

City of Harlan Insurance Committee - March 10, 2016

The City of Harlan Insurance Committee met at 11:30 a.m., Thursday, March 10, 2016 in the City Council Chambers. Acting chair person Dave Miller called the meeting to order. The following members were:

Present: City: Chair person Sharon Kroger *, Greg Bladt, and Dave Miller

HMU: Mike Jones and Terry Arentson

Absent: None

Also Present: Jeff Musich, Pam Meurer, Jenney Kelly, Terry Cox, Steve Gessert, Tom Ouren, Brent Scheve, Ken Weber, Mayor Gene Gettys, Mike Kolbe

It was moved by Arentson and seconded by Jones to approve the agenda. The motion carried unanimously.

No conflicts of interest were stated.

Tom Ouren of The Agency distributed the Commercial Insurance Schedule and gave a synopsis of the figures. Property limit – total blanket changed by 2% inflation cost, but no change on deductible. Property blanket figures were derived by on-site insurance inspectors. He discussed the IAMU safety group and the dividend refund received because of the City and HMU participation with that group. No change in the comprehensive deductible. He noted that he works with HMU and the City each year to update all inventories of equipment and electronics covered by Inland Marine. Tom stated that the big change in premium was due to Work Comp. The Experience Modification factor was at 1.18 last year and has since dropped to .91 this year. We are getting credit for the improved rating. (Sharon Kroger* arrived at 11:45 a.m.) Tom noted that HMU and the City are currently designing a Return to Work Policy. Claims history has improved. He discussed Cyber Solutions (a change in name from last year) and noted it includes Data Breach Coverage and noted the Employer's responsibility in the event of a breach.

It was moved by Arentson and seconded by Bladt to approve the 4/01/16 property/casualty/work comp insurance comp renewal with The Agency. The motion carried unanimously.

The IGHCP representatives could not make today's meeting, so the 7/01/16 Health, Dental, and STD insurance renewal was tabled.

Brent Scheve noted that last year The Agency had provided the City/HMU with a Vision Policy in which the employees voluntarily participate. Because the policy rate doesn't expire until 2017 and it is also a voluntary participation plan, no action is needed by the Insurance Committee.

IGHCP had notified the City that the renewal for Life, ADD, and LTD insurance with our current carrier (Lincoln Financial) is projected to increase 8.2% and they will be marketing for a better price. It was moved by Miller and seconded by Arentson to request The Agency solicit rates for Life, ADD, and LTD insurance to be available for the next meeting. The motion carried unanimously.

Jenney Kelly of HMU explained to the Committee the proposal from EBS to charge the employees a \$25 fee for each insurance claim check they have to replace due to being lost or uncashed. She said that if

we don't want EBS to replace checks at that fee, then EBS will send us the amount of checks outstanding after 180 days, to be either turned over to the Iowa Treasure Hunt or returned to the employees. She proposed we opt for the refund check from EBS and then divide it up and return the amounts in cash to the employees affected. It was moved by Miller and seconded by Arentson to deny EBS the option of a \$25 re-issue fee for replacement of uncashed health/dental/flex claims checks and to direct the staff to set the procedure for the processing of the refunded amounts. The motion carried unanimously.

IGHCP had advised the Committee by e-mail that the current (2/29/16) PSF (partially self-funded) insurance reserve balance is at \$494,570.76. Terry Cox recommended reducing the PSF insurance reserve balance by requesting \$190,000 to be refunded after the 7/01/16 renewal. It was moved by Arentson and seconded by Bladt that a request be made for the disbursement of \$190,000 from the PSF insurance reserve fund after the 7/01/16 renewal, to be refunded proportionately to HMU and the City. The motion carried unanimously.

It was agreed to meet again in approximately two (2) weeks to allow for time to obtain bids for the life, add, and LTD insurance.

There being no further business, the meeting adjourned.