

MEETING MINUTES  
INSURANCE COMMITTEE

**Town Hall, Welling Conference Room**

**June 16, 2011**

**PRESENT:** Committee members: Paul Sousa, Joe Carlson, Ellen McCreery, and Tim Bockus.

**Absent:** Committee member : Tom Rup

**Also Present:** Finance Director Mike Walsh, Risk Manager Cindy Bennett and Steven Bixler and Kaylee Monteiuis from CIRMA

The meeting was called to order by Interim Chairperson Paul Sousa at 5:08 P.M.

**MOTION** by Paul Sousa  
seconded by Ellen McCreery  
to approve the minutes of the June 17, 2010, meeting as written.

Motion carried by 3/0

Interim Chair Sousa entertained nominations for election of Committee Officers.

Ellen McCreery nominated Paul Sousa for Chairman. Joe Carlson seconded the nomination. By a 3-0 vote of the Committee, Paul Sousa was elected Chairman.

Paul Sousa nominated Ellen McCreery for Vice-Chairman. Joe Carlson seconded the nomination. By a 3-0 vote of the Committee, Ellen McCreery was elected Vice-Chairman.

Ellen McCreery nominated Tim Bockus for Secretary. Joe Carlson seconded the nomination. By a 3-0 vote of the Committee, Tim Bockus was elected Secretary.

Chair Sousa recognized Cindy Bennett who reviewed the Town's Risk Management Program Summary Update (see handout attached). Chairman Sousa commended the proactive incentive measures implemented by the Town through the Finance Director Mike Walsh and Risk Manager Cindy Bennett.

Chair Sousa recognized Mike Walsh who gave an informational overview of the events that led to last year's selection of CIRMA by Mayor Currey overriding the Committee's selection of Travelers.

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Mike Walsh then introduced Steve Bixler from CIRMA who presented a company overview and information on CIRMA. Following his introduction, Mr. Bixler reviewed the Property/Liability Insurance Renewal Presentation (see attached handout).

Mr. Bixler noted that the \$6,500 increase in the Property premium was mostly due to the Builder's Risk policy for Firehouse #5 construction.

MOTION by Ellen McCreery  
seconded by Joe Carlson  
to accept the proposal from CIRMA.

Motion carried by 3/0

Ms. Bennett and Mr. Bixler then presented to the Committee the progress made by CIRMA as the Town's broker in investigating costs for Professional Liability and Excess Workers Compensation policies.

The Professional Liability policy with the incumbent carrier would be \$3,000 which is a minimum premium.

The Excess Workers Compensation policy with the incumbent carrier would be \$68,669 plus an anticipated increase of 20% to 22%.

An option for a Corridor plan with the incumbent would be \$72,354. This would keep the current \$600,000 deductible and if a second event occurred, the deductible would be \$750,000.

MOTION by Ellen McCreery  
seconded by Joe Carlson  
to approve the Corridor plan proposal with the current carrier in the amount of \$72,354 unless a more competitive quote came in by the weeks end.

Motion carried by 3/0

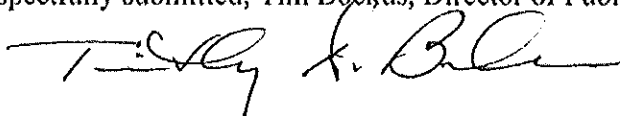
New Business- none

MOTION by Joe Carlson  
seconded by Ellen McCreery  
to adjourn the meeting.

Motion carried by 3/0

Paul Sousa declared the meeting adjourned at 6:10 PM.

Respectfully submitted, Tim Boekus, Director of Public Works



## RISK MANAGEMENT PROGRAM SUMMARY

June, 2011

### HEALTH BENEFITS

The Town and Board of Education continue to self-insure an Anthem Blue Cross/Blue Shield PPO, an Anthem HMO (BlueCare), and a CtCare HMO. Also self insured is the prescription drug coverage administered by Medco.

The Town purchases excess insurance on a \$150,000 per person per year basis and also on an aggregate basis at 125% of expected claims. Our claim costs continue to be extremely high for both CtCare and Anthem. Due to National Health Care Reforms, our benefit structure will now include zero co-pays for preventative services and the removal of any caps that might have been in place. Also dependents can now be covered up to age 26. These changes will increase the costs to our self insured programs. High Deductible Health Plans are being offered to employees as a more consumer driven approach with the goal to reduce expenses to both the Town and the employee.

Insurance Programmers out of Wallingford will continue to administer the self insured over 65 claim program including the Medicare Part D drug subsidy. InTech is another vendor that is administering another federal subsidy program and that is for early retirees. Both of these plans return portions of money we have already spent on health care. This money goes right back into the medical reserve.

The Town continues, through contracts, to work with Lockton, our health benefit consultant, and Medco, our pharmacy vendor, on ways to minimize the rising costs of health care.

The Town continues to offer an opt-out health benefit financial plan to all employees. This financial plan is a 3 tiered benefit and the payment for opting out varies according to if an employee has single, single plus one, or family coverage on the current plan.

The Town/Board of Education have also implemented Sec. 125 and 129 plans allowing for pre-tax premium shares and pre-tax medical and dependent care reimbursement accounts. All union contracts have negotiated premium shares and soon will be offered a high deductible health care option.

Employee wellness initiatives continue and include a \$1 per work out reimbursement for exercising at any fitness center and a 50% reimbursement for participating regularly in any weight watcher program. Both are capped at a not to exceed price of \$150 annually. We also offer a \$25 gift card any time an employee or retiree opts out of our self insured drug program for a generic maintenance drug and instead chooses to participate in a non insurance program provided by many retailers. For every 3- 30 day scripts or 1- 90 day script not submitted through our program, the employee/retiree can get a \$25 gas card. There is also a walking for wellness program that rewards employees for walking regularly. Once 75 hours is reached, a \$50 gift card is given to the employee. We are discussing more results based incentives for the future.

The Town continues to participate in the Ct. Public Sector Purchasing Coalition whereby we can enjoy the benefits of bulk purchasing.

The many phases of National Health Care Reform is being monitored including the impact to the Town plans and associated costs.

## WORKERS' COMPENSATION

The Town and Board of Education continue to self-insure Workers' Compensation including heart and hypertension benefits. As of July 1, 2009, The Workers Compensation Trust has been administering the program. We also have contracted with the law firm of McGann, Bartlett, and Brown as defense attorneys.

Both claim frequency and claim severity have gone down over the past year. (4% average for frequency and 18% average for severity-Town and BOE statistics combined).

For the 2010 calendar year, claims costs (excluding defense costs) totaled \$713,298 with 60% of that being the medical component. 2010 calendar year heart and hypertension costs totaled \$235,219 with 21% of that being the medical component. (Heart & Hypertension costs increased from \$227,075 which is what was paid in 2009)

We have received permission from the Mayor to continue the Workers Compensation claim incentive program for the 2011 calendar year. This program is offered to the Board of Education, Police, Fire, Public Works and Parks Departments (the largest departments). Multiple financial awards have been given and spent in a variety of creative ways. The award idea is presented by the department safety committee and needs final approval from the department head.

## AUTO AND GENERAL LIABILITY

The Town and Board of Education continue to self-insure auto and general liability claims. The program is currently administered by CIRMA. Pot hole and slip and fall claims are the most frequent type of general liability claim.

## PROPERTY/LIABILITY INSURANCE

CIRMA is our current property and liability insurer. They will present a zero rate increase package to us today. CIRMA also acted as our broker this year in placing two lines on insurance that they do not offer, a workers compensation excess policy and a professional liability policy for counselors working through youth services.

## OTHER

Risk Management continues to run eight safety committees, a wellness program and chairs the Employee Assistance Program. Proactive programs such as these help to keep down risk management expenses.

Town of East Hartford  
 Liability-Auto-Property Pool  
 Premium Summary 2011-12  
 June 16, 2011

Coverage	2011-12 Premium	Town	Board of Education
General Liability	↓ 105,275	50,006	55,269
Automobile Liability & Auto Physical Damage	↓ 63,839	63,503	336
Law Enforcement Liability	↓ 46,705	46,705	0
Public Officials Liability	↓ 54,960	54,960	0
School Leaders Liability	↑ 18,031	0	18,031
Excess Liability (\$10,000,000 limit)*	↑ 109,513	52,019	57,494
Property	↓ 184,210	34,631	149,579
Boiler & Machinery	↑ 17,154	2,841	14,313
<b>Sub-Total - LAP</b>	<b>599,687</b>	<b>304,665</b>	<b>295,022</b>
Crime (Employee Dishonesty)	5,626	1,351	4,275
<b>Total</b>	<b>605,313</b>	<b>306,016</b>	<b>299,297</b>

+ 8,993

1 1/2% inc.

Last year \$10,000,000 excess \$95,476

**Town of East Hartford  
 Liability-Auto-Property Pool  
 Premium Summary 2010-11  
 Revised 7/15/10**

Coverage	2010-11 Premium
General Liability	105,399
Automobile Liability	31,601
Automobile Physical Damage	32,266
Law Enforcement Liability	50,067
Public Officials Liability	54,968
School Leaders Liability	18,137
Excess Liability (\$10,000,000 Limit)	95,476
Property	177,760
Boiler & Machinery	25,020
<b>Sub-Total - LAP</b>	<b>590,694</b>
Crime (Employee Dishonesty)	5,626
<b>Total</b>	<b>596,320</b>

Town	Board of Education
50,065	55,334
29,466	2,135
31,023	1,243
50,067	
54,968	
	18,137
45,351	50,125
33,419	144,341
4,143	20,877
<b>298,502</b>	<b>292,192</b>
1,351	4,275
<b>299,853</b>	<b>296,467</b>



**Town of East Hartford and East Hartford Board of Education  
2010-11 Outline of CIRMA Activities  
As of June 16, 2011**

<b>Date</b>	<b>Activities</b>
July 19, 2010	Completed pool inspections for the town
July 29, 2010	Met to discuss Martin Park event and appropriate risk management protocols
July 23, 2010	Policy delivered and established 2010-11 risk management objectives
August 24, 2010	Playground Inspections completed
September 13, 2010	10 Hour OSHA Training
October 7, 2010	Playground Liability Workshop
October 14, 2010	Workplace Violence Workshop
November 9, 2010	Underwriting team met with the town to discuss the following: <ul style="list-style-type: none"> <li>• Flood zone locations</li> <li>• Pollution cover</li> <li>• Vacant and foreclosed property</li> <li>• Fine Arts</li> <li>• Members' Equity Distribution</li> </ul>
February 23, 2011	Discussion on the use of volunteers
April 1, 2011	Discussion and recommendations on H.S. automotive program
April 5, 2011	Underwriting team met with the town to discuss the following: <ul style="list-style-type: none"> <li>• Members' Equity Distribution</li> <li>• East Hartford and CIRMAs' relationship</li> <li>• Business plan</li> <li>• Edward E. King Museum</li> <li>• Fire memorabilia</li> <li>• The Integrated Healthcare Services program</li> </ul>
April 27, 2011	TULIP Program and functionality discussed
April 29, 2011	Underwriting team met with the town to discuss the following: <ul style="list-style-type: none"> <li>• Auto Physical Damage</li> <li>• Values of the Fire House and Fire Apparatus</li> <li>• LAP Endorsements</li> <li>• Placement of the Medical Professional Liability and Excess Workers' Compensation</li> <li>• BOE automotive program</li> </ul>
May 6, 2011	Fire department property valuation discussion
May 18, 2011	Attended the towns Health and Safety fair, provided information on defensive driving and statistics on motor vehicle crashes.
May 25, 2011	For town department directors, Paul Gills did a presentation on workplace violence. The presentation was in conjunction with the town's policy and handbook on workplace violence.
June 1, 2011	Facilitated placement of excess workers' compensation and medical professional liability
Various	76 Certificates of Insurance issued

SECTION V.

SUMMARY OF INSURANCE COVERAGES

The following is a brief summary of all major exposures covered in total or part by insurance. A more detailed explanation of coverage, limits and limitations can be obtained from the Risk Manager.

Coverages effective 7/1/10 through 7/1/11

Insurance Agents:

Lockton Companies  
195 Scott Swamp Rd.  
Farmington, CT 06032

<u>COVERAGE</u>	<u>COMPANY</u>	<u>DEDUCTIBLE</u>	<u>ANNUAL PREMIUM</u>
Property (buildings & contents)	CIRMA	50,000	177,760
Inland Marine (Equip)	CIRMA	1,000	in above
Boiler & Machinery	CIRMA	25,000	25,020
Auto Physical Damage	CIRMA	1,000	32,266
Law Enforcement Liab.(1M)	CIRMA	250,000	50,067
Public Officials Liab.(1M)	CIRMA	100,000	54,968
School Leaders Liab.(1M)	CIRMA	100,000	18,137
Excess Auto Liab./GL(1M)	CIRMA	500,000	137,000
Umbrella (10M)	CIRMA	-----	95,476
Crime	CIRMA	25,000	<u>5,626</u>
			596,320