

**Minutes of Meeting
City of Ladue Insurance Committee
May 6, 2016 9:00 a.m.**

A meeting of the Insurance Committee for the City of Ladue was held on May 6, 2016 at 9:00 a.m. at Ladue City Hall. The following members were present:

Mr. Steve Hall, Chairman
Mr. Walter Klein, Vice Chairman
Mr. Martin S. Kerckhoff
Mr. Bob Roth
Mr. David Wells
Dr. Jonathan Dehner (Advisor)

City staff present were Ms. Laura Rider (City Clerk and Asst. to the Mayor), Mr. Sam Zes (Finance Director), and Shelly Benson (Finance Clerk). Also present were Mr. David Layton from the Charles Crane Agency; Ms. Jennifer Feltz from Digital Insurance; Mr. Michael Reich from Mutual of Omaha; Mr. Larry Dolan, Mr. Michael Hanson, and Ms. Dana Pederson from the Daniel and Henry Co.

The meeting was called to order by Chairman Hall at 9:00 a.m. He asked for a motion to approve the agenda. Mr. Kerckhoff made the motion which was seconded by Mr. Klein and the motion passed unanimously.

There were no members of the public present.

Mr. Layton discussed renewing with Travelers for all the City's commercial property and liability coverages. He reviewed the premium comparison for each policy which amounted to an overall 3.8% increase in premium. He stated he reviewed the retail sales tax coverage and added several new locations to the policy. Mr. Layton stated the Excess DIC, Crime, Cyber and Fiduciary quotes are still pending, however the underwriters expect a flat renewal. The committee reviewed the property, equipment, and vehicle schedule for accuracy. Mr. Layton then reviewed the Workers' Compensation plan renewal with Missouri Employers Mutual Insurance. He stated the experience modification rate reflects a 9 point increase which brings our rate to .99. He stated recent years have gone really well, the increase is due to plan year 2012-2013 which won't be factored into the 2017, so we can expect a significant improvement to the mod rate at next renewal.

Chairman Hall made a motion to approve the Property and Casualty renewal with Travelers Insurance, subject to the flat renewal of the Excess DIC, Crime, Cyber and Fiduciary quotes. The motion was seconded by Mr. Roth and the motion passed unanimously.

Ms. Feltz reviewed the Long-Term Disability and Life Insurance with Mutual of Omaha and reminded the committee the City is currently under rate lock until the 2017 plan renewal. However, City staff has asked for a proposal to increase the Own Occupation clause in the LTD policy from 24 months to 36 months. She stated the annual cost difference is \$3,466.95. Chairman Hall asked Mr. Reich if the City agrees to this policy enhancement, can the City get at rate lock until the 2018 renewal. Mr. Reich said he and the underwriters at Mutual of Omaha are agreeable to the 2 year rate guarantee. Ms. Feltz also reviewed a proposal to add an Employee Assistance Plan with Mutual of Omaha to the current renewal. The annual cost for this benefit would be \$1,155.

Chairman Hall made a motion to approve the Life, AD&D and the LTD insurance, with the increase in the own occupation clause to 36 months and the 2 year rate guarantee with Mutual of Omaha. The motion was seconded by Mr. Klein and the motion passed unanimously.

Mr. Michael Hanson reviewed the Health, Dental, and Vision Insurance renewals. The initial proposal from UHC is requesting a 21.6% increase over current rates. He explained at the time the renewal proposal was issued the plan was experiencing a loss ratio of 88% on claims data from less than one year on the UHC plan. The RFP was sent out to medical carriers for full-insured and self-funded plans, however all of the carriers declined to quote this year due to inability to compete with the renewal offered by UHC. Mr. Hanson further explained that without competitive option to leverage against the UCH renewal, they were only able to negotiate a reduction in the renewal to 19.6%, based on improved claims and Daniel and Henry's relationship with UHC as a Platinum Status broker. The negotiated renewal represents approximately a \$241,797 annual increase in premiums based on current enrollment. Chairman Hall and the committee agreed that it appears United Healthcare bought the City's business last year by offering only a slight increase, thereby delaying a large increase and saving the City and employees money for at least the past year. Chairman Hall asked Mr. Hanson to go back to UHC and ask for further rate relief.

Mr. Hanson next reviewed the Dental renewal with Anthem. He stated the initial proposal called for an 8% increase in premiums. This was the first renewal after a 2 year rate guarantee and dental claims were higher than average with a 95% loss ratio. Several dental carriers provided competitive proposals, with Standard, Delta Dental and Reliance Standard offering the most competitive rates. Using the competitive proposals from the market, they were able to negotiate a reduction in the renewal requested by Anthem to a 5% increase and another 2 year rate guarantee. The committee discussed changing to the Standard dental due to the cost savings off-setting the increase in healthcare. They asked Mr. Hanson to perform a network comparison of Anthem and Standard and confirmed benefit levels were the same.

Mr. Hanson stated the City is still under a 2 year rate guarantee with Vision Service Plan and the next renewal date would be July 1, 2017.

Mr. Hanson presented a proposal for an EAP plan from H & H Health Associates. This includes benefits such as Child/Elder Care services, Legal services, Financial services, and Health Coaching. The cost to the City would be \$3,900 annually.

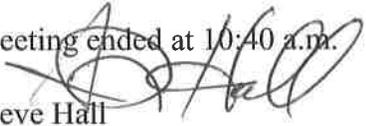
Mr. Kerckhoff made a motion to direct Chairman Hall to approve the renewal with United Healthcare, pending the results of the conversation between Mr. Hanson and UHC concerning the City's request for further rate relief, also to further review the dental proposals and finalize the renewal. The motion was seconded by Mr. Roth and the motion passed unanimously.

Ms. Rider presented the Flexible Spending Account renewal from ASI-Flex. She stated the program has been very well received by the employees, the cost is minimal to the City, and there is no cost increase for the 2016-2017 renewal.

Chairman Hall asked for a motion to approve renewal of the Flexible Spending Account with ASI-Flex. Mr. Klein made the motion which was seconded by Mr. Roth and the motion passed unanimously.

Chairman Hall asked for a motion to adjourn the meeting. Mr. Klein made the motion which was seconded by Mr. Kerckhoff and the motion passed unanimously.

The meeting ended at 10:40 a.m.


Mr. Steve Hall
Chairman