

Village of Barrington Hills

Minutes of Insurance Committee meeting of October 22, 2013

Chairman Harrington called the meeting to order at 8:00 a.m. Roll Call.

Members Present

Mike Harrington, Chairman

Fritz Gohl

President Marty McLaughlin (ex-officio)-arrived at 8:37 a.m.

Other Attendees

Amy Nelson, Lundstrom Insurance

Rosemary Ryba, Village Treasurer

Craig Flynn, Lundstrom Insurance-arrived at 8:13 a.m.

Boomer Whipple, Lundstrom Insurance

Rich Semelsberger, Deputy Chief

Guests

Wendi Frisen, Manager of Municipal Services

Alice Runvik, Assistant to Chief of Police

MINUTES

Reviewed minutes from August 27, 2012 Insurance Meeting. Motioned and moved by Fritz Gohl for approval, Mike Harrington abstained as he was not present for that meeting. Minutes approved.

LUNDSTROM INSURANCE – PLAN ASSESSMENT/RECOMMENDATION

Boomer explained that the final quotes were not available from Blue Cross Blue Shield, but anticipates receiving them within the next week and will provide as soon as they come in. He then reviewed the Affordable Care Act [ACA] (healthcare reform) changes to plans effective January 1, 2014. Insurance companies can no longer deny health insurance to individuals due to pre-existing conditions or other related factors. The small group market cannot use health conditions to determine the rate for premiums starting January 1, 2014.

Blue Cross Blue Shield [BCBS] will provide a December 1, 2013 renewal rate as well as a January 1, 2014 renewal rate. The December 1st renewal would defer any ACA compliance requirements and may provide premium savings vs. the January 1st renewal. Boomer then reviewed the current plan and deductible amounts for employee vs. employee with dependent(s). One of the compliance requirements the Village would face if renewing on January 1, 2014 would be a change to the Village-paid deductible amount from the current \$2,500 employee-only/\$5,000 employee w/family to \$3,750 employee-only/\$7,500 employee w/family.

Humana and United Healthcare plans were reviewed since rate quotes from those alternative carriers were received for 2014. Upon President McLaughlin's arrival, he re-capped what he had missed.

Boomer reported that utilization statistics on the health plan for the Village of Barrington Hills has been at approximately 80% at year end for the past two fiscal years. The renewal rates for long term disability was not raised as there is a three (3) year rate guarantee of which we are in the second (2nd) year. The life insurance premium was held as well which has a two (2) year rate guarantee that ends in 2014.

He then reviewed the exposure of health care costs, national averages and local municipalities' level of employee contributions. The Kaiser survey showed that the employee contributions rate for single coverage was 18% and family was at 29% nationally. For state and local government the average percentage of employee contributions was stated at 11% single and 16% family.

President McLaughlin requested a quote to have a wellness program implemented. He hoped it would provide a report on individuals' health conditions and provide a program for better health of the members of the plan. Boomer discussed a program called "well on target" on carrier options or to possibly have an outside vendor come in. Due to the fact that the final quotes are not yet available and the materials that Lundstrom Insurance provided required a review from Chairman Harrington, a decision on making a recommendation to the Board will be postponed.

PROPERTY/CASUALTY –PLAN ASSESSMENT/DISCUSSION

President McLaughlin asked Lundstrom Insurance for coverage information on Trustees related to the ULP/Collective Bargaining Unit (MAP). Amy Nelson explained that there is not a policy available through the Village's insurance policies, nor does this type of coverage exist. An option is for the Trustees to check into their personal policies on coverage.

A risk management summary was reviewed by Craig Flynn. The current property blanket limit is based on the 12/31/12 appraisal at \$5,765,379. The umbrella policy covers employment practices/public officials and law enforcement policy limits. Upon completion of the review, the overall percentage of increase in renewal rates was preliminarily quoted at approximately 5%.

The worker's compensation rates are based off of payroll classifications which are police and clerical. The 2014 renewal rate was quoted at a 3% increase for the worker's compensation policy. President McLaughlin asked what the current reserve column in the claim history report meant. Amy explained it was what IPRF (Illinois Public Risk Fund) expects to still pay out.

Chairman Harrington asked if there was any risk that the Village should have coverage for. Craig stated that cyber liability covers losses if the Village's network was hacked into. A premium for such coverage would be about \$3,000 to \$5,000 to protect employee personal data. Since no other private information was retained electronically by the Village it will not be added.

There being no public comment and no further business, Fritz Gohl motioned to adjourn and seconded by President McLaughlin at 10:05 a.m.