

Insurance Committee
September 22, 2006

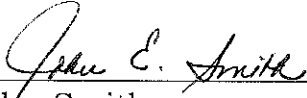
A meeting of the Insurance Committee was held on September 22, 2006 at 8:00 a.m. in the Purchasing Office's conference room. The following people were in attendance: City: John Smith, Ron Messier, Roald Erling, Glenn Klocko, Robin Manuele, and Roger Spear, BOE: Tony Malavenda, Webster: Fred Moreno and Dom Perno, HD Segur: Lou Garesio, Diane Ferguson was not in attendance.

The meeting was called to order at 8:05 am and Fred discussed the Claim comparison report and noted that there are no claims over \$25,000 for fiscal year 06-07 through 9/21/06. However, the total number of claims has gone up from 370 in 2004-05 to 386 in 2005-06. Fred mentioned that there are several defensive driving classes set up for October, slip, trip, and fall training for November, and "call before you dig" training in December. Tony mentioned that forklift training at the BOE would be helpful since they have forklifts. Fred didn't realize this and agreed to add it the training schedule. John inquired as to the status of the Hernandez claim and Dom said he would update the committee as soon as he had information. Glenn asked about the Webster contract and Dom stated he had not received it back from Dick Lacey. Glenn stated he would touch base with Dick to move the contract along. Webster left at 8:29 am.

Lou Garesio from HD Segur entered the meeting at 8:29 am to discuss the "hammer clause" language in the City's policies. Lou stated that since 2001 there were 16 claims settled within the Employment Practices policy and 9 of them were from the Police Department. He feels that the City needs to take a proactive approach through manager training. Ron asked if the Police Board was aware of these claims.

Lou said there are two players in the municipal insurance market – CIRMA and Metroguard. CIRMA will not remove "hammer clause" language and Metroguard will review the City's loss history. Lou further stated that a monoline carrier such as AIG or Landmark, may offer a policy without the "hammer clause", but because of the City's losses, higher premiums and deductibles would be the result. John and Tony both inquired about using City attorneys or attorneys of their choice. Tony felt the BOE should be able to pick their own attorneys since they pay the first \$25,000 for a claim. Lou suggested having someone come in to do training and said he would contact Robin with information. He said if the Committee wants, at renewal for next fiscal year, he can market the insurance without the "hammer clause" language to see what is offered. Lou exited at 8:55 am.

The final agenda item relates to reviewing the Voluntary benefits offered to employees. John said that the Committee will review the offerings every two years. Tony felt that the City should get a legal opinion and look at private company policies. The consensus was to leave things as they are currently. The meeting adjourned at 9:13 am. The next meeting is scheduled for November 17, 2006 at 8:00 am in Purchasing.

A handwritten signature in cursive script that reads "John E. Smith". The signature is written in black ink and is positioned above a horizontal line.

John Smith
Insurance Committee Chairman