

INSURANCE ADVISORY BOARD MINUTES

City of Fort Lauderdale

100 North Andrews Avenue

8th Floor Conference Room

Wednesday, April 7, 2010– 8:00 a.m.

<u>Board Members</u>	<u>Meeting Attendance</u>	1/10 – 12/10	
		<u>P</u>	<u>A</u>
Joseph Cobo, Chair	P	4	0
Mark Schwartz, Vice Chair	A	3	1
Joe Piechura, Sr.	P	4	0
Jim Drake	P	3	1
Charles Grimsley	P	4	0
Steve Botkin	A	2	2
Stephen Estler	A	2	2

Staff and Guest

Michael Walker, Procurement & Contracts Manager

Matthew Cobb, Risk Management Coordinator

Guy Hine, Risk Manager

Denny Stone, Employee Benefits Coordinator

Lloyd Rhodes, Benefit Consultant

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 8:05 a.m.

Communications to City Commission

Nothing to report.

Mr. Drake asked if members of this Board attended the March 16th City Commission meeting. Mr. Hine confirmed and stated that Mr. Botkin and Mr. Piechura were present. The items passed and the City Commission was pleased about the \$125,000 savings.

Approval of Minutes – March 3, 2010

Motion made by Mr. Grimsley and seconded by Mr. Drake to approve the minutes of the March 3, 2010 Board Meeting. Motion passed unanimously.

Unfinished Business**Final Result of Property Insurance Purchase**

Mr. Hine stated negotiations continue on the price. He referred to three areas highlighted on information distributed to the Board that showed various savings. He explained they were able to save a total of \$157,000 as opposed to the \$125,000 stated at the last meeting. He added that the fire stations had an approximate insured value of \$8 million, and through negotiations those were included in the schedule of values with no additional cost.

WC/TPA RFP

Mr. Hine stated they were still working on technical specifications for this contract. They have not been pleased with the nurse case management, specifically the telephonic case management handled by Coventry at this time. Corvell has been doing a very good job with the field case management. In the past, the City has not had the best reputation regarding caring for employees, and the nurses assigned to cases can go a long way in turning around that perception. He stated that he was going to ask the City Commission for a two-month extension regarding this contract. He was not prepared at this time to discuss the technical specifications. He would prefer to keep nurse case management (both telephonic and field) pricing separate from the TPA and fee scheduling component. He was concerned about getting this Board's support regarding this contract.

Mr. Walker explained the alternative was there could be a one two-year renewal. Therefore, they would have to go before the Commission with an additional two years. The Commission is having all contracts older than 2007 rebid. In that regard, they would not agree to a two-year renewal. He believed they would be in favor of a two-month extension.

Mr. Piechura asked who staff believed would bid on the contract. Mr. Hine proceeded to list the companies that might consider bidding. It was important for the employees to know the City cared and was willing to help them. The challenge is that the proposal will be higher in price, but he believes the offset will be substantially greater. The market has changed and specifications would be changed to meet current requirements. He feels by paying a little extra on administration costs, they would get more of a benefit regarding actual claim costs.

Motion made by Mr. Grimsley and seconded by Mr. Piechura to extend the WC/TPA RFP contract for two months. Board unanimously agreed.

New Business**Airport Liability Premium**

Mr. Hine stated there is a lower premium for the Airport liability premium due to the fact that the agent is not entitled to a commission. There would be a total of a \$659 savings.

Motion made by Mr. Grimsley and seconded by Mr. Drake to approve the Airport liability premium as presented. Board unanimously approved.

Riskmaster Software System Upgrade

Mr. Hine stated that this would be a revamping of the system. This system will enhance keeping track of exposures, and allow them to isolate the various areas.

Mr. Cobb stated the City handles their liability program in-house which is advantageous. There are four main reasons why the upgrade is necessary. The original system was inherited and is based on an old DOS server-based platform. Eventually, that system would no longer be serviced by the company, and it was hard to train newer users on the system. The new system would be web-based and would also be more customizable. In addition, the claims coding would be better on the new system. Risk Management is presently interfacing more with other City departments on loss control, and the new system would be beneficial in this area.

Mr. Hine advised that last year the money had been budgeted for this software purchase.

Mr. Cobb stated this system appeared to be the most cost effective approach in bringing everything up to date.

Motion made by Mr. Grimsley and seconded by Mr. Piechura to approve the Riskmaster Software upgrade. Board unanimously approved.

Wellness Program

Mr. Stone stated the City's Wellness Program started back in the late '90's.

Mr. Rhodes explained that the program with Broward General dating back to 2002 was known as Intervent which the hospital had an exclusive franchise on in Florida. This included individual mentors and coaches which was a feature that employees preferred. It was decided that the City could no longer afford personal sessions and negotiations began to do telephonic mentoring sessions which were more efficient and cost effective. This type of model is proliferating more with other major companies.

Mr. Walker further stated this is for management and supervisors and was part of a collective bargaining agreement that included a \$500 incentive for individuals to complete the program. Mr. Stone explained that Intervent (acquired by Nationwide Better Health) renewed the contract in 2008, and wellness enhancements were added recently by AvMed. There has not been a good interface of data which is important because wellness is an important aspect of the City's disease management initiatives and health plan. The Nationwide Better Health contract expires in May, 2010. This is a good time to transfer the Wellness Program to AvMed, and make the wellness component part of the City's health plan.

Mr. Rhodes explained they wanted to integrate the Wellness Program into the health plan, and it was not economical to do an RFP just to replace Nationwide. They will be doing an RFP for AvMed in January, 2012, and the wellness component will be included in that RFP as part of the overall health plan. Possibly in the future, they will be able to

expand the wellness coaching component to include all other groups. They are suggesting replacing the Nationwide Better Health contract, and integrate it into the City's health plan that is being administered by AvMed.

Motion made by Mr. Drake and seconded by Mr. Piechura to approve the program as presented. Board unanimously approved.

Review of Cost Savings

Mr. Hine explained the cost savings they would be incurring in connection with the various premiums. He referred to the chart that was distributed, and pointed out how premiums had gone down in recent years. He proceeded to provide an example of a \$10,000 savings in connection with a drug-free workplace. He believes that Risk Management would be taking a more forefront approach in City business in the future.

Mr. Grimsley asked if there was a comprehensive report showing all coverages in terms of savings. Mr. Hine stated that he would put such information together and provide it to the Board. Mr. Grimsley remarked that the cumulative effect could be impressive.

Other New Business

Mr. Hine stated that he wanted to clarify his comments from the last meeting regarding the NFIP policies. He had previously stated that NFIP was necessary in order to be eligible for FEMA assistance. He wanted to further clarify that documentation had been received from FEMA stating that any monies that could have been recovered from an NFIP policy would not be covered under FEMA disaster assistance, but any monies over that amount would be covered.

Scheduled Board Meetings

The next scheduled meeting is May 5, 2010 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 8:45 a.m.

Respectfully submitted,

Margaret A. Muhl
Recording Secretary