

**Minutes of Meeting  
City of Ladue Insurance Committee  
Tuesday May 14<sup>th</sup>, 2019 1:00 p.m.**

A meeting of the Insurance Committee for the City of Ladue was held on Tuesday May 14<sup>th</sup>, 2019 at 1:00 p.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), Shelly Benson (Finance Clerk), and Ms. Anne Lamitola (Director of Public Works). Also present were Mr. David Layton of the Crane Agency; Mr. Mike Hanson from the Daniel and Henry Company; and Ms. Heather Stinnett from Cigna.

The meeting was called to order by Chairman Hall at 1:00 p.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 April 30<sup>th</sup>, 2019 meeting. Mr. Klein made the motion which was seconded by Mr. Kerckhoff and the motion passed unanimously.

Public Forum: No comment was offered.

Mr. Layton briefed the committee on the status of the Property, Liability, and Workers Comp renewals stating he expected about a 6% overall increase in premiums, however they came in better than expected at a 3% overall increase. The increases were primarily due to an increase in the Auto and Workers Compensation policy. The final numbers for the Fiduciary policy was not available yet, but Mr. Layton stated he expected a very minimal increase that was still within the 3% overall increase in premium.

Chairman Hall asked for a motion to approve the Traveler's renewal, subject to the Fiduciary Liability final premium coming in as Mr. Layton expects. Mr. Wells made the motion which was seconded by Mr. Roth and the motion passed unanimously.

Mr. Hanson presented the updated 2019-2020 Executive Summary:

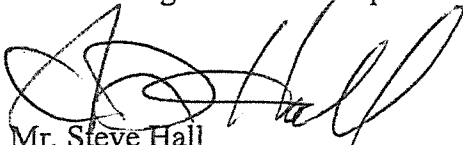
- Medical – Cigna's initial proposal requested a 30% increase over current rates. The plan continues to experience an elevated loss ratio due to increased prescription claims. This claim cost will be ongoing and is now an unavoidable factor in the premium costs of the plan. Daniel and Henry recommended moving to one single medical plan option for all employees, increasing the plan deductible, and implementing a Health Reimbursement Arrangement (HRA) to help offset the increased out-of-pocket expenses for employees. Daniel and Henry

provided estimated costs for the HRA that coordinate with the potential medical plan design changes. The analysis determined that a single medical plan option with a \$4,000/\$8,000 individual/family deductible and additional cost-sharing options would be the best option for the City and employees. An HRA could be introduced that would cover up to \$3,000/\$6,000 for a portion of the deductible and coinsurance that an individual may have. This option will increase the total health insurance premiums for the plan by 5.6%, and with the addition of the HRA expenses, the total plan costs are estimated to be 13-15% higher than the current costs, as opposed to the initial 30% increase. This plan would also cover those retirees who are currently on the City plan who are under 65.

Chairman Hall asked for a motion to approve the Cigna plan renewal as stated and the implementation of a new HRA plan. Mr. Wells made the motion which was seconded by Mr. Roth and the motion passed unanimously.

Mr. Klein made a motion to adjourn the meeting, which was seconded by Mr. Wells and the motion passed unanimously.

The meeting ended at 2:30 p.m.



Mr. Steve Hall  
Chairman