

ST. LOUIS AREA INSURANCE TRUST

A Self-Insurance Pool

ST. LOUIS AREA INSURANCE TRUST ANNUAL MEETING MINUTES

September 19, 2019

The Annual Meeting of the St. Louis Area Insurance Trust (SLAIT) was held on Thursday, September 19, 2019, at Olivette City Hall, 1140 Dielman Road, Olivette, Missouri 63132.

Those in attendance were as follows:

Bob Kuntz	City of Ballwin
Haley Morrison	City of Ballwin
Bola Akande	City of Brentwood
Mike Geisel	City of Chesterfield
John Hughes	City of Chesterfield
Jody Rhodes	City of Chesterfield
Janet Watson	City of Clayton
Kayla Pacanowski	City of Clayton
Erin Huett	City of Clayton
Mark Perkins	City of Creve Coeur
Lori Obermoeller	City of Creve Coeur
Doug Harms	City of Des Peres
Tracy Hansen	City of Des Peres
Bill Schwer	City of Ellisville
Don Cary	City of Ellisville
Barb Flint	City of Eureka
Jeff Blume	City of Ferguson
Lexie Miller	City of Ferguson
Jaysen Christensen	City of Frontenac
Lee Ann Bennett	City of Frontenac
Benjamin DeClue	City of Glendale
Dan Lawrence	City of Glendale
Matthew Zimmerman	City of Hazelwood
Paul Markworth	City of Lake St. Louis
George Ertle	City of Lake St. Louis
Jim Krischke	City of Maryland Heights
Dave Watson	City of Maryland Heights
Gabby Macaluso	City of Maryland Heights
Barbara Sondag	City of Olivette
Darren Mann	City of Olivette
Amy Hamilton	City of Richmond Heights
Pam Hylton	City of Richmond Heights
Christine Brooks	City of Richmond Heights
Kristen Fairgrieve	City of Richmond Heights
Tam Skonseng	City of Richmond Heights

Jennifer Yackley	City of Rock Hill
Garrett Schlett	City of Rock Hill
Jennifer Ostmann	City of St. Ann
John Morris	City of St. John
Julie Vetter	City of St. John
Captain Robert Connell	City of St. John
Bob Shelton	City of Town & Country
Gregory Rose	City of University City
Yolanda Howze	City of University City
Joan Jadali	City of Webster Groves

Also Attending:

Steve Wicker	The Daniel and Henry Company
George Liyeos	The Daniel and Henry Company
Sara Scalise	The Daniel and Henry Company
Mike Hanson	The Daniel and Henry Company
Jill Newman	The Daniel and Henry Company
Dana Pederson	The Daniel and Henry Company
Ashley Kinsella	The Daniel and Henry Company
Becky Redfering	The Daniel and Henry Company
John Charpie	Thomas McGee

I. Call to Order

The meeting was called to order by SLAIT Chairperson, Barbara Sondag at 11:10 a.m. Ms. Sondag welcomed the attendees to both the meeting and the City of Olivette.

II. Approval of the Minutes of the Annual Meeting of September 20, 2018

Barbara Sondag asked if there were any additions or corrections to the minutes from the 2018 Annual Meeting. There being none, a motion was made by Matt Zimmerman and seconded by Paul Markworth to approve the minutes as presented. The motion passed. Ms. Sondag then called on Steve Wicker to report on the results of SLAIT during the past year.

III. Annual Review

Steve Wicker stated that the Annual Review presentation will be slightly different this year. He noted that he would be presenting the financial results of the Trust for all coverages, followed by John Charpie, Partner at Thomas McGee, who will review causes of loss and introduce the newly constructed SLAIT website.

Steve Wicker then noted that the past year is the first in several for Liability and Workers' Compensation results, not to exceed expected by a significant amount. And while health results were slightly worse than expected, surplus still increased significantly.

Steve Wicker then reviewed the 2018-2019 Workers' Compensation results. He reported that the fund balance at year-end was down approximately \$1 million from one year ago. From a policy year perspective, the decrease came mostly from removing the 2008-09 results from the ten year time frame, with all other years experiencing little change in expected losses. The IBNR/Loss Development factor for all years combined is approximately \$3.2 million, down slightly from \$3.75 million a year ago. Mr. Wicker stated that, in his opinion, the IBNR is adequate, which means that results for prior years should develop as expected next year. It was noted that IBNR is the difference between total incurred losses as estimated by the claims provider and total trended losses, which is the ultimate loss pick for each policy year as determined by the Trust's actuary. Mr. Wicker stated that open claims are also less than a year ago, 228 compared to 255, and added that claims per policy year have settled between 300 to 350, but beginning with the 2014-2015 year, a substantial increase in severity has occurred.

Steve Wicker then reviewed the ten year liability results of the Trust. He noted that the total fund balance from liability coverages over this period is up approximately \$400,000 from one year ago, ending two years of \$1.5 million decreases. Also, open claims are down 61 from last year at 93, as Thomas McGee has caught up with backlog left by the prior Third Party Administrator. It was noted that the IBNR for the ten years being reviewed is approximately \$2.7 million. Mr. Wicker added that both the open claims number and the IBNR seem reasonable.

Steve Wicker called the membership's attention to the unaudited year-end Financial Statement located in Section III of the Annual Meeting handout. He stated that the fund balance for the Trust at year-end is nearly \$6 million, up \$1 million from a year ago. He added that \$350,000 in health plan surplus will be distributed this year from the 2011-2012 policy year. This is the fourth year in a row for a health plan distribution.

Steve Wicker then reported that the 2018-2019 policy year was the tenth year for the health program provided by SLAIT and stated that 20 members participated in the program with a total of approximately 2,200 employees and over 4,900 members. Mr. Wicker then reviewed the medical results for the first ten years of the plan. He stated that since its inception, the health plan has produced approximately \$16.6 million in surplus, or approximately 8% of premium. Claim costs per member per month were \$860.60 in 2018-2019, the highest of all ten years of the program, yet a slight surplus of \$300,000 was generated for the policy year.

Steve Wicker then reviewed medical payments by size and reminded the membership that similar to workers' compensation and liability coverages, a significant amount of payments are made on a relatively small number of claims. He noted that these payments are tracked by covered individual and 87% of claimants had total claims not exceeding \$5,000, accounting for only 28% of the total

dollars incurred. However, 145 individuals out of a total of 4,931 total claimants or less than 3% of plan participants, had claims over \$25,000 and these claims accounted for 44% of total dollars paid by the Trust. A year ago, these numbers were 116 claimants and 37% of total dollars paid. Finally, 46 claimants or less than 1% had claims greater than \$50,000 and accounted for 25% of the total claims dollars. A year ago, there were only 26 such claimants and the total dollars paid was \$2.5 million less than this year.

Bob Shelton reminded the membership that the Health Plan holds quarterly Wellness Coordinator meetings where various issues regarding health insurance and other human resource issues are discussed. He encouraged all health plan members to send a representative to these meetings since they are highly informative.

Steve Wicker then briefly reviewed the budget for the 2019-2020 SLAIT policy year. He noted that the workers' compensation assessment increased by \$835,000 or 10% and liability assessments increased by \$75,000 or 3%, and a loss contingency of \$925,000 was budgeted. Mr. Wicker added that the budgets and assessments are determined primarily by projected losses, which are determined by the annual actuarial valuation. Relative to the medical program, Mr. Wicker stated that the 2019-2020 budget projects premium of \$25.79 million with expected claims of approximately \$23 million. The budgeted surplus for 2019-2020 is approximately \$870,000. For liability and workers' compensation, expected losses are 77% of total expenses and for the health plan, expected losses are 92% of total expenses. Mr. Wicker then introduced John Charpie of Thomas McGee and asked him review the Claims Analysis for 2018-19 and introduce the just completed SLAIT website.

John Charpie from Thomas McGee Group introduced the new website for SLAIT to the group. Mr. Charpie indicated that Daniel & Henry and Thomas McGee Group had been working on the site for several months and that www.SLAIT.org would be live on Monday, September 23. The overview included showing the website to the group and pointing out notable features such as the ribbon running across the main page with member cities logo's, a tab listing board members, a tab for loss control, and a "coming soon" tab for the history of SLAIT.

Additional time was spent on the loss control tab identifying it as a place members could go to obtain loss prevention resources. It was also noted that there is a link to the claims system, Origami, which members can access via the site. Some trust documents were also located for easy reference on the site. Mr. Charpie encouraged members to reach out to Ashley Kinsella at Daniel & Henry to obtain usernames and log in information.

John Charpie next reviewed loss trends for the Workers Compensation Program. The trends were analyzed from 2009 to current and reviewed numerous metrics for SLAIT's claims. In the most recent year the department with the highest number of claims as well as the highest cost of claims were Police Departments. The most frequent cause of loss as well as the most expensive cause of loss was Slip and Fall on Ice or Snow. Claim type, litigation rate, claim stratification, age & tenure range, as well as average cost of claim were also reviewed.

Mr. Charpie offered to do custom reports for individual members if they desired. It was also discussed that these reports were tools that safety committee's as well as loss control could use to help reduce workers compensation accidents.

Barbara Sondag thanked Steve Wicker and John Charpie for their presentations and also thanked all of the staff at The Daniel and Henry Company and Thomas McGee, who provide services to SLAIT.

IV. Nominating Committee Report

Doug Harms, Chairperson of the Nominating Committee thanked Mark Perkins and Matt Conley for serving on the Committee. Mr. Harms reported that earlier at the SLAIT Board Meeting, the Board had appointed Mike Geisel, City Administrator of Chesterfield and Gregory Rose, City Manager of University City to fill unexpired terms created by the resignation of Craig Owens and the retirement of Marty Corcoran. In addition, Barbara Sondag was appointed Chairperson, Bola Akande, Vice Chairperson and Dave Watson, Secretary-Treasurer for the current policy year. Mr. Harms then stated the Committee is recommending to the membership that the four Board terms which expired 7/1/2019 be filled by the following individuals for three-year terms, expiring 7/01/2022: Amy Hamilton, City Manager of Richmond Heights, Bob Shelton, City Administrator of Town & Country, Barbara Sondag, City Manager of Olivette and David Watson, Director of Finance of Maryland Heights. It was noted that the SLAIT Board is composed of twelve members with four elected every year by the membership to three-year terms and that the four individuals being nominated currently serve on the Board of Directors. There being no other nominations, a motion was made by Mark Perkins and seconded by Mike Geisel to close the nominations and elect the slate as proposed by the Nominating Committee. The motion passed.

V. Other Business

There being no other business to come before the meeting, the meeting adjourned at 11:55 a.m.

Submitted by: Stephen D. Wicker

Approved by: _____