

Insurance Committee
October 24, 2008

A meeting of the Insurance Committee was held on October 24, 2008 at 8:00 am in the Purchasing Office's conference room. The following people were in attendance: City: John Smith, Roald Erling, Ron Messier, Glenn Klocko, Robin Manuele, Diane Ferguson, Roger Spear, Roger Rousseau and Tony Malavenda, Webster: Fred Moreno and Dom Perno

The meeting was called to order at 8:07am.

Agenda item # 1 - Workers' Compensation /PMA Management Corp- Fred went over the Claim Comparison report as of 10/15/08. He noted that he added a new line to the chart, as requested by John, which highlights any incurred claims with a value of \$100,000 or more per claim. There is still an outstanding balance in 03-04 of \$120,585. John asked who made up these claims and what the status of them is. Dom said an action plan needs to be put together for closing these claims.

Fred discussed the services provided to the City and BOE since the previous meeting in August. Various training was held as well as a claims review and safety committee meeting. Fred and Roger commented that the training was well received. The training is current and actually slightly ahead of schedule. Tony asked about the posters for the slips and falls. Roger said he would work with Fred to get posters for the BOE.

John asked if there are any trends that are occurring and Fred said slips, trips, and falls and material strains are still the most common occurrences. Fred also stressed the need for proper footwear.

Roger mentioned that Dave Cohen from the State Workers' Compensation Commission came for a visit and wanted to review the minutes from the Safety Committee meetings. Dave requested that the two libraries and the Department of Aging send representatives to the Safety Committee meetings. Roger has contacted the Department heads to ensure that this occurs.

Agenda item # 2 - Voluntary Benefits - Diane and Tony have been receiving numerous calls from outside vendors wanting to know if they can solicit their products to employees. The Committee had a listing of how other towns handle these types of sales calls. Currently, the City offers voluntary benefits through the Farmington Company which was selected by AON through a formal RFP process. It was the decision of the Committee to refer all calls to AON. The City will be going out for a full RFP in the near future since we haven't done one in over 5 years.

Agenda item # 3 - Wellness Program - Robin said a meeting is currently being scheduled between AON, Anthem, the City and BOE to see what can be implemented at little or no cost. John asked to be notified when the meeting date is set.

Agenda item # 4 - Aon's proposal for STD and Life Insurance - Robin
discussed the meeting she and Tony had with AON.

Tony and Robin met with Steve and Debbie from AON on 9/25/08 to discuss their offering of Group Life and Disability to the BOE and City. Currently the City uses AETNA and spends approximately \$27,000 for disability and \$86,000 for life insurance. In the past, alternatives have been priced out, but companies were not able to match some of what they called "antiquated" benefits. Aon is proposing to gather all our census data and match the benefits to see if money can be saved. Deb stated they have been saving between 14-18%. There is a gentleman's agreement, if AON does all the work and they can save the City 10% or more, that the City makes AON the broker of record.

Robin mentioned that the City frequently receives annual refunds from AETNA. These have varied from \$61,067 in fiscal year 2008 and \$32,347 in fiscal year 2007 to \$97,663 in fiscal year 2005. Steve said that we received these because AETNA overcharged the City.


Tony thought he might be locked into a contract with his current insurer; he was going to research this. Deb did feel if the City and BOE were with the same insurer, we would have a better chance for discounts. We told AON we would bring this to the Insurance Committee for their direction.

John asked Robin to go back to Aetna and ask what the rates would be to convert from a retrospective plan (which the City currently has) to a prospective plan. Tony mentioned that he did check his contract and he is locked in for 5 years with National Insurance who guaranteed a savings of 12%.

Based on the information that is obtained, the Committee will then decide how to handle Aon's proposal.

The meeting adjourned at 8:55 am.

Respectfully submitted,


John Smith, Chairman