

**City of Bristol, Connecticut
Insurance Committee Meeting
December 17, 2010**

A meeting of the Insurance Committee of the Board of Finance was held on December 17, 2010 in the Purchasing Conference Room 2nd Floor of City Hall. The following were in attendance: Committee Members: John Smith and Greg Fradette City: Glenn Klocko, Robin Manuele, Diane Ferguson, Roger Spear, PMA: Dom Perno, Ralph Meliso and Fred Moreno.

The meeting was called to order at 8:35 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. There have been no individual claims valued over \$100,000 for this fiscal year. The Committee also reviewed the loss run detail report for claims by year. The Committee briefly discussed how Bristol compares to other similar sized clients. Dom said he would work on some benchmarking and comparison reports. Dom noted that he would like to see Bristol doing better and that there still are a high number of claims. John questioned if proper lifting training was being done since there are a number of back injuries. He suggested a more rigorous lifting training session should be conducted such as the type of lifting used for training EMS personnel.

2. Review of Outstanding Worker's Compensation Liability and take any action as necessary.

Robin explained when she was preparing the year end financial statements and she was recording the outstanding liabilities, she reached out to both Glenn and John because of the large dollar amount (\$6 million). She explained there has been a large liability accumulating year after year that needs to be addressed. Ralph from PMA explained how the liabilities are developed. He said the losses could end up at the fully developed amount, or they could come in higher or lower, and that this is their best estimate at the time. He said the claims are progressing as would be expected. Claims are closing and settlements are being reached. The Committee members had a brief discussion about how other municipalities handle their obligations. It was decided that since Bristol had available surplus funds in the Health Benefits Fund, (\$9 million), the funds should be transferred to eliminate the deficit. Therefore, the following motion was made:

Commissioner Fradette made a motion "To transfer \$5.2 million from the Health Benefits Fund to the New Workers' Compensation Fund for outstanding liabilities and to recommend to the Board of Finance for approval. "

Dom, Ralph and Fred left the meeting at 9:05 am.

3. Review of Worker's Compensation authorized physicians and take any action as necessary.

John had some concern about the authorized physicians list and wanted to review it. He said there are some physicians that need to be added and some that need to be removed. He said he would look at it and get back to Diane with his recommendations.

4. Review of the City's Section 125 plan and take any action as necessary.

Diane explained that we have been unable to locate the City's Section 125 plan as it relates to the pre-tax of health care. The Board of Education has a section 125 plan

drafted by Shipman & Goodwin that the City can use. Diane said it needs to be adopted by the Board of Finance and reviewed by Corporation Counsel. Greg recommended that it be sent to Tracy Driscoll, specifically Rich Caruso, for his review. Robin said she would take care of it.

5. Review and take any action as necessary on the Request for Proposal for a Pharmacy Benefit Manager as part of the CT Public Sector RX Coalition.

The Committee discussed the proposal from Segal related to the RFP for a Pharmacy Benefit Manager. Segal is charging each municipality up to \$5,000 for their inclusion in this RFP process. The City currently pays AON a fee per prescription for services related to our prescription plan. John and Greg both stated they wanted to review the proposal further and also wanted to know what Aon's position was on the RFP. This item will be discussed at a subsequent meeting. There was also discussion again about putting out an RFP for health consulting services in Spring 2011.

Commissioner Fradette made a motion to adjourn at 9:30 a.m.

Respectfully Submitted,

John Smith/RLM

John Smith, Chairman