

MEETING MINUTES
INSURANCE COMMITTEE
TOWN OF EAST HARTFORD, CT

Town Hall, Welling Conference Room

June 3, 2014

PRESENT: Committee members: Chairperson Paul Sousa, Melodie Wilson, Joe Carlson (arrived at 5:55 P.M.), Ellen McCreery, and Tim Bockus.

Also Present: Risk Manager Cindy Bennett, Finance and Benefits Director Michael Walsh, Steve Bixler- CIRMA, Fiona Porto- CIRMA, and Christopher Wardrop-USI

The meeting was called to order by Chairperson Paul Sousa at 5:10 P.M.

Acceptance of Minutes

MOTION by Ellen McCreery
seconded by Paul Sousa
to approve the minutes of the October 29, 2014, meeting as written.

Motion carried by 2/0
Committee Member Carlson had not yet arrived
Committee Member Wilson abstained.

Chair Sousa recognized Cindy Bennett who reviewed the Town's Risk Management Program Summary Update (see handout attached).

Cindy Bennett then introduced Steve Bixler and Fiona Porto from CIRMA who presented CIRMA's renewal for the Town (see attached handouts).

The Committee reviewed and discussed the following items:

- Liability-Auto-Property Proposal
- Excess Workers' Compensation Insurance
- Professional Liability- Youth Services

MOTION by Ellen McCreery
seconded by Melodie Wilson
to recommend the Town stay with the current Liability-Auto-Property

coverage plan noted as Option #1.

Motion carried by 4/0

Cindy Bennett introduced Chris Wardrop of USI who presented an overview of industry trends and issues. Mr. Wardrop indicated that USI endorses the programs the Town has chosen.

Chairperson Sousa commended Cindy Bennett and Mike Walsh, Director of Finance for the excellent work they do on behalf of the Town.

New Business- none

MOTION by Ellen McCreery
 seconded by Melodie Wilson
 to adjourn the meeting.

Motion carried by 4/0

Paul Sousa declared the meeting adjourned at 6:06 PM.

Respectfully submitted,

Tim Bockus, Director of Public Works

RISK MANAGEMENT PROGRAM SUMMARY

June, 2014

HEALTH BENEFITS

The Town and Board of Education continue to self-insure an Anthem Blue Cross/Blue Shield PPO and a CTCare PPO. Also self insured is the prescription drug coverage administered by Medco/Express Scripts or in the case of high deductible health plans, anthem administers the medical claims as well as the prescription drug program.

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. High Deductible Health Plans along with a wellness incentive continue to be negotiated with all Town and BOE unions. As of July 1, 2014 all town and board of education groups will have this plan in place. For some contracts it is the only choice, for others it is one of a few choices.

Insurance Programmers out of Wallingford will continue to administer the self insured over 65 claim program including the Medicare Part D drug subsidy. The benefit of covering retirees over 65 on a Medicare supplement has been negotiated out of CSEA contract. As other contracts open up the coverage will be eliminated or there will be an OPEB premium charged to employees.

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 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. 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. As we negotiate in high deductible health plans, wellness incentives will also include an opportunity for the town to contribute funds into the employees HSA account.

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 are 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 have recently gone through the bid process and after a review of seven interested firms, the best option was the current option and the town is in process of signing another five year contract with the Workers' Compensation Trust. We continue to use the law firm of McGann, Bartlett, and Brown as defense attorneys.

The frequency of our claims continues to decrease but the severity of the fewer claims continues to increase. For the 2011 calendar year, claims costs (excluding defense costs) totaled \$835,784 with 60% of that being the medical component. For the 2012 calendar year, claim costs (excluding defense) totaled \$1,258,112 with 68% of that being for the medical component. For the 2013 calendar year the claim costs (excluding defense costs) totaled \$1,412,285 with 67% of that being for the medical component. The medical component of worker's compensation used to be about 40% of total costs and now is close to 70% of our costs. This is due in part, to an increase in surgeries and the lack of a statutory fee schedule for hospital and surgical centers.

We have received permission from the Mayor to continue the Workers Compensation claim incentive program for the 2014 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

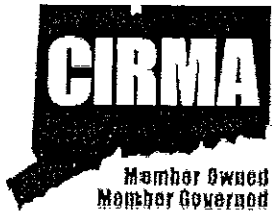
The Town and Board of Education continue to self-insure auto and general liability claims with a \$500,000 self insured retention. The program is currently administered by CIRMA.

PROPERTY/LIABILITY INSURANCE

CIRMA is our current property and liability insurer. We have entered into a two-year rate lock with them the first year is effective July 1, 2014 where the largest increase can be 5.5%. The next fiscal year, the increase is capped at 6%.

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.



Connecticut
Interlocal
Risk
Management
Agency

Liability-Auto-Property Pool Proposal

Town of East Hartford and East Hartford Board of Education

Option 1: Comprehensive and Collision coverage is not provided for ACV vehicles 2003 and older

Proposal Coverage Period: 07/01/2014 - 07/01/2015

Total Contribution for All Lines Offered: \$672,159

Proposal Valid Until: June 23, 2014

Liability Coverages Offered:

SECTION A. GENERAL LIABILITY

Limits of Coverage:	\$1,000,000	Each Occurrence
	\$3,000,000	Combined Aggregate with Coverage Sections B. and C.
Sublimits:		
Fire Damage Liability	\$300,000	
Limited Care Custody & Control	\$500,000	
Deductible:	\$500,000	

SECTION B. PERSONAL INJURY & ADVERTISING INJURY

Limits of Coverage:	\$1,000,000	Each Offense
	See Sec. A.	Combined Aggregate with Coverage Sections A. and C.
Deductible:	\$500,000	

SECTION C. MEDICAL PAYMENTS

Limits of Coverage:		
General Liability	*\$10,000	Each Person
	See Sec. A.	Combined Aggregate with Coverage Sections A. and B
Deductible:	\$500,000	
	*10,000 limit chosen by the Member is within their deductible	
Limits of Coverage:		
Auto Liability	** \$5,000	Each Person
Deductible:	\$500,000	
	** \$5,000 limit chosen by the Member is within their deductible	

Liability-Auto-Property Pool

**Proposal for
Town of East Hartford and East Hartford Board of Education**

SECTION D. AUTOMOBILE LIABILITY

Limits of Coverage: \$1,000,000 Each Occurrence
Deductible: \$500,000

SECTION E. UNINSURED/UNDERINSURED MOTORIST COVERAGE

Limits of Coverage: *** \$40,000 Each Occurrence
Deductible: \$500,000
Coverage Type: Standard
*** Limit chosen by the Member
is within their deductible

SECTION F. EMPLOYEE BENEFITS LIABILITY (CLAIMS MADE)

Limits of Coverage: \$1,000,000 Each Claim
\$1,000,000 Aggregate
Deductible: \$1,000
Retroactive Date: 07/01/1986

SECTION G. LAW ENFORCEMENT LIABILITY

Limits of Coverage: \$1,000,000 Each Wrongful Act
\$1,000,000 Aggregate
Deductible: \$250,000 Each Wrongful Act

SECTION H. PUBLIC OFFICIALS LIABILITY (CLAIMS MADE)

Limits of Coverage: \$1,000,000 Each Wrongful Act
\$1,000,000 Aggregate
Deductible: \$100,000 Each Wrongful Act
Retroactive Date: 07/01/1986

SECTION I. SCHOOL LEADERS LIABILITY (CLAIMS MADE)

Limits of Coverage: \$1,000,000 Each Wrongful Act
\$1,000,000 Aggregate
Deductible: \$100,000 Each Wrongful Act
Retroactive Date: 07/01/1986

Liability-Auto-Property Pool

Proposal for

Town of East Hartford and East Hartford Board of Education

SECTION J. FOLLOWING FORM EXCESS LIABILITY

Coverage:	Limits of Coverage:	
General Liability, including Personal Injury and Advertising Injury	\$10,000,000	Each Occurrence or Offense and Annual Aggregate (where applicable)
Automobile Liability	\$10,000,000	Each Occurrence
Employee Benefits Liability (claims made)	\$10,000,000	Each Claim and Annual Aggregate
Law Enforcement Liability	\$10,000,000	Each Wrongful Act and Annual Aggregate
Public Officials Liability (claims made)	\$10,000,000	Each Wrongful Act and Annual Aggregate
School Leaders Liability (claims made)	\$10,000,000	Each Wrongful Act and Annual Aggregate

Schedule of Underlying Coverage and limits:

General Liability (Coverage Section A.)	\$1,000,000	Each Occurrence; Combined Aggregate with Coverage Sections B & C
Personal Injury and Advertising Injury (Coverage Section B.)	\$1,000,000	Each Offense; Combined Aggregate with Coverage Sections A & C
Auto Liability (Coverage Section D.)	\$1,000,000	Each Occurrence
Employee Benefits Liability (Coverage Section F.)	\$1,000,000	Each Claim and Annual Aggregate
Law Enforcement Liability (Coverage Section G.)	\$1,000,000	Each Wrongful Act and Annual Aggregate
Public Officials Liability (Coverage Section H.)	\$1,000,000	Each Wrongful Act and Annual Aggregate
School Leaders Liability (Coverage Section I)	\$1,000,000	Each Wrongful Act and Annual Aggregate

Property Coverages Offered:

SECTION A. AUTOMOBILE PHYSICAL DAMAGE

Limits of Coverage: Actual Cash Value unless otherwise indicated by endorsement.

Catastrophe Coverage: Included

Deductible:

Comprehensive	\$1,000
Collision	\$1,000
Catastrophic Loss	\$5,000

**Comprehensive and Collision coverage is not provided for ACV vehicles 2003 and older*

Connecticut Interlocal Risk Management Agency
Liability-Auto-Property Pool

**Proposal for
Town of East Hartford and East Hartford Board of Education**

SECTION B. PROPERTY COVERAGE

Limits of Coverage:	Blanket Real and Personal Property	\$365,157,024
Deductible:	Accounts Receivable, Valuable Papers, Transit, Fine Arts, Mobile & Contractors' Equipment	\$1,000
	All Other Real and Personal Property	\$50,000
	Flood and Earthquake*	\$50,000
Sublimits:	Flood, Per Occurrence and Annual Aggregate	\$10,000,000
	Earthquake, per Occurrence and Annual Aggregate	\$10,000,000
	Business Interruption	\$100,000
	Extra Expense	\$500,000
	Rental Income	\$100,000
	Transit	\$50,000
	Leasehold Interest	\$25,000
	Money & Securities - Inside	\$10,000
	Money & Securities - Outside	\$5,000
	Debris Removal	Included
	Demolition	\$1,000,000
	Increased Cost of Construction	\$3,000,000
	Accounts Receivable	\$100,000
	Valuable papers	\$100,000
	Fine Arts	\$100,000
	Mobile and Contractors' Equipment	\$4,460,756
Additional Coverages:	Builders Risk (Per Project Annual Aggregate)	\$2,000,000/\$20,000,000
	Newly Acquired Properties	\$1,000,000

* For properties that are designated by the U.S. Army Corps of Engineers to be in Flood Zone A or V, the flood deductible is \$500,000 as respects each commercial building; \$500,000 as respects personal property in each commercial building; \$250,000 as respects each residential building; \$100,000 as respects personal property in each residential building; and \$200,000 per occurrence as respects all other buildings.