

[NOTE: These minutes are made available to the public prior to Insurance Committee acceptance.]

**Town of Wethersfield
Insurance Committee Special Meeting
Town Manager's Conference Room
September 20, 2007**

The meeting was called to order at 5:33 PM by Chairperson Polly Moon.

Committee members present were Polly Moon, Chris Bazinet (5:39 PM), Sey Adil, Mike Fortunato and Donna Hemmann.

Also present were Karen Clancy, Director of BOE Business Services; Greg Bedula from TD BankNorth Insurance Agency; Chris Monroe from SS&S; Jeff Kotkin, Town Council Liaison; Bonnie L. Therrien, Town Manager and Lisa Hancock, Finance Director - Town of Wethersfield.

Members Absent: Chris Lyons and Paul Meade (excused absences).

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

Polly Moon introduced Donna Hemmann who is replacing Edward Rosania as committee member.

Election of Committee Chair and Vice Chair

Polly requested to move the agenda item for election of Chair and Vice Chair. Sey Adil nominated Polly Moon as Chair. Seconded by Mike Fortunato. Motion carried unanimously. Sey Adil nominated Mike Fortunato as Vice Chair. Seconded by Donna Hemmann. Motion carried unanimously.

Acceptance of Minutes

Mike Fortunato moved the approval of [the May 30, 2007, minutes](#). Seconded by Sey Adil. All voted in favor except one abstention from Donna Hemmann.

Reports from Agents of Record

Greg Bedula from TD BankNorth discussed his recent communications with the Town Hall Phase II Building Committee. He was approached by the Building Committee to assist and provide some guidance with the requirements for the Architect's Errors and Omissions insurance. The Architect was having difficulty obtaining the additional insurance for the \$4 million requirement that the Town has. The Architect was able to obtain up to \$2 million through his Traveler's Insurance Program. Greg worked with the Architect's agent to procure additional \$2 million through surplus lines.

Chris Bazinet arrived at 5:39 P.M.

Jeff Kotkin asked if this was for the Phase II project and if it was for the Town or the Architect's Errors and Omissions policy. Greg responded that the policy covered the Architect.

Greg also stated that the Town recently was faced with a similar situation with the requirements for the proposal on the Horse Drawn Carriage Program. He stated that there is a party that is interested in providing that services to the Town who has \$1 million in liability coverage; and the proposal requires \$4 million umbrella in excess of the \$1 million liability. This would be a total requirement of \$5 million. There was a debate whether the Town should require less

coverage. The professional advice was not to change it because of recent horse and carriage incidents in New York City and elsewhere. Sey Adil asked if the Town could purchase the insurance. Greg stated that they could; however, it might set up a case of precedence that might not be in the best interest of the Town. Ms. Moon stated that this issue was outside of the committee's purview and was a decision that had to be made by Council.

CIRMA and the Hartford Volunteer Accident Insurance Program

Greg reviewed the information from CIRMA that reflected an increase in coverage offered by CIRMA. VFIS policy provides much of this additional coverage. This change by CIRMA is a step towards becoming equivalent.

Bonnie Therrien arrived at 5:49 P.M.

More part time workers are included in this program. Greg is going to clarify this information with Steve Bixler from CIRMA. Greg and Chris Monroe will review and compare the coverage's by CIRMA and VFIS to see if there will be any savings.

Report from SS&S:

Chris Monroe discussed the Health Insurance claims. Last FY 06-07 ended with significant claims that severely impacted the self insurance fund. These major claims carried forward into August. There was one new claim that has arisen this year that has generated about \$77,000 in claims to date. The Town is not beginning the FY 07-08 in good shape. The Town's stop loss insurance begins paying for the amount of claims over \$100,000. Two claims in FY 07-08 already have exceeded the \$100,000 mark, and the third claim is getting close. These three claims have accounted for 29% of all the claims for FY 07-08 so far. Since there were not due to behavioral circumstances, they were not considered to be preventable. Donna Hemmann asked if case management is used during the claim process. Chris affirmed that it is.

Chris discussed total costs. So far the network access fees total about \$150,000 and the cap is \$195,351. The Town will meet the cap in September. There will probably be some additional payments on the large claims from July and August during the month of September; but we will possibly begin seeing some reductions in those claims. Chris reviewed all of Anthem's monthly reports and explained that there are going to be some changes in how the reports are presented in order to identify all costs associated with claims and not just claims.

Jeff Kotkin wanted to know if the Town is seeing any impact from the new teacher's contract on the funding. Chris stated that there usually is a lag of several months prior to seeing any impact. The new plan started July 1, and employee co-payments have increased; and there are 30 plus people in the Health Savings Accounts. Chris said that it is going to be difficult on the PPO side to determine actual value. Chris will try to gather information that will show impact. Donna recommended removing the current high claims from the analysis in order to better reflect the trending results.

Mike Fortunato asked how we would determine the breakpoint to become a fully insured fund. Chris stated that over the past several years the Town has saved several hundred thousand dollars by being self insured. He does not recommend a switch in methods at this point. He believes that there have not been a significant period of time during which there has been negative claims history to warrant. If experience continues to be poor for extended periods of time, then it may make sense to review the funding method.

Legislation on Healthcare benefits for Municipal Employees

Bonnie Therrien updated the committee on the status of the legislation that has been discussed over the past several months. She stated that Nancy Wyman is still pushing for the state-mandated coverage of health benefits but nothing has been passed by the Legislature so far. The State backed off a bit by recommending a requirement to have the municipalities confirm that their plans were actuarially equivalent. Then the legislation died during the process. The topic will be revisited, and Town staff will continue to watch for new legislation proposals.

Old Business

Polly reported that Sey Adil, Paul Meade and she had met during the last week to work on the insurance ordinance revision. Polly and Bonnie will be discussing some ideas. She is anticipating discussing the recommended changes with the committee in November.

New Business

None.

Adjournment

Sey Adil moved for adjournment at 6:28 PM. Seconded by Donna Hemmann. Motion carried unanimously.

Respectfully submitted,

Lisa A. Hancock
Director of Finance