



## DRAFT MINUTES

June 20, 2006 Insurance Workshop & Special Meeting - 2 pm

### Invocation

### Call to Order

#### 1. [Attendance](#)

**Minutes:** Carol Vallencourt, District No. 1; Carol Studdard, District No. 2; Wayne Bolla, District No. 4; and Lisa Grah District No. 5. Superintendent David Owens was also in attendance. Charles Van Zant, District No. 3, was absent due to military obligations.

### Workshop Items

#### 2. [Review 2006-07 Employee Benefits \(Revised\)](#)

Attachment: [InsWorkshop-Intro Letter.pdf](#)

Attachment: [Board Workshop attachments.xls](#)

Attachment: [AonPowerpointInsWorkshop.pdf](#)

Attachment: [InsWorkshopStewardshipRpt.pdf](#)

Attachment: [06-07LifeAD&DRates.pdf](#)

Attachment: [06-07DeltaDentalRates.pdf](#)

Attachment: [06-07HealthInsRates.pdf](#)

### Minutes:

Dr. Copeland made introductions and turned the floor over to Sheila Gann, Coordinator of Health Benefits, who explained the final renewal data for the upcoming 2006 plan year. In order to improve and streamline the enrollment process, it was noted that a new web-based enrollment system will be implemented.

**The Standard Life and Disability Renewal** - After a three-year rate guarantee and a loss ratio of 128%, Standard has agreed to renew the basic and supplemental life benefits with a 19% increase to the current rate. The Insurance Committee was presented with plan changes that would lower the increase, but the committee approved the renewal with no plan changes. The basic and supplemental AD&D coverages were renewed with no increase. The short-term disability plan continues to run well and renews with no increase for the second year in a row. The long-term disability plan has a loss ratio of 133%, but we were able to negotiate the increase to 35%. The committee was presented with minor plan changes to decrease the renewal, but opted to maintain the same plan design and approved the 35% increase. *See attachment "06-07Life AD&DRates" for renewal rate tables.*

**Delta Dental Renewal** - The DHMO, or Pre-Paid plan, is renewing with no increase to the premium for an additional 12 months. The overall increase to the PPO plan, is 55%. However, the committee voted to allocate most of the increase to the family tier. This type of rating basis is common when the enrollment outcome is not as predicted. *See attachment "06-07DeltaDentalRates" for renewal rate tables.*

**Aetna Medical Renewal** - With an overall increase to plan costs of 9.1%, which is lower than all national trend figures, the Board and the employees of the district should be pleased with the final renewal offer from Aetna. *See attachment "06-*

07HealthInsRates" for renewal rate tables.

**Vision Plan Update** - The plan is under a rate guarantee until September 2007.

**Summary** - With the increasing costs for benefits every year, the overall renewal package amounts to a overall increase Board costs of 7.17% and no decreased benefit levels to employees.

### 3. Insurance Committee's Recommendation

**Minutes:** Rob Taylor, from the district's Insurance Committee, spoke on behalf of the Committee. He thanked Mrs. Graham and the Insurance Committee for their hard work. The recommendations of the committee are as presented above.

### 4. Review 2006-07 Property, Casualty and Workers' Compensation Insurance Policies (Revised)

**Minutes:**

After a 10-minute recess, Jori L. Van der Voort, Area Vice President with Arthur J. Gallagher & Co., reviewed the Risk Management Program. Due to a myriad of factors, including the 2005 storm season, the Southeast is in the midst of an insurance crisis directly affecting property insurance.

**RENEWALS:** **Public Entity Package Program** premium has increased 13%, from \$463,000 to \$556,358 for 2006-07. **Out of State Excess Liability** premium has increased by 5%, up from \$40,000 to \$42,113. As of this meeting, the **Excess Property** program is not complete, but will be finalized by the June 30th renewal date. (The 6.84% Citizens Assessment must be applied to the Property premiums.) **Workers' Compensation** - reported payrolls have increased 10% over the last year and, therefore, the premiums increased 10% as well, from \$135,607 to \$149,583. **School Leaders Employment and Omissions and Employment Practices Liability** (EPL) - Coverage is currently provided by National Union Fire Insurance Company. The limit of insurance is \$1,000,000 with a \$50,000 deductible. The renewal premium is \$45,905, a 3% reduction. **Boiler and Machinery** - Coverage is provided by Harford Steam Boiler. Limits provided are \$50,000,000 with a deductible of \$5,000. Renewal premium has increased from \$11,591 to \$13,568, a 17% increase. **Crime**- Criminal coverage is provided by Hartford Insurance Company. The renewal premium remains at \$1,752. **Storage Tank Liability** - Coverage is provided by Commerce and Industry Insurance Company. Renewal premium has increased 11%, from \$1,980 to \$2,207.

**SUMMARY:** The final estimated cost of premiums and fees for Property & Casualty Insurance policies for 2006-07 is \$2,459,545.

### Action Items

#### 5. Approve policies for Property, Casualty and Workers' Compensation for 2006-07 (Revised)

#### Motions:

Motion to approve the individual premium increases for 2006-07 for Property & Casualty Insurance policies, and to approve Option #3 for Excess Property not exceeding \$1,450,000, and including the increased costs assessed to Property coverages at 6.84% (Citizens Assessment). - PASS

#### Vote Results

Motion: Lisa Graham

Second: Carol Studdard

Wayne Bolla

- Aye

Lisa Graham	- Aye
Carol Studdard	- Aye
Carol Vallencourt	- Aye
Charlie VanZant	- Not Present

**Superintendent's Requests** (There were none)

**School Board's Requests** (There were none)

**Adjournment** (The meeting adjourned at 3:45 pm)