

INSURANCE CONTROL COMMISSION

TOWN OF SOUTH WINDSOR

Minutes

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January 5, 2017

Madden Room – South Windsor Town Hall

1. Call Meeting to Order

The meeting was called to order at 8:35 a.m.

2. Roll Call

Members Present: Morris Borea, Town Attorney, McGivney & Kluger
Joseph Durette, Board of Education
Matthew B. Galligan, Town Manager
Edward Havens, Town Council
Carolyn Mirek, Town Council

Members Absent: None

Also Present: Chris Chemerka, Business Manager, Board of Education
Patricia Perry, Director of Finance
Vanessa Perry, Director of Human Resources
Fiona Porto, CIRMA Representative
Myles Rey, CIRMA Trainee

3. Approval of Minutes (September 29, 2016)

Mayor Carolyn Mirek made a motion to approve the September 29, 2016 minutes. Town Manager Matthew Galligan seconded the motion; and they were approved, unanimously with one abstention from Mr. Edward Havens.

4. Discussion Items

A. General Discussion – Liability, Automobile, and Property (LAP) and Workers' Compensation Claims

Ms. Fiona Porto introduced Mr. Myles Rey from CIRMA. He is a trainee who is shadowing Ms. Porto in order to cover for her during her upcoming leave.

Ms. Porto mentioned that the CIRMA Annual Meeting is on January 27, 2017. The rate as a whole for the pool will be announced at the Annual Meeting.

Ms. Porto discussed False Pretense Coverage. It is a new exposure that

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ITEM:

4. A. (Continued)

many municipalities are facing. It would cover email phishing requests to transfer money from third parties that look like a verified vendor. There have been some towns that have experienced this problem already. She received confirmation last night that retroactively effective July 1, 2016, Hanover is providing coverage for False Pretense on all policies that CIRMA writes for its members. There is a small limit of \$15,000 with a \$5,000 deductible. There is no additional charge for these current limits, but the limits cannot be increased without submitting an application.

Mayor Carolyn Mirek asked about training on cyber security in Town. Town Manager Galligan mentioned that Information Technology will often inform employees regarding email phishing and to forward suspicious emails to them for analysis.

Ms. Porto said there will be training at the Annual Meeting.

Town Attorney Morris Borea asked if any claims have been submitted yet for these phishing claims. Ms. Porto said there was a large loss in a southern Connecticut municipality. An employee submitted a large amount of money to what they thought was one of their construction vendors. Mr. Durette asked if there was coverage. Ms. Porto said that it has not yet been determined if there is coverage under the cyber policy since it is such a new case. There is no coverage under CIRMA's policy, and it is currently being analyzed under the crime policy. Town Attorney Borea clarified that Hanover is taking the policy from July 1, 2016.

Town Manager Galligan said that he has received phishing emails regarding payments for the new school project and cautioned that anyone working on school projects may be vulnerable to phishing.

Ms. Porto said that CIRMA has been working with a State cyber team to create this policy. As time progresses, Risk Management services will have additional training.

Mr. Joseph Durette clarified that the cyber policy is more geared towards hacking. Ms. Porto said yes but it has not been officially determined that the above-mentioned claim will be covered under that policy.

Ms. Chris Chemerka said that in her office, large payments have a few steps to go through before approval.

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ITEM:

4. A. (Continued)

Ms. Porto reviewed the Workers Compensation Claims, Liability, Automobile, and Property (LAP) as shown in attached **Exhibit A**. There has not been much change since the last meeting in September 2016. The 2015/2016 year had multiple LAP pops. There were three property claims and one larger auto liability loss. The Town and Board of Education are signed into a three-year rate agreement that expires July 1, 2018, and 2015/2016 could be an anomaly.

Ms. Porto reviewed Workers' Compensation Losses on Page 2. Claims have been decreasing since the 2012/2013 year. Many of the specific claim causes were discussed during the September 2016 meeting. Ms. Porto asked if the Commission would be interested in seeing graphs of pool losses as a whole. Town Manager Galligan said that would be helpful in order to compare South Windsor's claims to the entire pool. Certain claims are consistent across the pool.

Mr. Durette asked about injury rates for different departments. Ms. Porto said that a loss rate per payroll to claims could be run in order compared to peers. Town Manager Galligan said that would be helpful.

Ms. Chemerka said there are safety committees in all of the school districts that receive all of this information in order to keep claims down.

Town Manager Galligan said that one public works snow plow claim could make the entire chart go askew. Ms. Porto said that is the nature of the claims business.

Ms. Chemerka added that everyone goes to the nurse no matter what happens in order to have the incident recorded.

Ms. Porto asked the Commission to look at the claim count on page 5. CIRMA looks for trends in the claims.

Town Manager Galligan asked if there any questions. Mr. Edward Havens asked if the price was locked in for three years. Ms. Porto said yes for LAP and it expires on July 1, 2018. Workers' compensation is not locked in because it is much more volatile.

ITEM:

4. A. **(Continued)**

Mr. Havens asked what happened to the previous representative from CIRMA. Ms. Porto said that occasionally the representatives are rotated in order to have a fresh pair of eyes on claims.

Town Manager Galligan thanked Ms. Porto for her information.

B. **General Discussion – Health Insurance Claims**

Mr. Robert Lindberg was not present at the meeting, but Town Manager Galligan asked the Commission to review the packet provided ahead of time. The packet contains the Town and Board of Education Anthem Claim Activity – Medical, Rx, and Dental; Anthem Claim History; and Self Insurance Plan Summary from July 2016 and November 2016, as shown in attached **Exhibit B**.

Ms. Chemerka gave a quick update from the Board of Education. Most of the teachers have switched to the HSA, and the new stop loss captive was started this year. There were four huge claims in December that should have hit stop loss, and Mr. Lindberg is currently working on those claims.

Town Manager Galligan said that with the HSA, employees have been managing their health better.

Ms. Chemerka said that Anthem broke down what the Board of Education was paying per person per day and compared it to the Town. The Town's side was lower, and it can be attributed to the work that Ms. Vanessa Perry has been doing with the employee wellness programs.

Town Attorney Borea asked if the Town is self-funded. Town Manager Galligan said the Town is self-funded and pays its own claims. He explained the HSA plan. Town Attorney Borea asked about the stop loss. Town Manager Galligan said the stop loss kicks in for coverage beyond \$175,000. He explained CT Prime's insurance cell. Town Attorney Borea asked if the Town is getting its money back. Town Manager Galligan said that an administrator at CT Prime will review claims and reimbursements.

Mr. Durette asked about the transition to the HSA for the Board of Education employees. Ms. Chemerka said it was a big undertaking to transfer 400 employees, but the employees are adjusting well to the plan.

ITEM:

4. B. (Continued)

Ms. Patricia Perry explained that Town claims have been doing well within the last few months. Monthly reports have been below expected amounts. The larger claims are recapped on the last page of **Exhibit B**.

Town Manager Galligan said both the Town and Board of Education have been doing a good job at keeping claims and costs down. Currently, there is a substantial reserve.

Town Manager Galligan asked if there were any questions. Seeing none, he mentioned that if any Commission members wanted additional information, they could request it.

ITEM:


5. **Schedule the next Meeting**

Mr. Galligan reminded the Committee that the next proposed meeting should be April 20, 2017. A reminder will be sent out a few weeks in advance in case a change needs to be made to the schedule.

6. **Adjournment**

At 9:13 a.m. the meeting was adjourned.

Respectfully submitted,


Ashley Booth
Recording Secretary

SOUTH WINDSOR INSURANCE CONTROL COMMISSION

CIRMA AGENDA January 5, 2017

Exhibit A

Commission Members: Matt Galligan, Edward Havens, Joseph Durette, Keith Yagaloff, Carolyn Mirek
South Windsor: Patty Perry, Chris Chemerka, Vanessa Perry
CIRMA: Fiona Porto
Lindberg & Ripple: Robert Lindberg

1. CIRMA Annual Meeting – 1/27/17
2. WC and LAP Loss Experience

Line of Business	3 yr Loss Ratio as of 11/30/16	3 yr Loss Ratio as of 12/31/15	5 yr Loss Ratio as of 11/30/16	5 yr Loss Ratio as of 12/31/15
WC (Developed)	77%	103%	79%	87%
LAP	44%	24%	40%	43%

3. Risk Management Activities since last meeting

○ Training

South Windsor BOE

Preventing Sexual Harassment 31 attendees

Town of South Windsor

Preventing Sexual Harassment 61 attendees

Freedom of Information Act 1 attendee

E-Learning

Sexual Harassment Awareness for Managers 8 attendees by South Windsor BOE

○ Consultations and Reviews

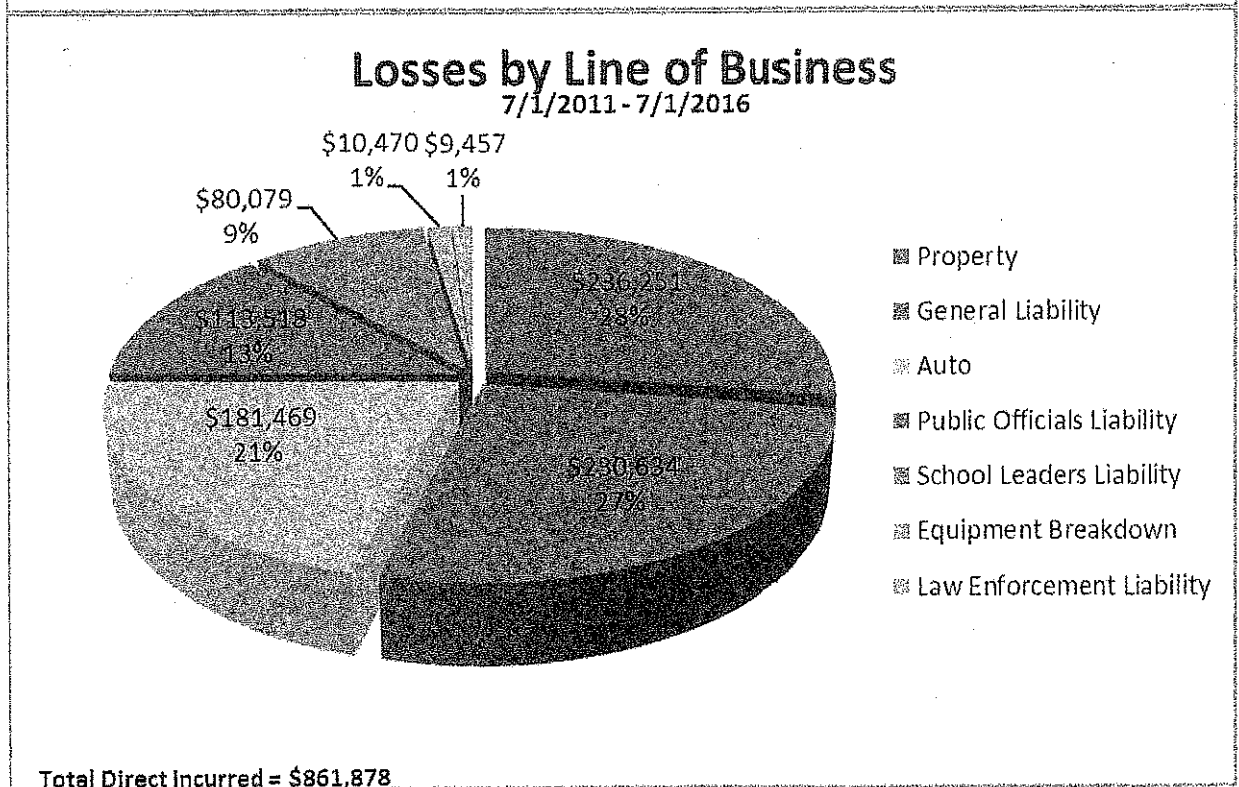
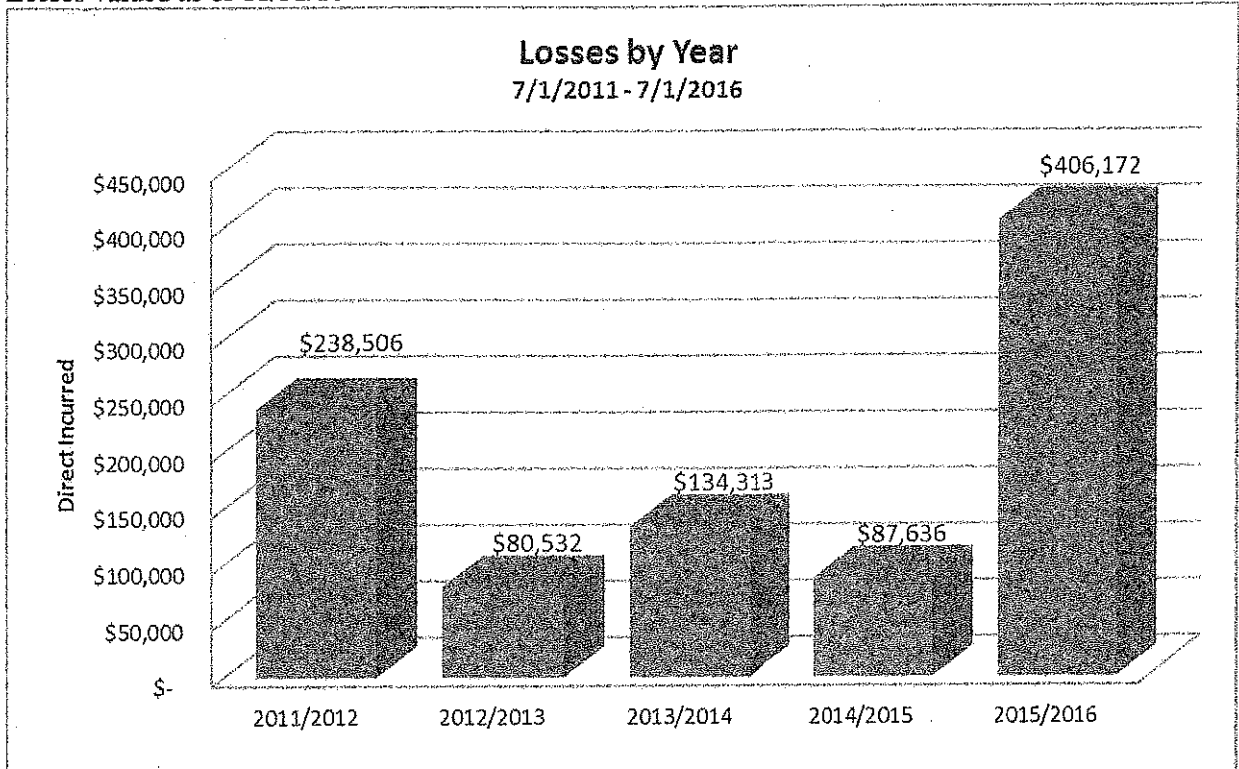
- Consultation regarding the use of Collin's Hill for sledding
- Consultation regarding facilities at Goodwin College
- Public Works Garage Consultation

4. Questions

SOUTH WINDSOR INSURANCE CONTROL COMMISSION

Liability-Auto-Property Loss Analysis

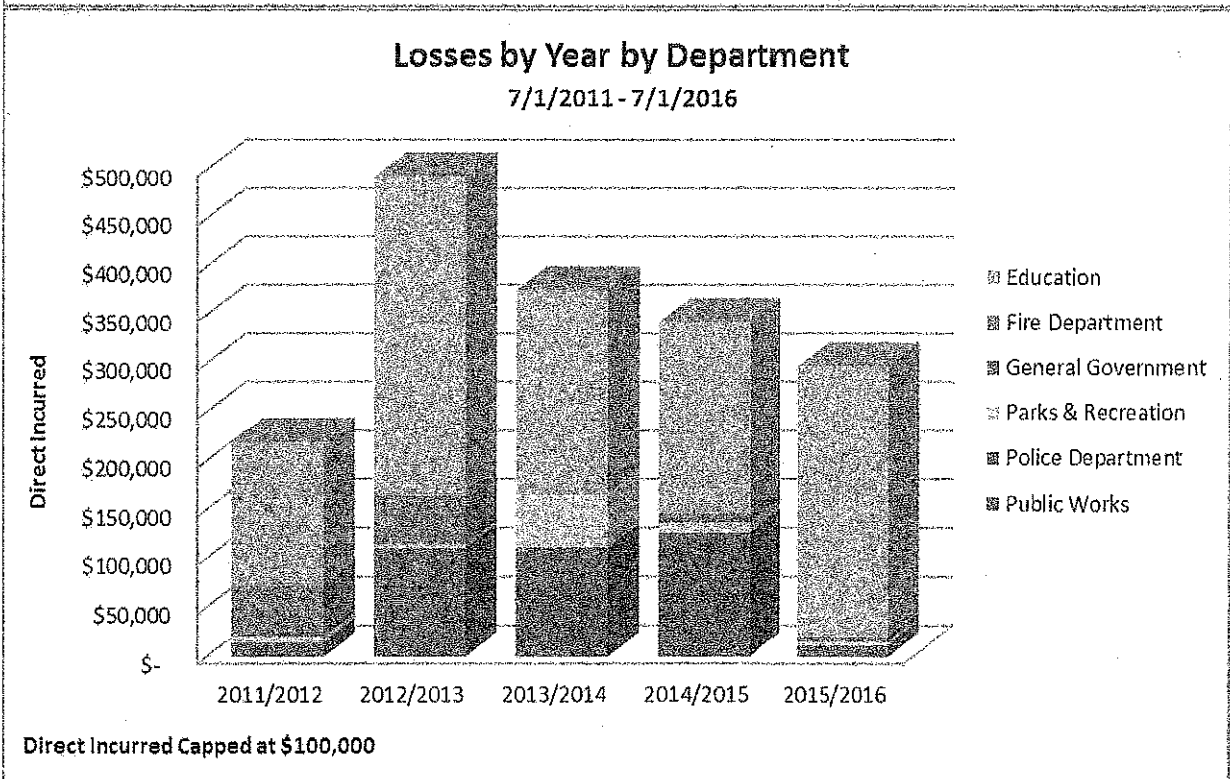
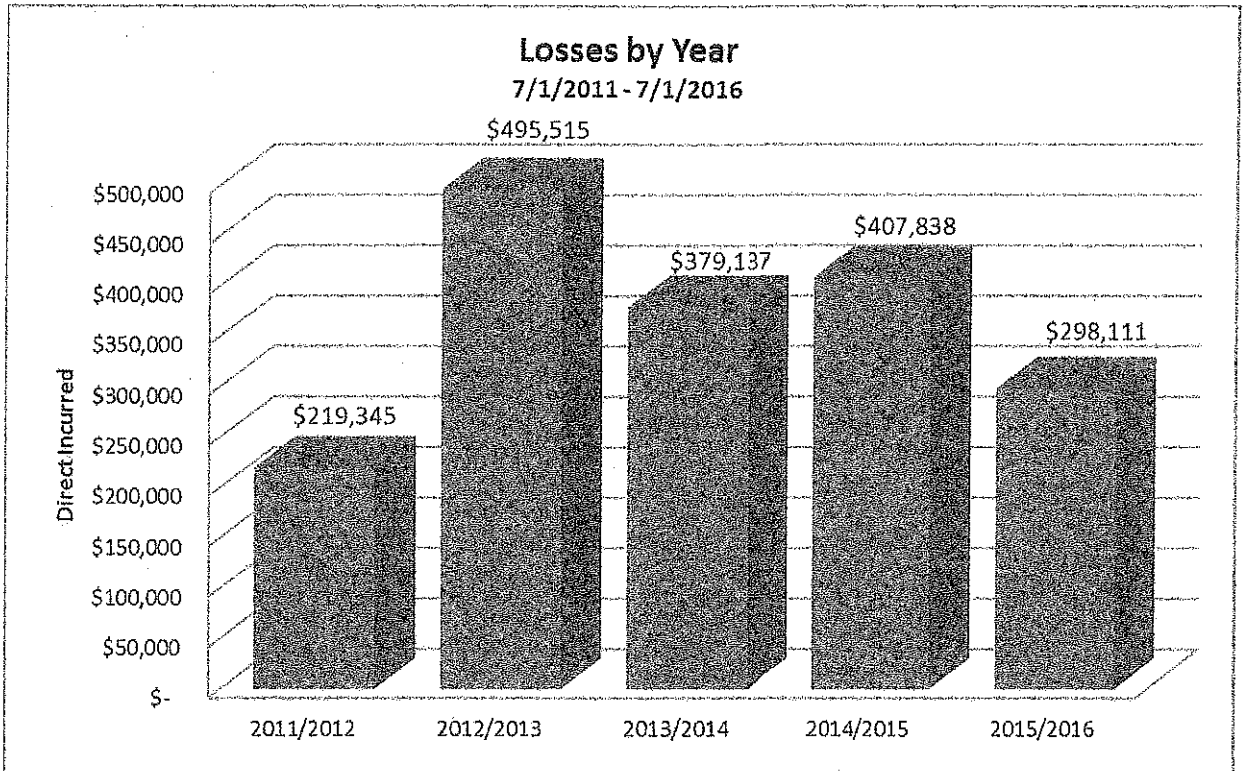
Losses valued as of 11/31/16



SOUTH WINDSOR INSURANCE CONTROL COMMISSION

Workers' Compensation Loss Analysis

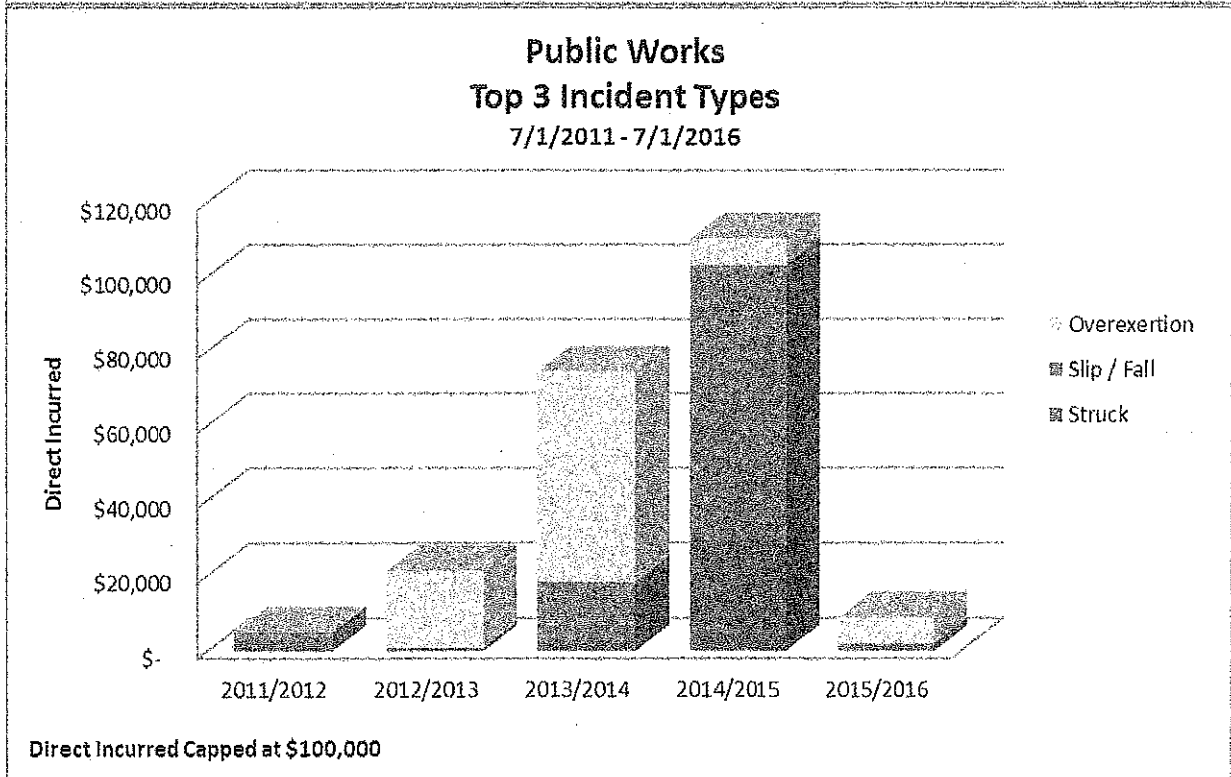
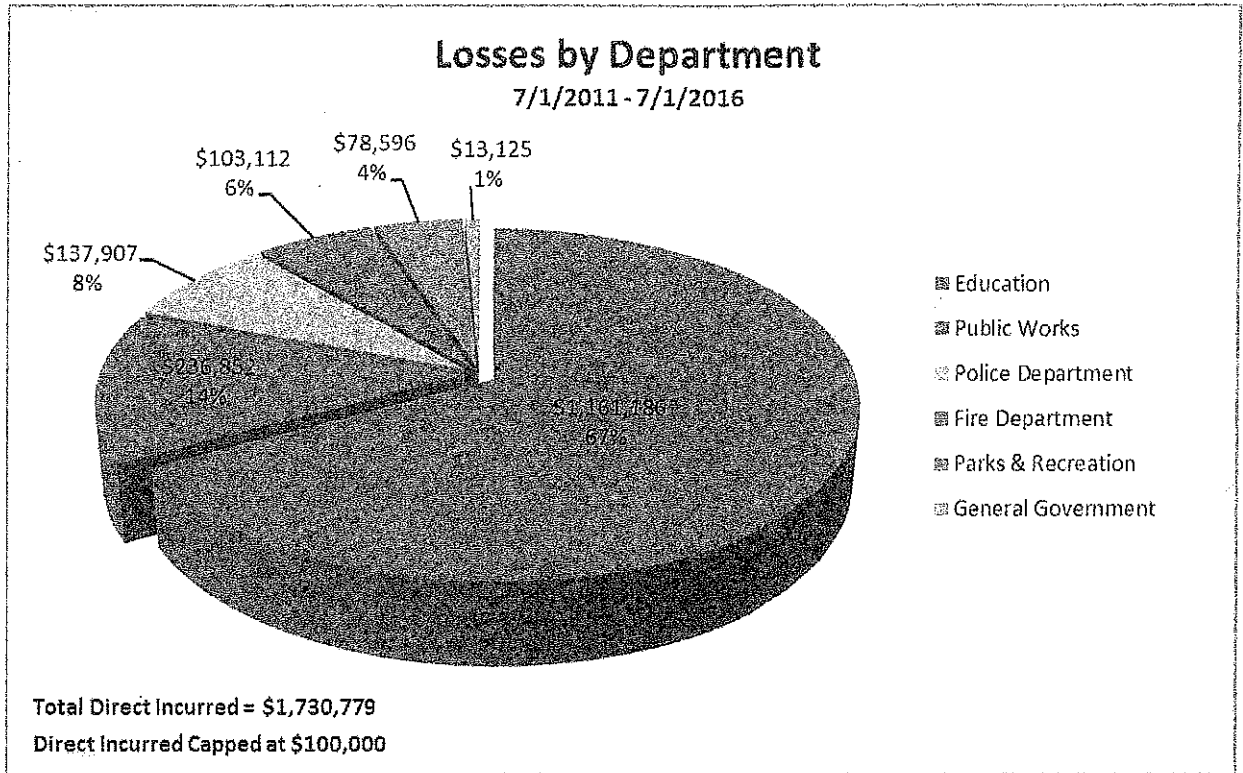
Losses valued as of 11/31/16



SOUTH WINDSOR INSURANCE CONTROL COMMISSION

Workers' Compensation Loss Analysis

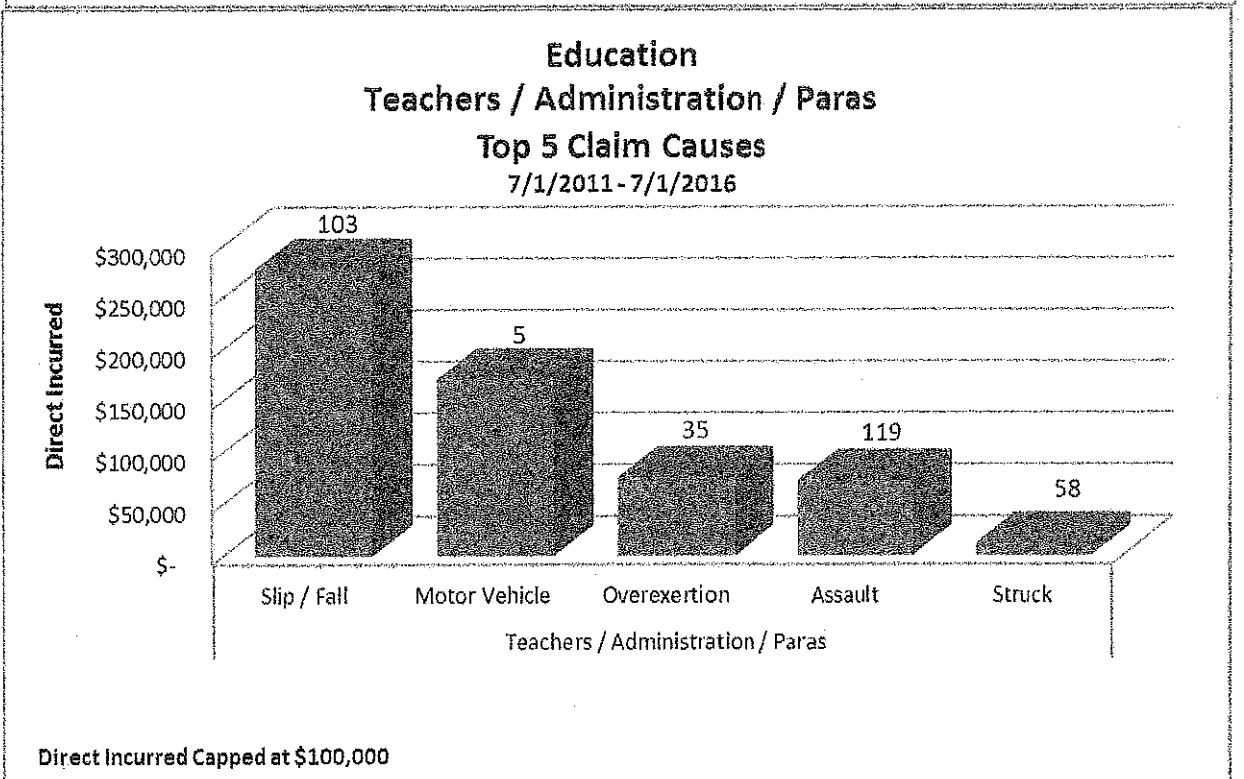
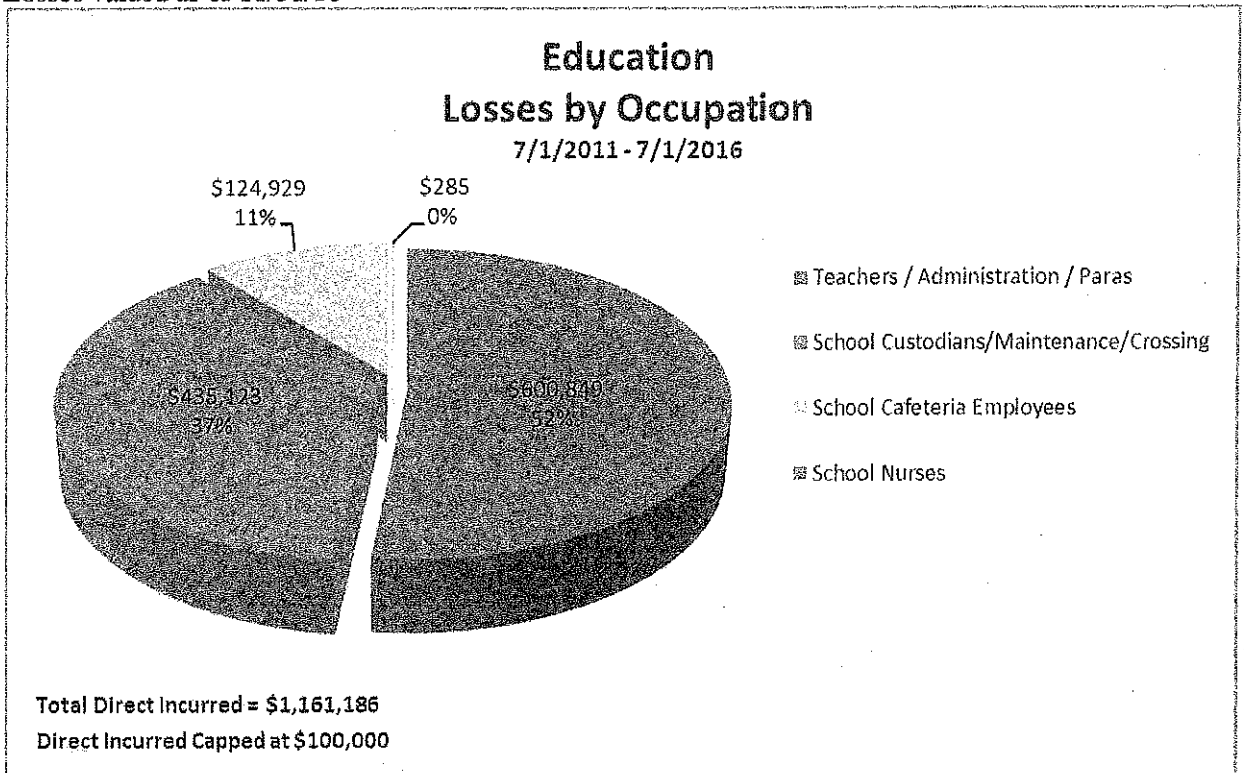
Losses valued as of 11/31/16



SOUTH WINDSOR INSURANCE CONTROL COMMISSION

Workers' Compensation Loss Analysis

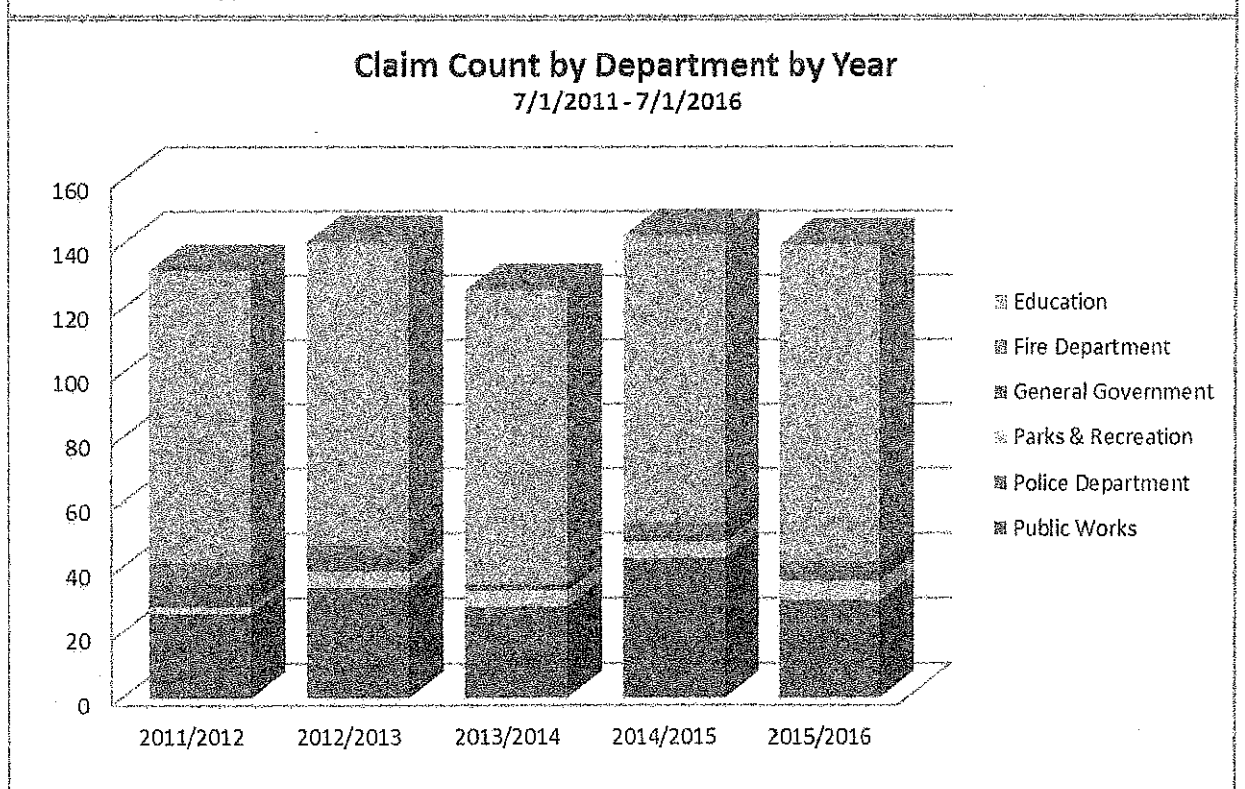
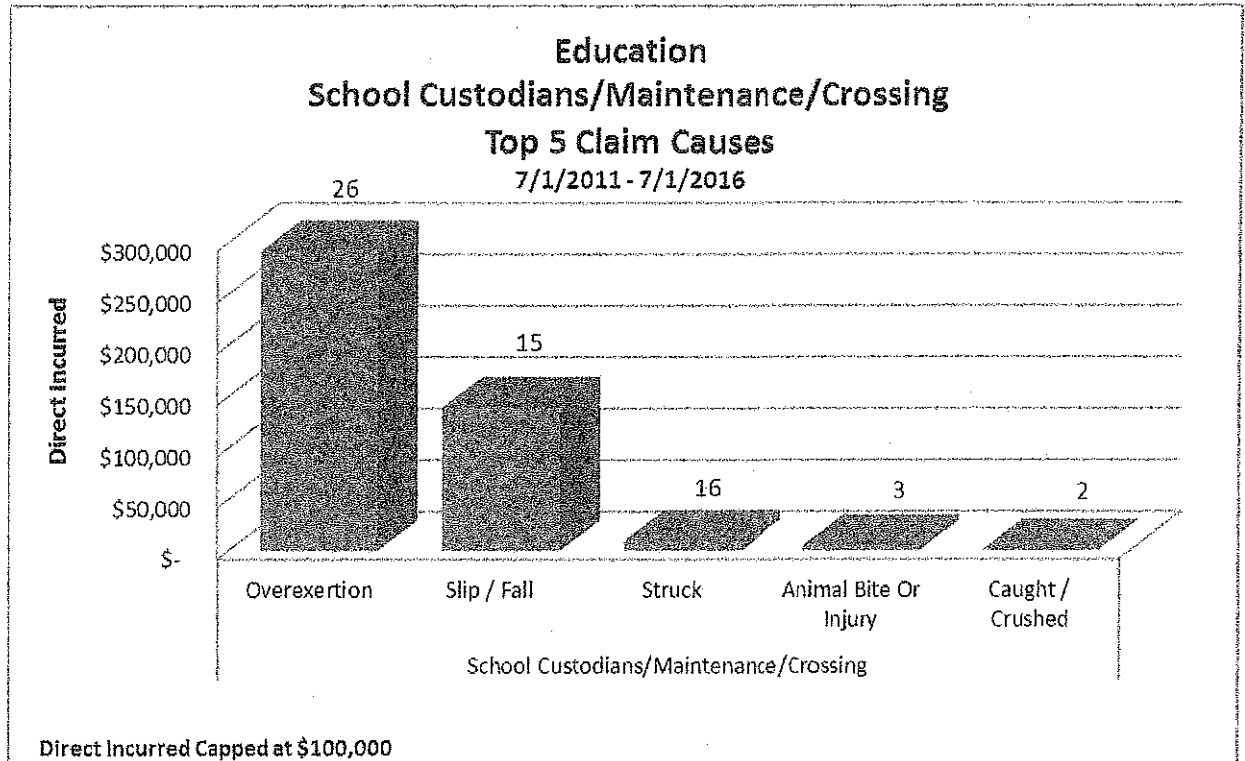
Losses valued as of 11/31/16



SOUTH WINDSOR INSURANCE CONTROL COMMISSION

Workers' Compensation Loss Analysis

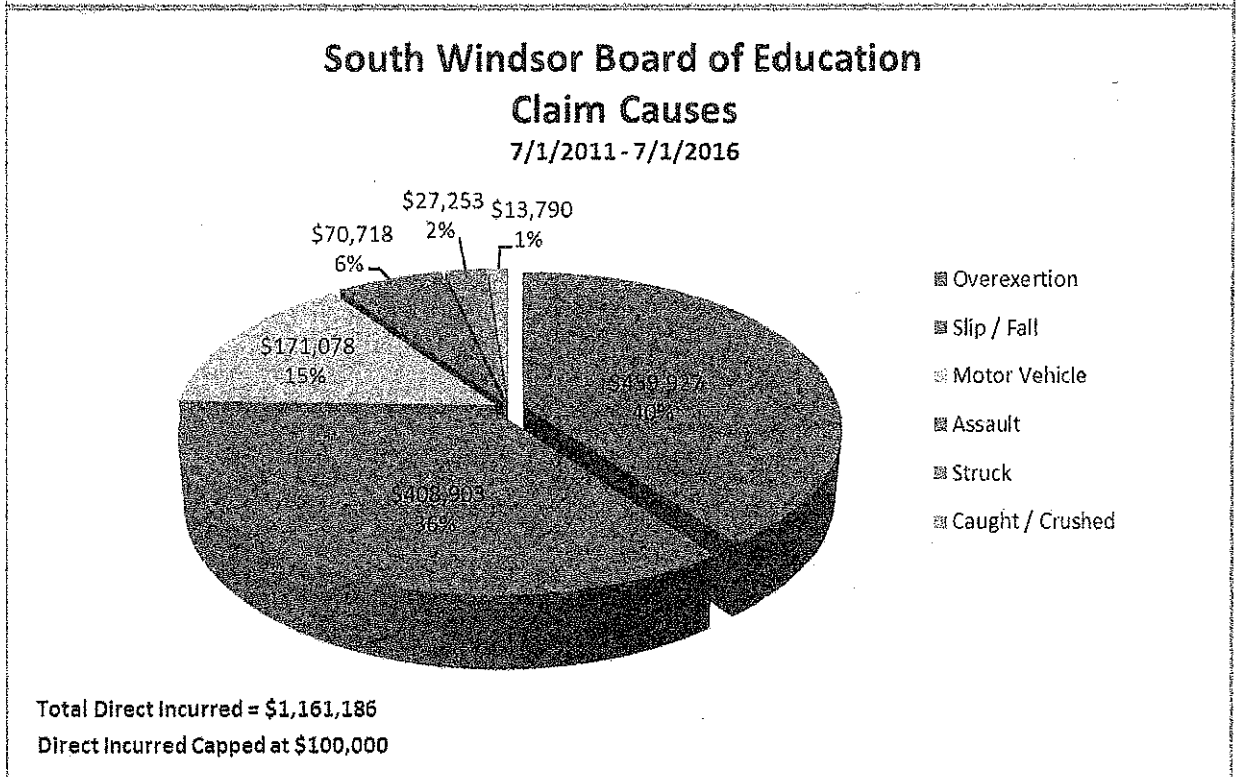
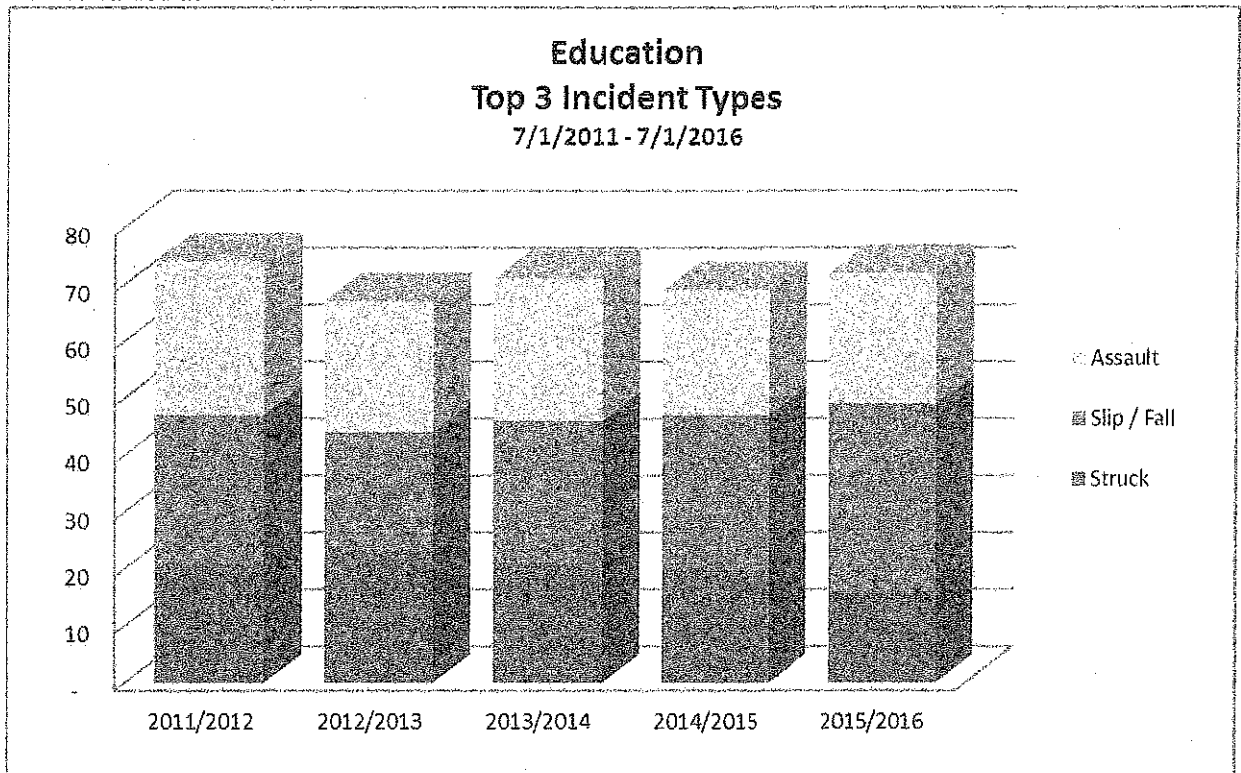
Losses valued as of 11/31/16



SOUTH WINDSOR INSURANCE CONTROL COMMISSION

Workers' Compensation Loss Analysis

Losses valued as of 11/31/16



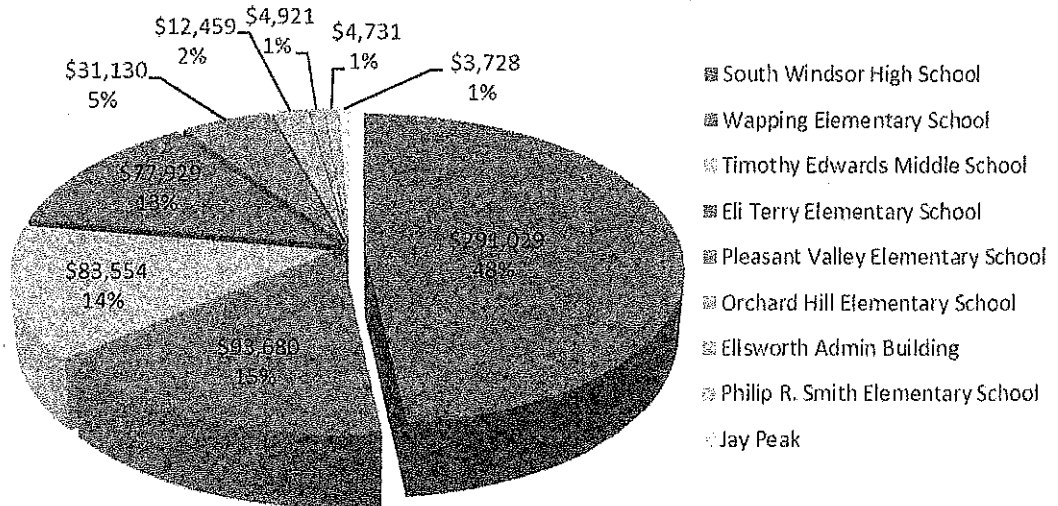
SOUTH WINDSOR INSURANCE CONTROL COMMISSION

Workers' Compensation Loss Analysis

Losses valued as of 11/31/16

South Windsor Board of Education Slip/Falls by Location

7/1/2011 - 7/1/2016

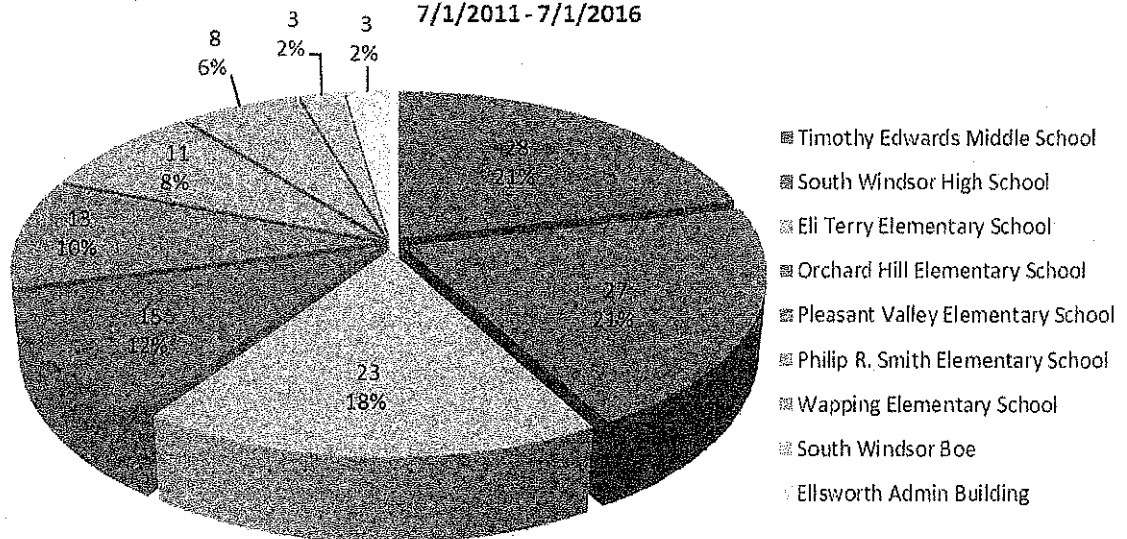


Total Direct Incurred = \$603,159

Direct Incurred Capped at \$100,000

South Windsor Board of Education Slip/Falls by Location

7/1/2011 - 7/1/2016



Total Claim Count = 131



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TOWN OF SOUTH WINDSOR

Insurance Control Commission

Discussion Outline: January 5, 2017

I. Overview

- Actual Claims are at 95% of Adjusted Expected Claims YTD
 - (Anthem Reports are Tracking Pre-Migration Values)
- Recent Large Claim Indications late in December
- Enrollment Mix Continues to Shift
 - HDHP Migration
 - Total Covered Lives

II. Experience Update

- Plan Year Results
 - YTD Results Slightly Higher than Expected
 - Town HDHP Resets 1/1/2017
- Large Claim Review
 - \$435,000 Paid from Anthem ISL Pool in 2015-2016
 - Seven claimants above 50% "trigger" thru 5 months of FY17
 - One claimant above ISL limit thru 5 months; claim in process with CT Prime

III. Plan Update

- Anthem Trend Factors are increasing compared to prior years
- Anthem's Initial Claim estimate for 2017-18
 - Essentially Flat Compared to Unadjusted Claim Target for 2016-2017
 - Approximately 12% Compared to Adjusted 2016-17 Values (Trend)
- HDHP migration has flattened claim curve

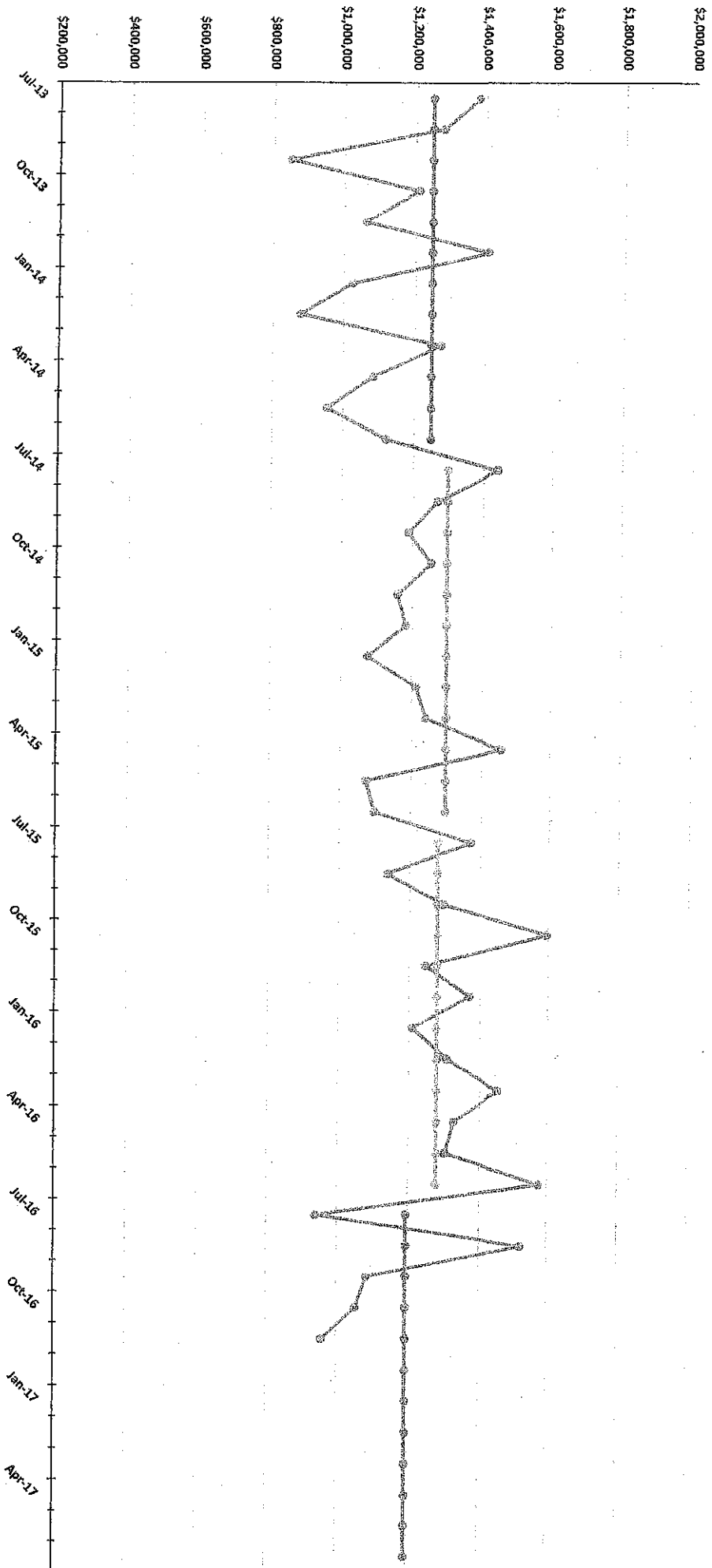
IV. General Discussion

- ACA Reporting Requirement Update (Form 1095C)
- ACA Cadillac Tax Deferred to 2020
- Activity regarding State Employee Plan
- CT Prime Update: ISL Coverage
- Market Conditions
 - Vendors
 - Providers



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South Windsor: Town & Board of Education
Anthem Claim Activity - Medical, Rx, & Dental
July 2013 - June 2017

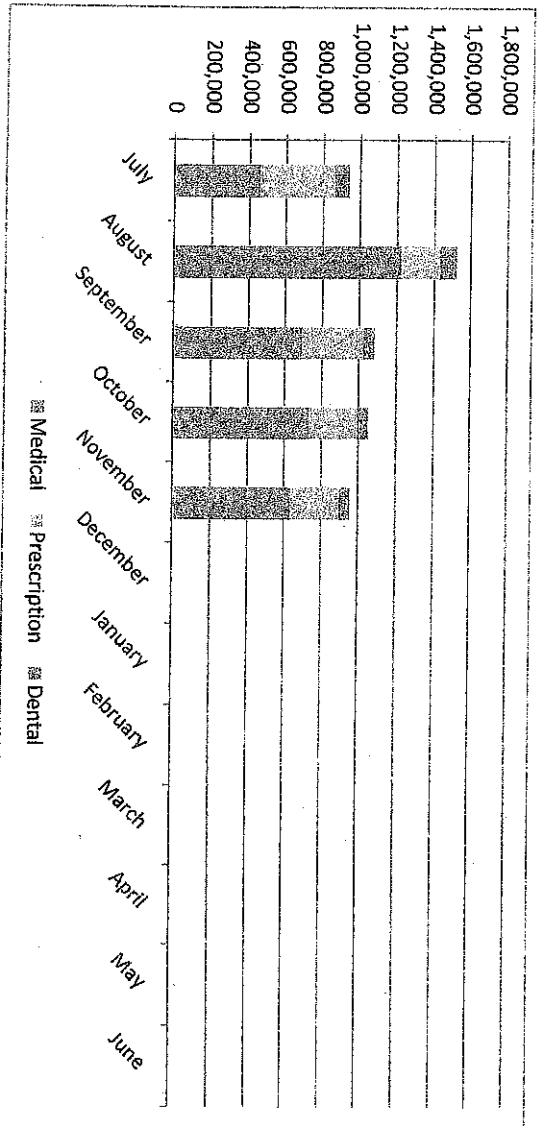




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South Windsor Town and BOE Anthem Claim History

Month	Year	Medical	Prescription	Dental	Gross Claims - Total	ISL Claim - Offset	Net Paid Claims - Total	Expected Paid Claims	Actual Claims as % of Target	Total Contracts	Members
July	2016	457,946	405,375	77,168	940,489	0	940,489	1,195,000	78.7%	749	1,999
August	2016	1,222,775	209,902	92,183	1,524,860	0	1,524,860	1,195,000	127.6%	748	1,989
September	2016	692,812	334,010	58,933	1,085,755	0	1,085,755	1,195,000	90.9%	760	2,006
October	2016	736,026	260,216	58,499	1,054,741	0	1,054,741	1,195,000	88.3%	738	1,947
November	2016	634,060	265,961	59,559	959,580	0	959,580	1,195,000	80.3%	734	1,934
December	2016										
January	2017										
February	2017										
March	2017										
April	2017										
May	2017										
June	2017										
Totals		\$3,743,618	\$1,475,465	\$346,342	\$5,565,425	\$0	\$5,565,425	\$5,975,000	93.1%	3,729	9,875

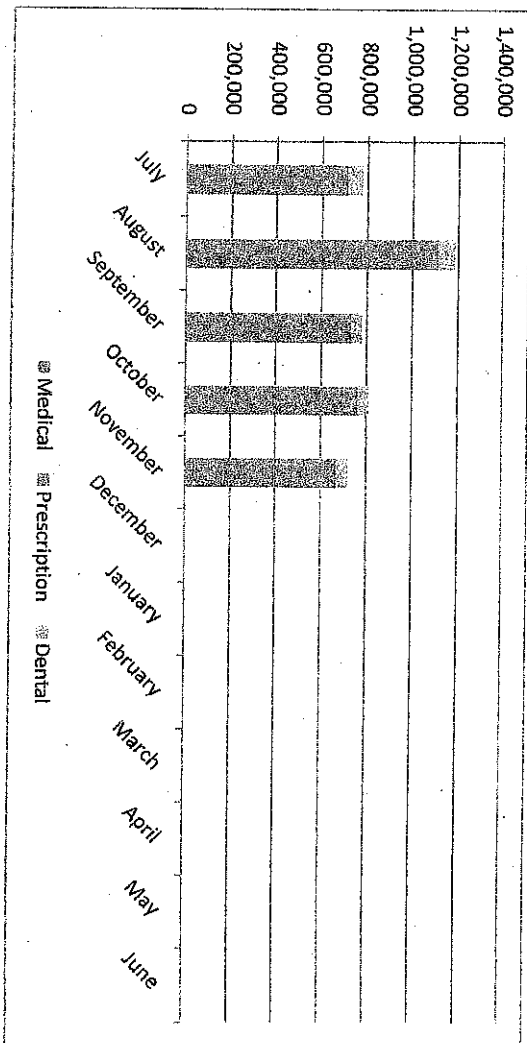




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South Windsor Board of Education Anthem Claim History

Month	Year	Medical	Prescription	Dental	Gross Claims - Total	ISL Claim - Offset	Net Paid Claims - Total	Expected Paid Claims	Actual Claims as % of Target	Total Contracts Members
July	2016	376,264	337,509	65,000	778,773	0	778,773	975,000	79.9%	592
August	2016	965,266	144,822	78,693	1,188,781	0	1,188,781	975,000	121.9%	591
September	2016	493,500	239,548	46,463	779,511	0	779,511	975,000	79.9%	602
October	2016	570,213	193,439	47,392	811,045	0	811,045	975,000	83.2%	579
November	2016	493,565	178,164	50,422	722,151	0	722,151	975,000	74.1%	576
December	2016									
January	2017									
February	2017									
March	2017									
April	2017									
May	2017									
June	2017									
Totals		\$2,898,808	\$1,093,482	\$287,971	\$4,280,261	\$0	\$4,280,261	\$4,875,000	87.8%	2,940
										7,620

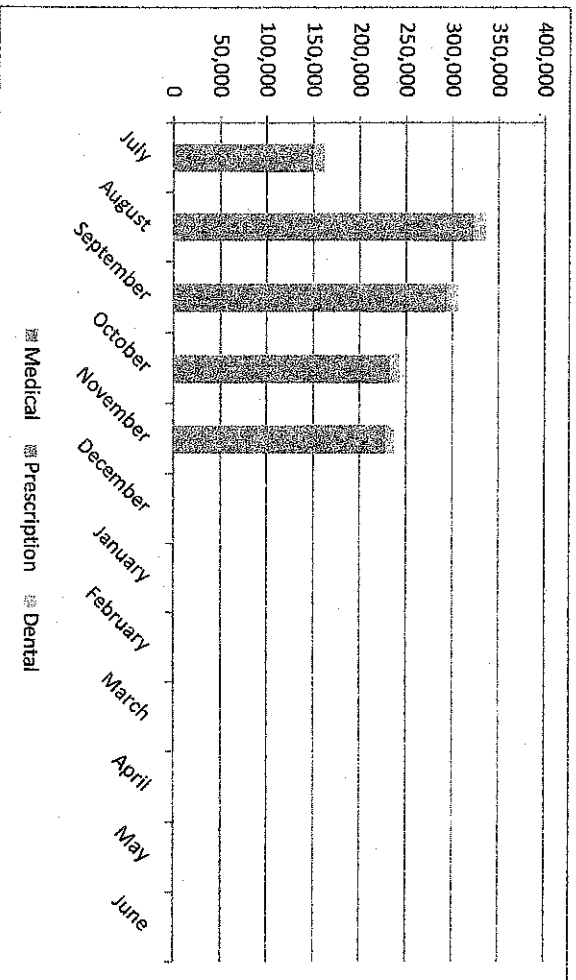




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Town of South Windsor Anthem Claim History

Month	Year	Medical	Prescription	Dental	Total	ISL Claim - Offset	Claims - Total	Expected Paid Claims	Actual Claims as % of Target	Total Contracts	Members
July	2016	81,683	67,867	12,167	161,717	0	161,717	220,000	73.5%	157	415
August	2016	257,509	65,080	13,490	336,079	0	336,079	220,000	152.8%	157	408
September	2016	199,312	94,462	12,470	306,243	0	306,243	220,000	139.2%	158	411
October	2016	165,812	66,777	11,107	243,696	0	243,696	220,000	110.8%	159	412
November	2016	140,495	87,797	9,137	237,429	0	237,429	220,000	107.9%	158	409
December	2016										
January	2017										
February	2017										
March	2017										
April	2017										
May	2017										
June	2017										
Totals		\$844,810	\$381,983	\$58,371	\$1,285,164	\$0	\$1,285,164	\$1,100,000	116.8%	789	2,055



SOUTH WINDSOR TOWN AND BOARD OF EDUCATION Catastrophic Claims Summary

Billed Claims From Jul-2016 through Nov-2016

Year-to-Date Claimants exceeding 50% of Individual Stop Loss (Specific)

Group ISL = \$175,000

50% of Group ISL = \$87,500

Member Status	Relationship to Subscriber	Member	Newborn Ind	SIP Rel Code	Medical	Drug	Ancillary	Total Claims	Claims Over ISL	Actual Billed Claims
Active	SUBSCRIBER	08351220020914943737	N	801	\$186,326	\$1,037	\$123	\$187,486	\$0	\$187,486
Active	SPOUSE	03560919981010380088	N	801	\$123,027	\$16,348	\$0	\$139,376	\$0	\$139,376
Active	SUBSCRIBER	16014520001215008495	N	517	\$104,310	\$9,529	\$0	\$113,839	\$0	\$113,839
Active	SUBSCRIBER	20140020030915229688	N	801	\$99,857	\$1,293	\$409	\$101,559	\$0	\$101,559
Active	SUBSCRIBER	09114319990707263407	N	801	\$92,322	\$5,179	\$84	\$97,585	\$0	\$97,585
Active	CHILD	10234720020531228616	N	801	\$91,800	\$1,682	\$0	\$93,482	\$0	\$93,482
Active	SPOUSE	01081719980808273918	N	801	\$36,148	\$51,634	\$113	\$87,894	\$0	\$87,894
					\$733,790	\$86,702	\$728	\$821,221	\$0	\$821,221

* Claim in process w/ CT Prime

- If group does not purchase ISL insurance from Anthem, this report will show members with claims over \$50,000.
- Member Status: Active = member is enrolled in the group's medical plan, "Non-Active" = member is no longer enrolled in the group's medical plan.
- Member ID: Encrypted Member IDs will remain the same from one period to the next.
- This report is not meant to replace the contract year settlement.

- Claims over ISL: credited claims dollars in excess of the Individual Stop Loss (ISL) amount.
- Actual Billed Claims: the net claims amount (Total Claims less "Claims over ISL" billed to the group.
- Newborn Ind: If "Y" then it is possible Parent and Baby claims are combined. This will be resolved by Underwriting during contract year settlement.

Anthem Health Insights
DataView Direct

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Catastrophic
2.D.1
12/6/2016