

Insurance Committee- March 16<sup>th</sup>, 2015

The Insurance Committee met on Monday, March 16<sup>th</sup>, 2015 at 11:30 a.m. in the Council Chambers at City Hall.

Present: City: Dave Miller – Chairman, Mike Kolbe, and Sharon Kroger

HMU: Terry Arentson

Absent: HMU: Mike Jones

Also Present: Mayor Gene Gettys, Terry Cox, Debra Sawyer, Todd Argotsinger, Jeff Musich & Mike Hadfield for the City of Harlan - Jennifer Kelly, Krista Allen, Al Ickes & Stephen Gessert and Ken Weber for HMU, Carolyn Rebel for Holmes & Murphy, Brent Scheve for The Agency

The Chairman called the meeting to order.

The agenda, on motion by Kolbe and seconded by Arentson, was approved and any conflicts of interest stated as applicable.

Carolyn Rebel of Holmes & Murphy was present to discuss the City's Health/Life/Short Term/Long Term/AD&D renewal. Among items discussed:

- ❖ Original estimate was a little over 4% but came in lower. The increase actually ended up being 2.7%.
- ❖ Since we have a healthy balance in our partially self-funded account it is the recommendation of Carolyn that we use part of that balance to buy down the renewal.
- ❖ The renewal Carolyn advises is the -2.7 renewal rate. This will reduce the balance held in the partially self-funded account by approximately \$42,000.
- ❖ No increase for dental increase
- ❖ Additionally, she advised us to withdrawal part of that fund balance and give it back to the City and HMU to deposit into their general funds. The breakout will be prorated by the amount of employees at each location. The amount she proposed is \$280,000.
- ❖ If all the above suggestions are approved this will reduce the fund to approximately \$322,000 which is equal to 12 months of funding and still reflects a healthy balance.
- ❖ No changes will be made in the amounts currently being paid into our partially self-funded account.
- ❖ Carolyn will research options available for hearing aids and will submit the findings to the Insurance Committee. The policy will be outside our current policy. Currently we only have a program that offers a small discount on the purchase of hearing aids.

It was moved Arentson and seconded by Kroger to approve the 2015/2016 Health/Life/Short Term/Long Term/AD&D renewal based on Carolyn Rebel's suggestions as listed above. Motion passed unanimously and will be presented to the City Council.

Additional discussion with Carolyn as follows:

- ❖ Options available to employees for a Wellness Program
- ❖ Suggestions included adopting a Critical Illness plan with wellness reimbursement.
- ❖ The plans would include coverage for catastrophic events such as cancer, heart attack, stroke, etc. The plan would give the employees a refund check for having

their physicals done. The cost to this type of program for the City/HMU would approximately be \$8-9k per year. Brent Scheve of The Agency was present to discuss the City's Property/Casualty/Workers' Comp renewal. Among items discussed:

- ❖ Terms of the insurance have not changed.
- ❖ Overall we can see a reduction of \$5,166 – our improvement in the Workers' Comp mod rate was a driving force in the reduction.
- ❖ One change is to the HMU portion is the change of the old HMU administrative building has been replaced it with the actual cash value.
- ❖ The static display at the airport has stayed the same.
- ❖ The commercial output coverage is strictly HMU's.
- ❖ Liability coverage will remain the same based on receipts of the last years audit figures.
- ❖ No changes have been made to the automobile coverage. Still at 100comp/1,000collision.
- ❖ Inland marine, coverage of specialized equipment used off premises, has not changed.
- ❖ Our workers' comp. mod rate has dropped from 1.18 to 1.03. We have continued to remain in the preferred group which allows us a reduced renewal rate as compared to last year.
- ❖ We also carry an umbrella policy; which has not changed over this year's policy.
- ❖ City's bond limits have stayed the same as this year.
- ❖ Computer fraud and forgery are both insured at the max limits and the policy has not changed.
- ❖ The errors & omission's policy covers all city employees with a \$1M limit/ \$3K deductible
- ❖ The Law Enforcement coverage has not changed.
- ❖ Data Compromise coverage is the same as it has been for the last 3 years.
- ❖ The total policy last year was \$394,221 and this year is it \$389,055.

It was moved by Kolbe and seconded by Arentson to approve the 2014/2015 Property/Casualty/Workers' Comp. insurance as presented. Motion passed unanimously and will be presented to the City Council.

With all business completed it was moved by Kolbe and seconded by Arentson to adjourn the meeting. Motion passed unanimously.

Insurance Committee- April 29<sup>th</sup>, 2015

The Insurance Committee met on Wednesday, April 29<sup>th</sup>, 2015 at 12:00 p.m. in the Council Chambers at City Hall.

Present: City: Dave Miller – Chairman, Mike Kolbe, and Sharon Kroger

HMU: Terry Arentson and Mike Jones

Absent: HMU: Al Ickes and Jeff Musich

Also Present: Terry Cox, Debra Sawyer, Dave Pedersen, Mike Hadfield for the City of Harlan - Jennifer Kelly, Stephen Gessert and Ken Weber for HMU, Tom Ouren and Brent Scheve for The Agency

The Chairman called the meeting to order.

The agenda, on motion by Kolbe and seconded by Arentson, was approved and any conflicts of interest stated as applicable.

To keep in accordance with industry standards Debra Sawyer, City Clerk, recommended to the committee that we increase the City/HMU maximum Health Flexible Spending Account contribution limit from \$2,500 to \$2,550. This would become effective starting January, 2016 and as stated would align us with industry standards. The committee agreed and it was moved by Arentson and seconded by Kolbe to increase the maximum Health Flexible Spending Account contribution limit from \$2,500 to \$2,550 to take effect with contributions starting January, 2016. Motion passed unanimously and will be presented to the City Council.

Debra presented the quote from Holmes Murphy, health insurance broker, in regards to possible coverage for audiology/hearing aid coverage in addition to a vision plan. The City/HMU will not have any liability tied to these policies and 100% of the policy costs will be absorbed by the employee. Tom Ouren and Brent Scheve from The Agency were present and told the committee that they would be interested in also submitting a quote for the stand alone policies. Brent said he would have the quotes available within 2 weeks. The committee instructed him to pull together some numbers and report back to them. Another Insurance Committee meeting will be scheduled to have The Agency present their findings.

Tom Ouren posed a question to Debra on why it took longer than HMU to pay the yearly renewal bill. She explained that she broke each line item out and then had to combine the figures in a spreadsheet in which she gave to the bookkeeper to enter into our accounting software. He asked if we could just cut check and figure out the split later in which she replied we cannot. Debra said she would check with HMU and ask how they split their bill up. If they just used an average percentage that could explain how it didn't take them so long. She also said she would sit down with him with suggestions on how further breakdowns from them could speed up the process.

With all business completed it was moved by Kolbe and seconded by Arentson to adjourn the meeting. Motion passed unanimously.

Insurance Committee- May 29<sup>th</sup>, 2015

The Insurance Committee met on Wednesday, May 29<sup>th</sup>, 2015 at 12:00 p.m. in the Council Chambers at City Hall.

Present: City: Dave Miller – Chairman, Mike Kolbe, and Sharon Kroger

HMU: Terry Arentson

Absent: HMU: Mike Jones, Stephen Gessert and Jeff Musich

Also Present: Terry Cox, Debra Sawyer, Dave Pedersen, Mike Hadfield, and Frank Clark for the City of Harlan - Jennifer Kelly, Al Ickes and Ken Weber for HMU, Brent Scheve for The Agency

The Chairman called the meeting to order.

The agenda, on motion by Kolbe and seconded by Kroger, was approved and any conflicts of interest stated as applicable.

Brent Scheve from The Agency presented several vision/hearing aid policy choices that are completely voluntary and will be paid 100% by the employees. He stated that the options for hearing aid policies are very slim due to the nature of that type of coverage. Normally people don't look for or need hearing aid coverage until they have problems with their hearing. Vision on the other hand has better options.

Brent presented several options and reviewed them with the committee. His suggestion was to take the option from DeltaVision, who is accepted by local doctors. The coverage offers several plans and we can pick which one the City would like to adopt. DeltaVision offers 4 tiers and the plan is completely optional. However we do need to have a minimum of 20% of eligible employees to sign up. That would mean we would need 13 employees combined. The one nice thing about DeltaVision is it offers EPIC, a free hearing aid plan to their members. This is an added bonus.

It was moved by Kolbe and seconded by Arentson to accept the voluntary insurance plan option from DeltaVision/EPIC for vision/hearing aid coverage as presented by The Agency. Motion passed unanimously.

Frank Clark was present to discuss his concern regarding the issue with Catholic Health Initiatives Medical Centers (Creighton). Currently anyone who is affiliated with CHI is not treated as in-network if we are seen in Nebraska. If we see a doctor here in Harlan we are treated as in-network but we are not treated the same in Nebraska. Frank is wondering how we can protect our employees. At this time there is not any news that would suggest the situation will be remedied anytime soon so we will need to make our employees aware of the situation and always ask for a physician referral that is not in CHI's network (if feasible). It was suggested that we make our families aware of the situation so they can choose another trauma center like UNMC for emergency transfers.

With all business completed it was moved by Kolbe and seconded by Arentson to adjourn the meeting. Motion passed unanimously.