

**City of Bristol, Connecticut
Insurance Committee Meeting
June 10, 2010**

A meeting of the Insurance Committee of the Board of Finance was held on June 10, 2010 in the Purchasing Conference Room 2nd Floor of City Hall. The following were in attendance: Committee Members: John Smith, Greg Fradette and Robert Casar City: Glenn Klocko, Diane Ferguson, Roger Spear, Dennis Bieu, Roger Rousseau PMA: Fred DeNote.

The meeting was called to order at 8:00 a.m.

1. Meet with PMA Management Corp. to discuss the City's Self Insured Workers' Compensation Plan and take any action as necessary.

Fred went over the Claim Comparison report as of 5/31/10. This fiscal year to date there are 335 claims with a total incurred of \$1,393,054. There are no individual claims valued over \$100,000. The Committee also reviewed the loss run detail report for claims over \$100,000 by year. The Safety Committee is continuing to meet and everything is going well. Training is being conducted as required. Greg questioned if employees get disciplined for failure to follow safety rules. Dennis stated the past practice may have been different but a letter is generated. The Committee briefly discussed lawsuits. Greg suggested the Committee review the OSHA logs once a year. Fred is going to modify the Claims Comparison report to allow for cost comparisons.

Fred left the meeting at 8:30 am. Roger Rousseau entered the meeting at 8:30 am.

2. Discuss and take any action necessary on the City's Standardized Insurance Requirements as related to snowplowing operations.

Roger explained the background of the insurance requirements for snowplowing. Last year the Board of Finance increased the automobile liability insurance from \$750,000 to \$1,000,000 combined single limit for snowplowing operations, and required coverage under the general liability policy of the contractor. The City had a net loss of four snowplow contractors from the previous year due to insurance cost increases. If the insurance requirements remain the same as last year, the Board of Public Works would need to adjust its rates paid to contractors, solely to accommodate additional insurance costs, which would mean the snowplowing budget would likely need to be increased. Greg explained what he thought would be the exposures having the requirement and not having it. Under the current requirement, the snow plow contractor would potentially be held responsible if someone were to fall on a City road, which does not make sense since they are only clearing material (not providing any treatments to the surface); assignment of such liability to the contractor isn't fitting. The slip and fall coverage requirement will be removed. Bob Casar made a motion seconded by Greg Fradette "to remove the language requiring slip and fall coverage for snow plow operations under the general liability policy and refer to the Board of Finance for approval ." The motion was approved unanimously. Greg is going to speak to Fred DeNote at Tracy Driscoll Insurance regarding the Committee's decision.

Roger Rousseau left the meeting at 8:45 am.

3. Discuss and take any action necessary on the management of Police and Fire Heart and Hypertension Claims.

This item will not be discussed until Dom Perno from PMA can attend.

4. Discuss and take any action necessary on Employee Benefit Programs.

The Committee was updated on the progress of the provider switch for health insurance. The Treasurers over 65 group is being dropped by Anthem, so they will now be changing over to Cigna as well. These people have not been notified yet, but everyone is working to make the switch quickly.

Diane discussed the concerns over the Cigna's network for chiropractor and mental health providers. Cigna does not have an established network for behavioral health, but employees can submit the paperwork to have the provider included in the network.

The City will be using Shipman & Goodwin as outside legal counsel for matters related to the health insurance provider switch. The Board of Education has a date they will begin the process with the largest union.

Glenn explained the Early Retiree Reinsurance Program (ERRP) which provides reimbursements for health insurance claims for retirees between 55 and 64. There is \$5 billion which will be awarded on a first come first serve basis. It is predicted the City of Bristol may receive up to \$600,000 from this program. However, the application process is complex and if not completed correctly the first time the application can be rejected and sent to the bottom of the pile. The money will be paid on claims for an individual which exceed \$15,000 but are below \$90,000. The City will use the money received from this program to start the Wellness program which has been in the works for a while now, but there is no funding available. Glenn would like to use Milliman as our consultant for this program for approximately \$7,500. AON Consulting offered a proposal to assist the City which was significantly higher than Milliman.

Bob Casar made a motion seconded by Greg Fradette "To authorize the use of Milliman as the consultant for the Early Retiree Reinsurance Program" Motion approved unanimously.

5. Discuss and take any action necessary on an Owner Controlled Insurance Program (OCIP).

The Committee is going to have the two school construction managers come in for a presentation by Willis to explain the program. A decision needs to be made if OCIP will be used for inclusion in the bid package.

6. Adjournment.

The meeting was adjourned at 9:17 a.m.

Respectfully Submitted,

John Smith/jam

John Smith, Chairman