

INSURANCE ADVISORY BOARD MINUTES

City of Fort Lauderdale

100 North Andrews Avenue

8th Floor Conference Room

Wednesday, September 9, 2009– 8:00 a.m.

1/09 – 12/09

Board Members	Meeting Attendance	Cumulative Attendance	
		P	A
Joseph Cobo, Chair	P	7	2
Mark Schwartz, Vice Chair	P	8	1
Christopher Prestera	P	6	3
Joe Piechura, Sr.	A	6	3
Jim Drake	P	7	2
Charles Grimsley	P	7	2
Steve Botkin	P	4	1

Staff and Guest

Denny Stone, Employee Benefits Coordinator
Guy Hine, Risk Manager
Michael Walker, Procurement & Contracts Manager
Matthew Cobb, Risk Management Coordinator
Jennifer Lindsey, Rutherford
Lloyd Rhodes, Benefit Consultant
Michael Kinneer, Finance Director
Liza Morandi-Matricaria

As of this date, there are 7 members of this Board, and all 7 are appointed, which means that 4 would constitute a quorum.

Roll Call

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

Communications to City Commission

Nothing to report.

Approval of Minutes – August 12, 2009

Motion made by Mr. Botkin and seconded by Mr. Schwartz to approve the minutes of the August 12, 2009 Board Meeting. Motion passed unanimously.

Unfinished Business**Approval of Public Officials EPL Insurance Premium Quote**

Mr. Hine stated the City's broker obtained a 10% reduction in the premium for the combined policy for the Public Officials EPL Insurance. He referred to a chart provided in the Board's backup materials that shows the history of this item.

Motion was made by Mr. Prestera and seconded by Mr. Botkin to approve the Public Officials EPL insurance premium quote as presented. The Board unanimously approved (for details see Approval of Public Officials EPL Insurance Premium Quote section).

New Business**Electronic Enrollment System And Voluntary Benefits**

Mr. Stone proceeded to introduce Liza Morandi-Matricaria who recently joined the City's benefit staff. Before joining the City, she had run the wellness program for the Broward School District.

Liza Morandi-Matricaria said that the City is going to meet with AvMed to see about improvements to the City's wellness programs in the future.

Mr. Hine advised that Mr. Grimsley had joined the meeting at approximately 8:10 a.m.

Mr. Stone explained that they are working on an RFP regarding an electronic benefit enrollment system for self-enrollment by employees. It also provides for a Section 125 administrative system since the City is manually entering dozens of Section 125 refunds into the payroll system each pay period. He also explained that debit cards could be used with the new system to streamline the processing of Section 125 refunds for employees and the City.

Vendors will offer voluntary benefits, such as Universal Life that now have long-term care built into the life insurance policies. The City presently has a long-term disability program under the pension program, but once an individual goes on full disability, they are terminated. Aflac and Colonial provide short-term disability coverages that have been popular with employees, along with critical illness and cancer options.

Mr. Stone stated there has been popularity with the accident program among the firefighters and police.

They are finding that most major carriers offer voluntary products along with enrollment systems that have a value of up to \$50,000 which could be offset by the vendor or carrier.

Workers' Compensation Administration Contract

Mr. Hine advised that this contract will expire in August, 2010. Presently, a fragmented system exists and three adjusters work part-time on the account. He is concerned because there is little incentive for the adjusters to close files, and therefore, would like to have a dedicated team of two adjusters handling the City's claims. He wants to change the specifications to reflect this. He finds that adjusters miss things that cost the clients money. He wants the Board to think about this matter in advance of the expiration because it would have a higher cost. An estimate of the cost would be \$370,000 which is approximately a \$90,000 increase.

Mr. Grimsley stated that his company does not use third-party adjusters, meaning they hire adjusters who are dedicated to their program.

Mr. Hine agreed that adjusters dedicated to an account would be more interested in it.

Mr. Schwartz asked what role Kathleen Thorpe performs in Risk Management.

Mr. Hine explained that Kathleen's title is Claims Adjuster, and that she is the liaison between the City and Gallagher Bassett, and handles the day-to-day operations of the workers' compensation program.

Mr. Hine stated this type of claims administration program would assist them in moving forward in the right direction.

Old/New Business

None.

Schedule Next Meeting

The next meeting of this Board would be held on October 7, 2009 at 8:00 a.m.

Motion was made and seconded to adjourn the meeting. Board unanimously agreed.

There being no other business to come before the Board, the meeting was adjourned at approximately 8:25 a.m.

Respectfully submitted,

Margaret A. Muhl
Recording Secretary