

## **Insurance Committee Meeting October 20, 2005**

Chairperson Polly Moon called the meeting to order at 5:45 PM.

Committee members present were Mike Fortunato, Christopher Lyons, Sey Adil and Paul Meade. Chris Bazinet had an excused absence. Also present were Chris Monroe from RC Knox, Greg Bedula from BankNorth Insurance Agency and Lisa Hancock, Finance Director - Town of Wethersfield (left 6:55 PM).

Public Comments: No one was present from the Public to speak.

Lisa Hancock mentioned that the committee is still one member short and will be checking with the Town Manager to see if there is any update from Town Council.

[The minutes from the September 22, 2005](#), meeting was not approved because committee members had not had a chance to review them. They will be submitted on the next agenda for approval.

### **Reports from Agents of Record:**

Chris Monroe, R.C. Knox discussed the following:

1. Chris advised the committee that he would be leaving RC Knox after 10 years of service and is becoming a partner with SS&S agency. Mary Hilliman from RC Knox who also services our account is also going with Chris. A communication signed by both RC Knox president, John Byrnes and Chris Monroe reflects that Chris will be purchasing the accounts from RC Knox effective November 1, 2005.

Lisa Hancock mentioned that the Town Council minutes from February 17, 2004, had named Chris Monroe of RC Knox for a period of 3 years and that at that time the committee would entertain bids as is the usual procedure. The committee discussed that since this was a purchase of a portion of the agency and its business and was also a continuation of Chris Monroe's service based on the agreement he now has with RC Knox to purchase the Town's account, it would not change the service agreement. Precedence for this was previously set when, in the past, The Watson Group and R. C. Knox and Company was purchased.

**A motion was made by Chris Lyons and seconded by Sey Adil to recommend to Town Council to appoint SS&S - Chris Monroe as agent of record in view of the letter of agreement dated October 6, 2005, from Chris Monroe and John Byrnes (President of RC Knox). Motion carried unanimously.**

2. Chris Monroe provided an overview of the Medicare Part D subsidy program. The subsidy is estimated to be about \$660 per member, and the total subsidy is anticipated to be between \$60,000 and \$80,000. The Town will be contracting with Anthem to perform the month reporting service to CMS. The contract price will be less than the anticipated return from the subsidy and is well worth the cost.
3. Chris reviewed claims with the committee. He stated that although it appears that we have exceeded our estimated exposure cost, we are about \$92,000 less in the first three months when factoring in the stop loss reimbursement. Chris reviewed the 13-month claim report. There was one especially large loss that resulted in an individual's reaching the stop loss threshold. In spite of this large loss, Chris anticipates that claims will be below our estimate. Having compiled an analysis of large claims, he reviewed the gross claims over the last 12 months, and looked at stop loss claims. The large claims are a partial explanation for the increase, but it also appears that there is an increase in activity. This is partially due to the transfer of enrollment from CT Care to Anthem.

Greg Bedula, BankNorth Insurance Agency, discussed the following:

1. Lisa Hancock brought up a concern from the volunteer firemen regarding coverage if they were to be injured at

the firehouse while not on "active firefighting" duty. Greg advised that the workers compensation coverage was for expected duties as assigned by the Fire Chief and other fire authority figures but that there were also some "grey" areas that might not be covered. The firemen do not want to be subject to the grey areas. Chris Monroe stated that there are currently two policies in place that fill part of these areas of coverage and possibly overlap a portion of the workers compensation coverage. These are the VFIS and Wilcox & Reynolds policies that cover accidental death and dismemberment and loss of wages. Neither policy covers social situations. The only method in which to accomplish this would be to implement a true 24-hour policy with an additional cost of \$5,000 to the Town. The death and disability benefit component of this coverage would also be scaled back under a 24-hour policy. There are no medical benefits. Paul Meade suggested that there is fairly limited exposure with the grey areas.

Chris Lyons raised the question as to whether an excess health policy might be a better solution.

Greg Bedula and Chris Monroe plan to meet with the Firefighters together to try to resolve the issue and will report back to the committee. Greg indicated that at the meeting he attended, it appeared that medical coverage was the biggest concern of that group.

Greg also reported that he had ordered loss runs from CIRMA but that they had been unable to produce them because of internal system issues. He will provide them at the November meeting.

**At 7:10 p.m. Sey Adil moved, and Paul Meade seconded, for adjournment. All were in favor.**