

SELF INSURANCE COMMITTEE
MINUTES TO MEETING OF FEBRUARY 21, 2007

The Self Insurance Committee of the Town of Southington held a meeting on February 21, 2007 in the Town Council chambers, Town Hall building, 75 Main Street, Southington, Connecticut.

The following members were present: Francis Verderame, Kathleen Rickard, Sherri DiNello, Arthur Secondo, Harold Kane, John Weichsel and Emilia Portelinha.
Also present: Agent James Verderame.

Chairman Kane called the meeting to order at 3:05 pm.

Update of Pharmaceuticals by Joseph Honcz of Anthem

Joe Honcz will be here next meeting and he will provide the committee with updated statistics.

Introduction of Consultant: Joseph Mango

Jim Verderame introduced Joe Mango as a consultant hired by Verderame Insurance. His prior experience includes: 12 years with Blue/Blue Shield (before they became Anthem); several years with a third party administrator; and the last 8-9 years as an insurance broker for the private sector. He has also served on the Wolcott Board of Education and Town Council. He is currently working with Bruen, Deldin & Didio Inc. When asked, Mr. Mango stated that he had a great deal of experience with Health Savings Accounts (HSAs). Back in 2003, Mr. Mango assisted the Town of Southington in analyzing the results of a life insurance bid.

Approve funding required for the FY 2007-2008 budget

The committee members reviewed the 2007/2008 Anthem renewal. Mr. Kane stated that the Stop-Loss had increased by approximately \$13,000. Mr. Mango stated that the Stop-Loss was calculated based on a percentage of paid claims. Total projected claims and fees total \$15,456,750, an increase of approximately 5.5 % over last year. Some discussion ensued.

Motion made by Kathleen Rickard and seconded by Francis Verderame to set the total funding for the FY 2007/2008 budget at \$15,400,000. Motion passed 5-0.

The allocation was decided at the last meeting to be Education 74.5% and Town 25.5%.

Request to post Self Insurance meeting minutes on Town Website

The Town Clerk had received a request from the public that the Self Insurance Committee post the minutes of their meeting on the website. Mrs. Rickard stated that currently the meeting minutes do not accurately reflect the discussions surrounding the various issues. She suggested that at the very least, the Committee should have the meetings taped. Then depending on the topics discussed, they can either be typed in summary or verbatim. Possibly Linda could type them. The members further discussed this. Mr. Weichsel was asked to check whether Linda Gianoni would be available to take the minutes of the meeting. After further discussion, the Committee decided to post the meeting minutes on the website to make them more available to the public.

Summary of Employee Co-Pays

James Verderame and Harold Kane distributed a summary of the Town and Board of Education's co-pays and number of employees with the various co-pays. Mr. Kane's suggestion was to equalize the benefits provided to the employees. Mr. Weichsel indicated that some of this inequality was due to union negotiations.

Update on Wellness Program

Mr. Kane spoke with the Assistant Fire Chief and the Police Chief regarding running additional employee health screenings for their departments. The department heads will explain that the screenings are a first step to additional wellness programs. Mrs. DiNello asked about the employees' survey that had been suggested as a next step. Mr. Kane stated that Mr. Motes would be working on that when he had an opportunity. Also, Dino Costanzo is talking with the YMCA director regarding possible exercise programs.

Update on Agent of Record

Mr. Secondo indicated that the Self Insurance Committee is under some scrutiny for re-assigning Verderame Insurance as the Agent of Record. After some inquiry, Scott Millea of Anthem provided information stating that Anthem has changed their policy on the commissions paid to the Agent of Record. Anthem made a policy change on January 1, 2006 which became effective at renewal on July 1, 2006 for the Town of Southington. As of this date, commissions on self insured insurance plans can now be negotiated. Now the Town and Anthem can negotiate the commissions of the Agent of Record. All the members were surprised by this information. Anthem did not broadcast this information.

Mrs. DiNello stated that when the Agent of Record was first assigned, Mr. Bowes and the committee were informed that Anthem pays the commissions directly to the Agent of Record. Either Anthem would pay Mr. Verderame, someone else or no-one at all, but the Town does not get the money back if they do not have an Agent of Record. None of the committee members were aware of this new policy change. After some discussion, it was decided that a sub-committee would be setup to negotiate the Agent of Record commissions with Anthem. Members of the sub-committee will be: Harold Kane, Sherri DiNello, William DellaVecchia, and Mark Sciota.

Harold Kane adjourned the meeting at 4:10 pm.

Respectfully submitted,

Emilia Portelinha, Secretary
Self Insurance Committee