

INSURANCE CONTROL COMMISSION

TOWN OF SOUTH WINDSOR

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October 27, 2021

Virtual Meeting

1. Call Meeting to Order

Chairman Michael Maniscalco called the meeting to order at 8:33 a.m.

2. Roll Call

Members Present: Michael Maniscalco, Town Manager
Kari Olson, Town Attorney
Karen Lydecker, Town Council

Also Present: Chris Chemerka, Business Manager, Board of Education
Patricia Perry, Director of Finance
Vanessa Perry, Assistant Town Manager/H.R. Director
Fiona Porto and Mallory Monaco, CIRMA Representatives
Lisa Daley, Lockton Representative

3. Approval of Minutes (July 28, 2021)

Councilor Karen Lydecker made a motion to approve the minutes of July 28, 2021. Town Manager, Michael Maniscalco seconded, and the motion was approved unanimously.

4. Discussion Items

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

Ms. Fiona Porto of CIRMA reported on claims for FY 19-20 (**Attachment A, CIRMA Agenda**). Worker's Compensation (WC) losses as of June 30, 2021 hasn't changed drastically. Peer comparisons were done for workers compensation and liability auto/property. This compares the Town and Board of Education to peers and to the CIRMA pool as a whole. Ms. Porto said that the losses for the FY 21/22 chart is valued as of August 31, 2021. The policy starts as of July 1, 2021 so it is only two months of data therefore it will not be looked at as a trend just yet.

For further information and breakdowns of claims, please see Attachment A.

Ms. Porto reviewed workers compensation losses by year. There is one big loss in FY18/19 and it is from a large loss for the fire department. That claim is open

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for \$206,000.00. There are two other losses in that year for 65,000.00 each for the Board of Education and the Police Department. FY 19/20 has two larger claims; one for \$145,000.00 and the other for \$100,000.00 and two losses; one at \$80,000.00 and the other at \$69,000.00.

Reviewing losses by department, Ms. Porto said that the claims are driven from the Board of Education, Police Department and Public Works Department which is typical. The claim counts for the Town and Board of Education are consistent and stable. South Windsor has steadily improved from FY17/18.

Ms. Porto reviewed the Workers Compensation Peer Comparison. Peers for comparison are selected based on similar size, operations, and exposure. Overall South Windsor is performing better than the pool in all of the class codes except for Public Works. Ms. Perry asked how long the comparison goes back. Ms. Porto said that the comparison goes back five years. South Windsor's overall loss rate is better than peers and better than the pool overall.

Reviewing the Liability Auto Property, Ms. Porto said the losses are valued as of September 30, 2021. The 17/18 and 18/19 years were well performing years. In 16/17 had one general liability claim for \$110,000.00, one public official loss for \$200,000.00. In FY19/20 there was one auto loss for \$225,000.00. Those claims are driving the experience but otherwise performing well. South Windsor is performing better than peers in the number of losses and performing better overall in LAP Losses by Member and Claim Count by Line of Business.

B. Health Insurance Claims – Lockton

Ms. Lisa Daley of Lockton reviewed the Board of Education and Town health claim trends through August 2021 (**Attachment B, Lockton Monthly Cost Reports**). The claim trends show a decrease in July and August.

Experience Detail: The average medical and Rx gross claims for the Board of Education were about \$714,000.00 for the prior policy period. April, June and January were higher months in the previous policy period. Overall, it had a good claim to plan cost ratio at 82%. August 2021 had a lower net claim month which has a lot to do with the Rx rebate dollars. There are no excess claims for the July and August.

High-Dollar Claimants: Individual stop-loss protection is set at \$200,000. For the prior period there were two individuals that breached the \$200,000 individual stop loss limit and two that are approaching. The clinical projection shows that future costs for the top claimant in the prior period could be an additional \$250,000.00 in claims as a low prognosis and could go as high as \$450,000.00. For claimant #2 there were no additional costs expected. For claimant #3, there could be

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\$150,000.00 to \$250,000.00 and for claimant #4, the projection is that there could be an additional \$25,000.00 to \$175,000.00.

Dental: The dental claims for the prior period are approximately \$46,000.00. March and August were higher months. The new period for July and August and they were a little high due to seasonality. People are also going to the dentist more frequently than in previous months.

Ms. Daley reviewed the Town health claim trends through August 2021 (**Attachment B, Lockton Monthly Cost Reports**). Ms. Daley reported a spike in the Town's claims for July and August and the twelve month average.

Experience Detail: Net medical and Rx monthly claims average was around \$192,000.00. June 2021 was a very high month as well as March 2021 and September 2020. Net paid claims for July and August 2021 was high on the medical side. This made the overall net claims around \$436,000.00. Ms. Patricia Perry asked if there were Rx rebate dollars for the Town. Ms. Daley said no the Town did not have any Rx rebate dollars. Ms. Daley will check with Patrick on the split of the two between the Town and Board of Education.

Ms. Patricia Perry said that it doesn't seem that the total matches up on the claims over stop loss. Ms. Daley said that she would look in to that and it could just be an error populating the data links when populating the reports.

High Dollar Claimants: There isn't a lot to discuss as there aren't any clinical projections as with the Board of Education. There was nobody on the Town side that breached the \$200,000.00 but did come close at \$152,000.00.

Dental: Similar to the BOE, dental has started to come back to normal. For July and August going forward, the Town is average.

For further details and claim totals, please see Attachment B.

5. Schedule the next Meeting

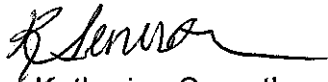
The next meeting is tentatively scheduled for Wednesday, February 2, 2022 at 8:30am.

6. Adjournment

Town Manager Maniscalco made a motion to adjourn. Councilor Karen Lydecker seconded, and the motion was approved unanimously. The meeting was adjourned at approximately 9:28am.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "K. Senerth", with a long horizontal flourish extending to the right.

Katherine Senerth
Recording Secretary

Attachment A: CIRMA Agenda
Attachment B: Lockton Monthly Cost Reports