

Minutes of the Health Insurance Trustee Meeting

October 18, 2012

8:00 a.m.

JH Principal's Conference Room

Members Present: Bob Evans, Steve Barrett, Tess Summers, Kim McOsker and Mike Gowing

Also Present: Tim Harrison, Pat Haras, Ruth Cvitkovich, Peter Savage and Don Aicardi

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

**Approval of Minutes:** The minutes of the September 20, 2012 meeting were approved as submitted.

**Treasury Services:** Tim Harrison presented treasury reports as of September 30, 2012. The balance sheet and income statement were supplemented with income statements by each plan for the period per request of the trustees. Mr. Harrison asked the trustees to review the new report format, and give feedback to him on the content.

Total current assets are shown as \$4.7 million. This is a loss of approximately \$1 million from the previous month; however, reinsurance reimbursement of approximately \$800K is due from the past quarter. Mr. Savage agreed that the trust was down over \$200K at this point, and noted that it is still early in the fiscal year. It was agreed that Mr. Harrison and Mr. Savage would reconcile the quarterly reinsurance settlements in the future, and present this reconciliation to the trustees.

**Financial Update:** Mr. Savage presented revised cash flow reports for September. He is projecting a \$1.2 loss for FY13 at this point, and noted four claimants have exceeded 50% of the reinsurance threshold, with three of these having claims greater than \$90,000. He noted that \$542,672 is currently due from reinsurance, and that the trust recovered approximately \$2.2 million for FY12. He also noted that the trust made twelve payments in FY12 for claimants exceeding the \$110K specific level.

The trustees asked to have preliminary rates available for the November meeting. Mr. Savage noted there should be an 8% reduction in claims based on the plan changes that were made for FY13; however, it will be difficult to project at this point due to lack of claims data. He noted the trustees last year decided not to pass all of the costs on to employees because plan design changes were approved, but that rates for FY14 will need to represent real expenses.

**Trustees Calendar:** Meetings have customarily been held on the fourth or last Thursday of each month. There will be a change in the schedule for meeting with Tim Harrison due to quarterly reinsurance reconciliation. It will be moved to the month following the end of a quarter. A new calendar will be presented at the next meeting.

**Next Meeting Date:** The next meeting will be held on November 15, 2012 at 8 a.m. in the Junior High Conference Room.

The meeting was adjourned at 9:00 a.m.

Respectfully submitted,

Sharon Summers, Trustee and Secretary