

**Minutes of Meeting**  
**City of Ladue Insurance Committee**  
**May 1, 2017 9:00 a.m.**

A meeting of the Insurance Committee for the City of Ladue was held on May 1, 2017 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 Kerckhoff  
Mr. Bob Roth  
Mr. David Wells

City staff present were Mayor Nancy Spewak, 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 and Mr. Mike Hanson and Mr. Larry Dolan from Daniel and Henry. Committee Advisor Dr. Jonathan Dehner was absent.

The meeting was called to order by Chairman Hall at 9:01 a.m. He asked for a motion to approve the agenda. Mr. Roth made the motion which was seconded by Mr. Klein and the motion passed unanimously. Chairman Hall asked for a motion to approve the minutes from the June 15, 2016 meeting. Mr. Klein made the motion which was seconded by Mr. Wells and the motion passed unanimously.

There were no members of the public present.

Mr. Layton stated the Property, Liability, and Workman's Compensation quotes are still pending and he will have final numbers by June 1, 2017. He stated Travelers has asked for a 2% increase and he expects Missouri Employers Mutual to be a bit lower due to a reduction in the City's mod rate from .99 to .76, however, he stated payrolls have increased by 2-3%. Mr. Roth asked if that was due to a COLA increase and Mr. Zes answered no, the COLA increase was ½%. Chairman Hall asked how payroll increased by 2-3% when raises were only ½% and Mayor Spewak answered it was mainly due to a restructuring in the Police Department. Mr. Zes also mentioned the addition of personnel in the Building Department. Mr. Layton informed the committee Selective Insurance Company has shown interest in quoting the City's package. The committee agreed Selective is a reputable company and Chairman Hall directed Mr. Layton to let them quote and reiterated we had to have their proposal by June 1<sup>st</sup> also.

Mr. Hanson presented his Executive Summary which includes Health, Dental, and Vision coverages. He stated the initial proposal from United Healthcare (UHC) requested 14% increase over current rates. At the time the renewal proposal was issued, the plan was experiencing a loss ratio of 74.5% for the prior 12 months. The loss ratio for the plan had trended lower after the prior year's renewal in which premiums increased by 17.9%. He advised the City that a single digit premium increase was warranted with the improvement in the claims loss ratio over the prior 12 months, and suggested making a counter-offer to UHC if the City would agree to not explore the market for other carriers. The City decided that if UHC offered a 5% increase in premiums that the medical plan would not be marketed to other carriers. Daniel and Henry negotiated this counter-offer with UHC and UHC ultimately agreed to these terms and offered a 5% renewal increase.

Mr. Hansen next reviewed the City's dental insurance carrier, The Standard, which was chosen in 2016 and implemented with a 2-year rate guarantee. The Standard has administered the plan well without any issues, and the plan will be up for renewal July 1, 2018.

Mr. Hansen informed the committee VSP agreed to renew the plan with a two-year rate extension with no rate increase. The next renewal date will be July 1, 2019.

Mr. Hansen also presented a value add program to the City's current UHC program called Real Appeal in which United Health Care provides weight loss materials and counseling, at no additional cost. He also mentioned a UHC program called Virtual Visit, which Mayor Spewak stated she strongly opposes.

Mr. Roth made a motion to renew with United Healthcare with a 5% rate increase, continue with both The Standard and VSP for dental and vision with no change in cost, which was seconded by Mr. Kerckoff and the motion passed unanimously.

Mr. Zes reviewed the status of the Life, AD&D, Voluntary Life, LTD, and the Employee Assistance Program. He stated there have been no issues with the current plans they are up for renewal in 2018.

Mr. Zes reviewed the status of the Flexible Spending Account plan with ASI-Flex. He stated this program has been well received with no issues and is up for renewal with no change in benefit or cost. Mr. Wells made a motion to renew with ASI-Flex, which was seconded by Mr. Klein and the motion passed unanimously.

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

The meeting ended at 9:35 a.m.

Mr. Steve Hall  
Chairman