

Minutes of Meeting
City of Ladue Insurance Committee
May 8th, 2014 9:00 a.m.

A meeting of the Insurance Committee for the City of Ladue was held on May 8th, 2014 at 9:00 a.m. at Ladue City Hall. The following members were present:

Mr. Martin S. Kerckhoff, Chairman
Mr. Steve Hall, Vice-Chairman
Mr. Walter Klein
Mr. Bob Roth
Mr. David Wells

Also present were Mayor Nancy Spewak (9:40), Mr. Mike Wooldridge (Asst. to the Mayor/City Clerk)(9:10), Mr. Rick Jett (Finance Director), Mr. David Layton of the Charles L. Crane Agency, Ms. Cathy Quinn and Mr. Larry Dolan of the Daniel and Henry Company, and Ms. Sharon Morfeld and Mr. Mike Kilker of the Holmes Murphy Agency. Advisor Dr. Jonathan Dehner was absent.

The meeting was called to order by Chairman Kerckhoff at 9:00 a.m. He asked for a motion to approve the amended agenda. Mr. Roth made the motion which was seconded by Mr. Klein and the motion passed unanimously. Chairman Kerckhoff asked for a motion to approve the minutes of the October 3, 2013 meeting. Mr. Hall made the motion which was seconded by Mr. Roth and the motion passed unanimously.

There were no members of the public present.

Chairman Kerckhoff first welcomed the committee's new member Mr. David Wells and expressed his thanks and gratitude to retiring member Mr. Parker Fritschle for his years of dedicated service on the committee and to the City of Ladue. He then reminded the committee a new Chairman and vice-Chairman could at this time be nominated. Mr. Hall made the motion to keep the positions as they are currently, which was seconded by Mr. Roth and the motion passed unanimously.

Ms. Quinn began giving the committee a brief review of our current Health and Dental insurance situation. In January of 2013, the medical plan renewal increase was negotiated to +3% (including ACA fees) and dental renewed with a 5% increase. Then in July of 2013, negotiations were done with Anthem to retain the current medical and dental rates until July 2014 to coincide with the cities new renewal dates. Requests for medical proposals were sent to Coventry/Aetna, United Healthcare, Cigna and Anthem. Requests for dental proposals were sent to Delta Dental, Guardian, Reliance Standard, Assurant and MetLife. VSP current rates are extended until July 1, 2015 and alternate carriers are not currently being approached. Ms. Quinn stated Anthem came back with a 0% rate change on the medical insurance across the board with one small change in coverage: the out of pocket maximum going from \$500/1000 (excluding deductibles, copays and prescription costs) to \$2,500/5000 (which does includes deductibles, copays and prescription costs). However, Athem asked for a 9.4% increase in the dental coverage. Mr. Hall made a motion to accept Anthem's offer of a 0% increase on the health care, which was seconded by Mr. Roth and the motion passed unanimously. Chairman Kerckhoff made a motion to defer a decision the dental coverage until the June 5th meeting, which was seconded by Mr. Klein and the motion passed unanimously.

Mr. Layton discussed the Commercial Property, Liability, and the Workers compensation Insurance. He stated that the City's current carrier for property and liability insurance Travelers, is looking for a 5-10% rate increase however they will do their best to retain the account. Scottsdale expressed an interest, but have issues quoting like products. One Beacon passed on the option to quote, they do not feel they can be competitive. He stated that the City should expect an increase from Missouri Employer's Mutual (MEM)

due to a 13% increase in the Experience Modifier. MEM stated the City could qualify for a Premium rate tier if it would implement a post-accident drug testing program by 7/1/2015. Mr. Wooldridge stated he would confer with other department heads concerning this option. Travelers will be providing a competitive quote for the Workmens Compensation coverage. Mr. Layton also confirmed the City is still covering Pollution Liability on the City's UST through the Missouri Underground Storage Tank Fund. Mr. Jett verified this is true. Mr. Jett reminded the committee that there was some discussion on how to organize the Inland Marine policy. Mr. Hall agreed and suggested to separate anything over \$20,000 and bunch together everything else. Mr. Klein also suggested the deductible be raised from \$1000 to \$5000, if the City could obtain any rate relief. The committee agreed to both suggestions.

Ms. Morfeld discussed the Basic Life and AD&D, Voluntary Life, and Long-Term Disability Insurance. She reminded the committee the Life benefits are insured by Standard and are under a rate guarantee until July 1, 2015 and the Disability benefits are insured by Lincoln Financial and is under a rate guarantee until July 1, 2016. Per the committee's request, Holmes Murphy took a fresh look at the market and received quotes based on the City's current plan of benefits for each coverage and received possible rate reductions with current carriers and some competitive quotes from outside carriers. Standard offered a (-4.96%) rate reduction on the basic life insurance and Lincoln Financial offered a rate reduction on disability, only if Life coverage was also placed with them. Lincoln also expressed an interest in quoting dental insurance. She explained there were several differences to the coverage in the life compared to Standard and she recommends remaining with Standard and accepting the rate reduction and extension of the rate guarantee until July 1, 2016. Ms. Morfeld was also asked by Mr. Jett to inquire of Standard Life if they would lock their reduced rate to July 1, 2017. She also recommends remaining with Lincoln for the Long-Term disability at the current rate and rate guarantee since there were significant differences in coverages in the quotes received from UNUM, Harford, and Dearborn National.

Chairman Kerckhoff expressed interest in adding an alternate voting member to the committee. Mr. Wooldridge suggested not making a new member an alternate, but modifying the ordinance to make a 6 member committee. Mayor Spewak approved the request and Mr. Wooldridge stated he would speak to the City Attorney about drafting an amended ordinance for Council consideration.

The next meeting date was set for June 5th, 2014 at 9:00 a.m.

Chairman Kerckhoff asked if there was any more business to be discussed, there being none, he asked for a motion to adjourn. Mr. Klein made the motion which was seconded by Mr. Hall. The meeting was adjourned at 10:55 a.m.



Mr. Martin Kerckhoff
Chairman