



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

MINUTES

April 7, 2022

- I. A meeting of the Board of Directors of the St. Louis Area Insurance Trust was held on Thursday, April 7, 2022, at the Brentwood Community Center. The meeting was called to order at 10:10 a.m. by Chairperson, Bola Akande.

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 – arrived during executive session	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	Steve Wicker, LLC
George Liyeos	Y	Thomas McGee Group
Becky Redfering	Y	Thomas McGee Group
Mike Hanson	Y	Daniel and Henry Company
John Charpie	Y	Thomas McGee Group
Jeff Cox	Y	Thomas McGee Group
Ben Fuchs	Y	Thomas McGee Group



II. Approval of Minutes from January 6, 2022 Meeting

Bola Akande asked for any additions or corrections to the Minutes from the January 6, 2022, Board Meeting. There being none, a motion was made by Bob Shelton and seconded by Doug Harms to approve the Minutes of the January 6, 2022, meetings as presented. The motion passed.

III. Closed Session

Doug Harms asked for clarification from John Charpie if Matt Conley was asked not to participate in the Closed Session. John responded that he spoke with Matt and asked that he attend the regular meeting, but recuse himself from the Closed Session as SLAIT's attorney indicated there was a potential conflict of interest. Gregory Rose made a motion to go into closed session for the purpose of consulting with legal counsel and Matt Zimmerman seconded the motion. A roll call vote was taken: Eric Sterman – Yes, Mike Geisel – Yes, Mark Perkins – Yes, Doug Harms – Yes, Bob Shelton – Yes, Matt Zimmerman – Yes, Barbara Sondag – Yes, Gregory Rose – Yes, Kevin Bookout – Yes. The Board proceeded into closed session.

IV.. Claims Administration Report

John Charpie reported there were currently 45 open WC claims with an incurred value of over \$100,000. During the past quarter, 7 claims over \$100,000 were closed and 1 was added to the list. Charpie also reported that at the same time last year there were 59 open large claims.

V. Financial Report

A. Review of Financial Statement as of 12/31/21

Jeff Cox reviewed the statement and noted there weren't many changes from 9/30/21. He stated the fund balance had increase approximately \$100,000 from last quarter. Most of the increase was due to positive claim developments. Jeff reiterated the actuarial report would be reflected in the 3/31/22 financial statement and should have a positive impact on the fund balance.

A motion to approve the financial statement was made by Mike Geisel and seconded by Eric Sterman. The motion passed.

B. Approval of Bills



John Charpie presented the bills for approval and noted most of the bills were the typical quarterly invoices. John noted the cost of the actuarial report was relatively high and SLAIT may want to seek bids in the fall for actuarial services. A motion to approve the invoices as listed was made by Amy Hamilton and seconded by Gregory Rose. The Motion Passed. Mark Perkins made a motion to seek proposals for actuarial services and Amy Hamilton seconded the motion. The Motion Passed.

C. Fund Balance By Member

John Charpie presented a document that detailed the fund balance by member by line of coverage. John stated that this document is a snapshot in time and is consistently evolving based on new claims, development of old claims, and actuary reports. There was discussion on how the Aggregate Fund Balance would be distributed by member. Steve Wicker noted that it would be difficult to determine the amount paid by member when the fund was established, but we could go through old records to see if it could be identified.

There was additional discussion regarding working to improve the fund balance. Doug Harms indicated the rate committee did attempt to fund conservatively last year and would likely do the same this year.

VI. Loss Control

John Charpie reported on the loss control activities from December 2021 thru April 2022. Travis Bennett and the loss control team conducted snow plow safety training, safety surveys, first aid/CPR training, and attended safety committee meetings. Hand sanitizer storage resources were provided as well as resources for Fentanyl safety. John encouraged the members to utilize Travis and his team for ergonomic surveys as they have provided this services for several members.

VII. Health Insurance Report

A. Wellness Screenings

Mike Hanson presented the participation by member of wellness screenings for the 2020-21 plan year. He indicated these are performed every other year, so they would be available for the 2022-23 plan year. They are fully paid for by SLAIT. Doug Harms asked if the same people were screened each year, or if there were different people getting the screenings. Mike Hanson responded that he did not know the answer. There was additional discussion of support for continuing the program. Bob Shelton agreed to discuss during the next wellness committee meeting and encourage the members to utilize this service, and hopefully get more members involved.



B. Hazelwood Member Application

John Charpie reported that Hazelwood applied for membership in the Health Insurance program, but Anthem was recommending they not be allowed in for the July 1, 2022 renewal. The recommendation was to get several additional months of claims data and reevaluate the claim trends for possible inclusion in January 2023. Mark Perkins asked why the reevaluation period was so short and Mike Hanson responded that there were some extreme spikes in claims data in the recent months and they would like to see if these spikes continue.

VIII. Administrator/Marketing Report

A. Critical Illness Trust for Firefighters

John Charpie reported there was a new Trust that was offering critical illness coverage, specifically for certain types of cancer, for firefighters in Missouri. There were similar Trusts already in existence in other states. John stated that cancer claims for firefighters were difficult to be deemed compensable under workers compensation. The critical illness trust simply pays a predetermined limit if a covered firefighter gets one of the listed types of cancers. John stated he believed participation in this Trust was for individual entities to determine if they wanted to participate, not for SLAIT as a whole to determine participation. Steve Wicker reminded the group that less than half of the SLAIT members have fire departments.

After discussion it was determined that SLAIT was not interested in participating as a group as it was an individual members decision to participate or not.

B. Sunset Hills

John Charpie reported that he received an inquiry from Sunset Hills to be considered for membership in SLAIT for Health as well as Liability and Workers Compensation effective 10/1/2022. It was stated that they have had a City Administrator for at least 5-6 years. After a short discussion it was determined that John would reach out to get applications, loss information, etc. that would be necessary to make a decision if they were a fit for SLAIT based on underwriting information. This information will be considered by the Board at a future meeting.

C. Charlesworth Proposal Update

Bola Akande updated the group that she, Bob Shelton, & Barbara Sondag met with James Charlesworth following the December meeting. They discussed the proposal that had been provided to SLAIT. The committee requested the services be pared down as they believed there was redundancy in the services offered. They requested Charlesworth put together a matrix to evaluate Thomas McGee, but Charlesworth declined.



IX. Old Business

Jeff Cox reported that excess property carriers have been approached, but there are limited markets that are interested. Many public entities who pool property coverages purchase their excess coverage from other pools due to the unpredictable nature of property losses. Jeff expects that we will receive quotes, but it will likely be too late to consider for this year. He stated we could use the quotes this year to analyze the feasibility of moving forward with the property program in the 2023 renewal.

IX. New Business

A. Health Plan Renewal

Steve Wicker informed the group that a 7% increase in the Health Programs premium was necessary to cover the expected costs for the 2022-23 term. The increases are 5%, 7%, 8%, or 9% per member, depending on their past 3 year's loss ratio.

It was noted that there have been 7 claims that the stop loss carrier has paid so far this year, a relative high number resulting in a 29% increase in the renewal stop loss premium. The retention will remain the same at \$300,000. Mike Hanson and his team are still marketing this policy to determine if they are able to secure a better premium.

Steve also reported that the rate committee recommended they wait until the June board meeting to determine if there should be any distribution from the Health Plan this year.

There was discussion on the renewal and questions regarding the large percentage increase. Steve indicated this is the largest percentage increase since 2011-12. A major reason for this is a typical year has 2-3 claims that are in the stop loss layer, but this year had 7.

Mike Geisel made a motion to approve the rates as proposed and Eric Sterman seconded the motion. The motion passed with Matt Zimmerman abstaining.

B. June 30, 2022 Actuarial Valuation

John Charpie explained that the ultimate loss forecasts for workers compensation decreased by approximately \$525,000 since the prior year report. In addition, the 2021-22 ultimate loss projection is \$760,000 less than budgeted expected losses. John stated this will have a positive impact on the fund balance.



For liability coverages the ultimate loss forecast increased approximately \$240,000 from the last report, but the 2021-22 ultimate loss projection is approximately \$40,000 less than budgeted.

John pointed out the 7/1/2022 to 7/1/2023 expected loss forecast is approximately the same as a year ago for both workers compensation and liability. The selected loss rate for workers compensation is down 1%, general liability is down 2%, police liability is up .5%, and auto liability is up 1.5%.

Doug Harms made a motion to accept the actuary report and Gregory Rose seconded the motion. The motion passed.

The next meeting date is June 2, 2022 at the Brentwood Community Center. The meeting was adjourned at 1:17 PM.

Submitted by: John Charpie

Approved by: _____