

# ST. LOUIS AREA INSURANCE TRUST

*A Self-Insurance Pool*

## ST. LOUIS AREA INSURANCE TRUST BOARD OF DIRECTORS' MEETING

### MINUTES

September 2, 2021

- I. A meeting of the Board of Directors of the St. Louis Area Insurance Trust was held on Thursday, September 2, 2021, via Video Conferencing. The meeting was called to order at 9:04 a.m. by Chairperson, Barbara Sondag.

Attendance was as follows:

<u>Board Member</u>	<u>Attending</u>	<u>City</u>
Eric Sterman	Y	City of Ballwin
Bola Akande	Y	City of Brentwood
Mike Geisel	Y	City of Chesterfield
Mark Perkins	Y	City of Creve Coeur
Doug Harms	Y	City of Des Peres
Robert Shelton	Y	City of Town & Country
Matt Zimmerman	Y	City of Hazelwood
Amy Hamilton	Y	City of Richmond Heights
Barbara Sondag	Y	City of Olivette
Matt Conley	Y	City of St. Ann
Gregory Rose	Y	City of University City
Kevin Bookout	Y	City of Bridgeton
Steve Wicker	Y	The Daniel and Henry Company
George Liyeos	Y	The Daniel and Henry Company
Becky Redferring	Y	The Daniel and Henry Company
Mike Hanson	Y	The Daniel and Henry Company
John Charpie	Y	Thomas McGee Group
Jeff Cox	Y	Thomas McGee Group
Travis Bennett	Y	Thomas McGee Group

- II. Nominating Committee Report

Amy Hamilton reported that the Nominating Committee had met and recommended Kevin Bookout, City of Bridgeton, to fill the vacant Board position previously held by Dave Watson. There was a

motion made by Doug Harms to appoint Kevin Bookout to fill the unexpired term previously held by Dave Watson and seconded by Bola Akande. The motion passed.

Doug Harms next made a motion to appoint officers as recommended by nominating committee, which would be Bola Akande as Chairperson, Gregory Rose as Vice Chairperson, Doug Harms as Treasurer, and John Charpie as Secretary. Amy Hamilton seconded the motion. Bob Shelton then asked if a non board member could be an officer. After discussion and a review of the By Laws an amended motion was made by Gregory Rose to appoint Doug Harms as Treasurer/Secretary and John Charpie as Assistant Secretary. Matt Conley seconded the motion. The motion passed.

III. Approval of Minutes from June 3, 2021 Meeting

Barbara Sondag asked for any additions or corrections to the Minutes from the June 3, 2021, Board Meeting. There being none, a motion was made by Doug Harms and seconded by Bola Akande to approve the Minutes of the June 3, 2021, meeting as presented. Kevin Bookout abstained. The motion passed.

IV. Closed Session

Matt Zimmerman made a motion to go into closed session for the purpose of consulting with legal counsel. A role call vote was taken: Eric Sterman - Yes, Bob Shelton - Yes, Matt Conley - Yes, Mike Geisel - Yes, Bola Akande - Yes, Mark Perkins - Yes, Amy Hamilton - Yes, Gregory Rose - Yes, Kevin Bookout - Yes, Matt Zimmerman - Yes, & Doug Harms - Yes. The Board proceeded into closed session.

IV. Financial Report

Due to the scheduled start of the Annual Meeting in 30 minutes Doug Harms suggested the remaining agenda be prioritized by items that required board approval. All agreed and Barbara Sondag requested John Charpie point out priority items.

A. Approval of Bills

John Charpie presented the bills for approval. He noted it was primarily standard quarterly payments with the exception of the surplus distribution checks. A motion was made by Doug Harms and seconded by Mike Geisel to approve the Invoices for Approval listing as presented. Matt Zimmerman asked about the payments to Thomas McGee for Excess Workers Compensation and Excess Liability. John described the payments were to secure the policies from Safety National and Steve Wicker further explained that these types of payments typically go to the brokerage firm which then remits payment to the carrier. The motion passed.

V. New Business

A. Approval of Loss Control Agreement

John Charpie reported that the agreement to provide loss control renews on July 1<sup>st</sup>, but Thomas McGee has been operating under the terms of last year's agreement. The proposed renewal contract is identical to the agreements from the previous 2 years. The fee is also the same and has not changed since prior to the retirement of Daniel & Henry's loss control staff. Amy Hamilton made the motion to authorize the Chairperson to sign the agreement and the motion was seconded by Mark Perkins. The motion passed.

B. City of Glendale Application for Health Insurance

Mike Hanson reported that the City of Glendale had requested inclusion in SLAIT's Health Insurance program. The City has desired to join the program for several years, but in the past their loss experience has not made it feasible for SLAIT to allow them to join. Their loss experience has improved and they appear to be a good risk currently.

Matt Zimmerman asked about the discrepancy in requested membership dates included in the memo Mike provided the board, and Mike confirmed the requested membership date would be January 1, 2022.

Amy Hamilton made the motion that SLAIT accept the City of Glendale into the Health Insurance Plan effective January 1, 2022. The motion was seconded by Matt Zimmerman. The motion passed.

Doug Harms then complimented Mike Geisel on the Health Survey he created and stated that it was very helpful. Amy Hamilton requested the Board be provided a summary by City that includes the total participants in the Health Plan. Mike Hanson responded that he would create and distribute this, and that at the end of July the total employees enrolled was 2,361 and total membership was 5,250. Glendale would add approximately 30 employees and 80 total members.

Steve Wicker then responded that the only members not currently in the Health Plan were Ellisville, Manchester, Hazelwood, and St John. He indicated that if they all joined the result would only add a couple hundred employees to the plan, mostly from Hazelwood. Mike Hanson agreed to send the member cities and enrollees by employees and total members to the Board for review.

C. Discussion – Property Coverage Options

Jeff Cox updated the Board that a timeline has been created to analyze the feasibility of adding property coverages to the pool. He has been working with a national property team to identify carriers who would be interested in quoting on SLAIT's property program, which is different than how they are currently purchasing these coverages. The first step in the process is to discuss with Chubb, who is writing the majority of these coverages for the member cities, and gauge their interest in moving to a different structured program. Jeff indicated this is a delicate process as there are different divisions within large carriers like Chubb, but he has begun this process.

John Charpie then indicated now may be the time to form a subcommittee to work on the property analysis. Barbara agreed and asked for volunteers for this committee. Amy Hamilton, Mark Perkins, Barbara Sondag, Gregory Rose, Mike Geisel, and Bola Akande as the Chairperson agreed to serve on the committee.

**D. Strategic Planning Meeting**

John Charpie indicated that this meeting could be set up via an e-mail poll to the Board to determine a date. Doug Harms asked what the topics would be and Barbara responded that it would be for long term initiatives and to work through items in the Charlesworth report. The new Chairperson would refine and help create the agenda. It was agreed that John would send a poll to determine meeting dates.

**VI. Financial Report**

**A. Review of Financial Statements as of 6/30/21**

Jeff Cox started the review by outlining the restricted and unrestricted investments. There are currently \$1.1 million in restricted investments and \$24 million in other unrestricted investments. There are also \$12 million in excess reimbursement recoveries. Liabilities include case reserves and IBNR & loss development. John Charpie indicated that aggregate coverage was purchased as of July 1<sup>st</sup> so the \$1.1 million in restricted funds would become unrestricted and become part of the fund balance on the next quarterly financial statement.

Jeff went on to review the fund balances by policy year. He identified that the past 5 years have been approximately breakeven. The current member fund balance is \$2.7 million, down from \$6.4 million of a year ago. This was driven by adverse loss development primarily in the workers compensation program.

Jeff suggested that the balance sheet going forward have the prior year comparison included to it's simple to see at a glance what has changed. He also suggested the income statement have accident year as well as policy year included so it is easier to see what's happened in the previous 12 months.

Finally, Jeff summarized that the previous 5 years have consistently been profitable in Health insurance, break even in the General Liability lines, and unprofitable in the Workers Compensation line. He reiterated that the Board has taken steps to improve this in the current year.

Doug Harms made a motion to approve the financials as presented and Amy Hamilton seconded the motion. The motion passed.

B. Surplus Distribution

Steve Wicker reported that the checks were approved earlier in the meeting during the approval of the bills and the checks would be distributed in the coming days.

VII. Loss Control Report

Travis Bennett reported that he had provided an annual dashboard report to the group that identifies loss ratios, trending analysis, and training topics. This report can be available quarterly if desired.

There was also defensive driving training provided, on site safety surveys, near miss training, creation of incident accident investigation cards, safety & wellness committee attendance and the implementation of an on-line learning management system. OSHA 10 hour training invitations were also sent recently for training that will occur in October. There are no restrictions on the attendance for the training since it's virtual.

VIII. Health Insurance Report

Mike Hanson said claims were up 17% from the prior year, however the prior year was down 12% from the year before due to hospitals not doing elective procedures for several months in early 2020. Claims are actually up 8% over 2 years prior. There has been a 53% increase in high cost pharmacy claims in the past 12 month, which are claims of \$50,000 or more. Mike suggested we review the plan design prior to renewal to decide if any changes are necessary.

I. Next Meeting Date

The next Board Meeting is scheduled for Thursday, January 6, 2022.

H. Other Business

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There being no other business, a motion to adjourn was made by Doug Harms and seconded by Gregory Rose. The meeting adjourned at 10:58 a.m.

Submitted by: John Charpie

Approved by: \_\_\_\_\_