

Minutes of the Health Insurance Trustee Meeting  
January 26, 2012  
8:00 a.m.  
JH/CO Conference Room

Members Present: Bob Evans, Mike Gowing, Tess Summers, John Petersen, and John Murray at 8:25 a.m.

Also Present: Tim Harrison, Lauren Rosenzweig Morton, Chris Prehl, Pat Haras, Ruth Cvitkovich, Peter Savage, Kim Mcosker, and Janet Adachi

The meeting was called to order at 8:05 by Chairman Evans.

**Approval of Minutes:** The minutes of the December 22, 2011 meeting were approved as submitted.

**Treasury Report:** Mr. Harrison reported on the investment of funds for the trust. He has laddered Certificate of Deposits to gain the most interest for the trust, and stated interest at Middlesex Savings Bank is approximately 1%. Total interest earned as of December 31, 2011 is \$9,135.52.

**Financial Update:** Mr. Savage projected a loss of \$300K for this fiscal year. Financial reports indicate a \$699K loss; however, this does not include reinsurance funds of \$379K that are due for excessive claims.

**Additional Segal work:** On the motion of Mike Gowing, seconded by John Petersen, it was unanimously VOTED to approve an amount up to \$5,000 for additional work to be performed by Segal Corporation. The work involves additional information based on dollars and percentages for Alternatives 1 and 3 as outlined in Mr. Murray's January 12, 2012 email to Fran Sciandra. Mr. Evans will approve these additional expenditures.

**Impact on Trust to Plan Design:** This item was passed over and will be discussed at future meetings.

**Rate Setting Process:** There was discussion on the timeline for setting FY13 rates, making plan design changes recommended by the Board of Selectmen's working group, obtaining rates from insurance companies based on new plan design, and meeting open enrollment time frame. Mrs. Rosenzweig Morton stated the Selectmen must approve the working group's recommendation, and once approved by Selectmen, obtain approval of unions through ratification. Mr. Evans stated the trustees should set rates in February, and then set new rates when all work is completed.

There was discussion on the amount of trust fund balance that should be carried, and the trustees agreed on Mr. Savage's recommendation of 15-20% of claims, excluding IBNR.

**Next Meeting date:** The next meeting will be held on February 16, 2012 at 8 a.m. in the Junior High Conference Room. There may be need for a special meeting in March.

The meeting was adjourned at 9:06 a.m.

Respectfully submitted,

Sharon Summers, Secretary