote was unanimous.