

INSURANCE ADVISORY BOARD MINUTES

City of Fort Lauderdale

100 North Andrews Avenue

7th Floor Conference Room

Thursday, January 19, 2006 – 8:00 a.m.

<u>Board Members</u>	<u>Meeting Attendance</u>	<u>(1/06 to 12/06) Cumulative Attendance</u>	
Joseph Cobo, Chair	P	P-1	A-0
Mark Schwartz, Vice Chair	P	P-1	A-0
Randy Swensen	P	P-1	A-0
Ted Hess	P	P-1	A-0
Christopher Prestera	P	P-1	A-0
Roger Bond	P	P-1	A-0
Joe Piechura, Sr.	P	P-1	A-0

Staff and Guest

Daniel Jilek, Risk Manager

Marilyn Mullen, Employee Benefits Coordinator

Dave Fortune, Fortune Consulting

Brenda Cooper, Recording Clerk

1. Roll Call

The meeting was called to order by Chair Cobo at 8:00 a.m.

2. Introduce new IAB Member, Joseph Piechura, Sr.

Mr. Piechura introduced himself stating he had been in the insurance industry for a long time in South Florida and is presently Vice President of Gateway Insurance in Fort Lauderdale.

3. Approve Minutes of December 1, 2005

It was requested that the minutes be corrected to reflect in item 7 that two healthcare claims have hit the reinsurance level. Motion to approve made by Mr. Bond, seconded by Mr. Prestera. In a voice vote, the motion passed unanimously.

4. Review the State of Property Casualty Claims

Mr. Jilek provided copies of loss runs printouts. He advised Gallagher is having problems with their software, making the information hard to read, but he will have something better in the upcoming months. Mr. Jilek indicated that this month there has been a frequency problem and claims volume is up with a lot of “little claims” having been submitted. The good news is the recovery is staying on track with the City Manager having announced to the City Commission that they are back in the black although Mr. Jilek felt that such an announcement may have been premature, suggesting that it will be another six months before the City reaches that level. Outstanding claims were \$8 million; however, a new report shows that it has dropped to \$7.3

million. Mr. Jilek indicated he doesn't see that number going down significantly in the near future -- maybe another ½ million.

5. Update from Marilyn Mullen on City Health Plan

Ms. Mullen reported that the contract with Colonial expires on April 30th of this year. The City will be required to submit another RFP prior to the expiration; Ms. Mullen is reviewing the contract from last year. In an effort to improve efficiency of the process, Ms. Mullen is attempting to get together with the executive management team and the City Commission to schedule a workshop. Ms. Mullen will be accepting bids for the medical and dental sections of the health plan for 2007, but she indicated she wants to get the City Commission on board prior to starting the process. There appears to be a problem with some of the wording in the current contract which has resulted in a dispute with North Broward Hospital District now being handled by the City Attorney's office.

Mr. Cobo questioned whether the City Attorney is in-house or contracted out and was advised that the City Attorney is contracted, although his assistants are City employees who report to the Commission. Ms. Mullen did not want voluntary benefits to be an RFP as the participation had only been 65 out of 1,200 to 1,300. Mr. Jilek noted that the City was looking for six different products, two of which he felt were counter-productive, i.e., wage supplemental, cancer, dependent life insurance, group universal life, and long term care. Ms. Mullen advised that their concern was not so much with regard to the vendor, but their bookkeeping process as the systems did not communicate with one another. Ms. Mullen advised that Colonial had also been denied individual access to the employees, with Mr. Jilek pointing out that upper management, felt it would be disruptive, having people "wandering the departments."

Ms. Mullen stated that approximately 250 employees attended open enrollment. Mr. Cobo felt the vendors should have an opportunity to properly present to their options to the employees. He further suggested that maybe once a quarter, one of the City Commissioners should be invited to attend one of these meetings.

Mr. Swenson indicated he would like the City Commission to know that the issue of voluntary benefits is being overstated. Mr. Fortune wondered why bidding was being forced. Ms. Mullen pointed out all of this was done with the intention of having multiple vendors.

Ms. Mullen stated she would like to override the one year provision with a no-bid process. It was pointed out by Mr. Piechura that no money had been made on the program last year, and if they can only get a one year contract, vendors will not bid. Ms. Mullen would like the rebid to be for a 3 year contract.

Motion made by Mr. Prestera to recommend a) extension of the current arrangement with Colonial for another two years to give appropriate time to build the population and to open the gates to the employee population to claim representatives so that they do have a chance to build

the population due to lack of current enrollment, and the appreciation that the Board thinks they have not had an adequate opportunity to fulfill their role at this point in time. In addition, that if the RFP process is done again it will be counter-productive because they might not get the interest they would if the population was more substantial. The motion was seconded by Mr. Bond and in a voice vote passed unanimously.

Mr. Schwartz questioned status of the State access program. Mr. Jilek stated there has been no feedback yet, but he will bring the information when it is obtained. The program is an all encompassing type of program, i.e., paramedics, malpractice, and general liability, and is written for the needs of a governmental entity.

Mr. Jilek further advised that Rutherford has been online for one month now. He has submitted the supplemental information requested by the Board and is hoping to have more information by February's meeting. Mr. Jilek believes this it is a viable alternative for the City, but it will need to be priced right.

Chair Cobo asked that Old and New Business be added to the agenda.

Mr. Presterer noted that he has received inquiries about prepaid legal services, advising that there are a number of products out there and maybe this something that could be offered as a supplemental benefit.

Ms. Mullen questioned in which form the City Commission would receive the Board's recommendation regarding the voluntary benefits. Chair Cobo stated it would be submitted by either letter or memo. Mr. Jilek stated he will prepare that matter as an agenda item to be put before the City Commission for the February meeting as the information has to be in by January 26th.

6. Schedule February 2006 meeting

The next meeting will be on February 16th at 8:00 a.m.

With no further business to come before the Board, the meeting was adjourned at 8:35 a.m.