

Insurance Committee
July 14, 2006

A meeting of the Insurance Committee was held on July 14, 2006 at 8:00 a.m. in the Purchasing Office's conference room. The following people were in attendance: City: John Smith (arrived at 8:10 am), Ron Messier, Roald Erling, Glenn Klocko, Robin Manuele, Diane Ferguson BOE: Tony Malavenda, Webster: Fred Moreno, Ann Bostic, and Dom Perno.

The meeting was called to order at 8:05 am and Glenn had asked to go out of order on the agenda and move to item # 2 and return back to item # 1 afterward. **Agenda item # 2** - Fred Moreno began discussing the Claim Comparison report which encompasses fiscal year (fy) 04-05 and fy 05-06 and noted that there are 15 more claims in fy 05-06. Also, for fy 05-06 there are 10 claims with a total incurred amount over \$25,000. Fred discussed the risk management plan which highlights major loss sources, loss statistics and initiatives. He stated that slip/fall type injuries have been on the increase each year since 2003-04. He felt some additional safety awareness would be helpful. Ann said that there should be a focus on training Managers for the Board of Education. In summation Fred said the frequency of claims really needs to be addressed, as frequency breeds severity. He felt that more incidents were being reported which is positive.

Dick Lacey questioned Dom Perno about getting a contract for Webster's services. Dick said there is language with regard to indemnification that would prevent the City from entering into the contract. Dom told Dick he would get him a copy to make revisions and hoped it would be turned around by Webster within 30 days. Dom further went on to inform the Committee of another potential insurer for the excess insurance the City purchases. He stated Safety National has aggressive premiums with the same self-insured retentions. Dom said they are an "A" rated carrier and have recently had a change in their management culture so they are going after municipal business. Robin said she would discuss this information with the City's consultants and report back at the next meeting.

Webster representatives left and the Committee acted upon **Agenda item # 1**. Roald made a motion seconded by Ron "to nominate John Smith as chairman of the Insurance Committee." Following a voice vote, with no opposition, the motion was carried. John made a motion seconded by Ron "to nominate Roald as Vice-Chairman of the Insurance Committee." Following a voice vote with no opposition, the motion was carried.

Agenda Item # 3 - Tony Malavenda handed out a brochure from National Insurance Services of Wisconsin. They are offering life insurance to all employees but require 25% participation. A policy is going to be developed that addresses voluntary benefits offered to City employees. John suggested that Tony contact some of the organizations that assist cities and Boards of

Education such as CCM, CASBO and CAGE so the Committee doesn't have to reinvent the wheel. This issue will be addressed at future meetings.

Agenda item # 4 – Dick Lacey briefly discussed Tmesys, an online retail pharmacy benefits manager serviced through PMSI that could be used to process Heart & Hypertension prescriptions. It is available at no charge to the City and has potential savings of 20% – 30% which currently equates to \$14,000 - \$20,000 of the annual costs. Dick said there may be some initial resistance but it is being used in other Workers' Compensation matters. After a brief discussion, John made a motion seconded by Ron "to refer to the Board of Finance the approval to use Tmesys Online Retail Pharmacy Benefits Manager serviced by PMSI for Heart & Hypertension prescriptions." Following a voice vote with no opposition, the motion carried.

Agenda item # 5 – Tony brought up a recent lawsuit that was settled by the City's insurance company's attorney. He asked about the "hammer clause" that is contained within the City's policies. After a brief discussion, Robin said she would speak with the City's agent and consultant and have information for the next meeting regarding the hammer clause – omission of it in the City's policies and the effect of lowering deductibles.

The meeting adjourned at 9:10 am. The next meeting is scheduled for September 15, 2006 at 8:00 am in Purchasing.

John Smith
Insurance Committee Chairman