



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

**MINUTES**

**April 6, 2023**

- I. A meeting of the Board of Directors of the St. Louis Area Insurance Trust was held on Thursday, April 6, 2023, at the Brentwood City Hall. The meeting was called to order at 10:08 a.m. by Chairperson, Bola Akande.

Attendance was as follows:

<b><u>Board Member</u></b>	<b><u>Attending</u></b>	<b><u>City</u></b>
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 10:17 AM	City of Des Peres
Robert Shelton	Y	City of Town & Country
Matt Zimmerman	Y	City of Hazelwood
Amy Hamilton	Y	City of Richmond Heights
Matt Conley	Y	City of St. Ann
Gregory Rose	Y 10:25 AM	City of University City
Kevin Bookout	Y	City of Bridgeton
Steve Wicker	Y	Steve Wicker, LLC
Becky Redfering	Y	Thomas McGee Group
Jill Newman	Y	Daniel and Henry Company
John Charpie	Y	Thomas McGee Group
Jeff Cox	Y	Thomas McGee Group
Ben Fuchs	Y	Thomas McGee Group
Travis Bennett	Y	Thomas McGee Group
Teri Bellamy	Y	Thomas McGee Group



II. Approval of Minutes from January 5 and March 16, 2023 Meetings

Bola Akande asked for any additions or corrections to the Minutes from the January 5, 2023 Board Meeting. There being none, a motion was made by Mike Geisel and seconded by Eric Sterman to approve the Minutes of the January 5, 2023 meeting as presented. The motion passed. Bola then asked for additions or corrections to the Minutes from March 16, 2023. There being none, a motion was made by Matt Zimmerman and seconded by Mark Perkins to approve the Minutes of March 16, 2023 as presented. The Motion Passed.

III. Closed Session

Eric Sterman made a motion to go into closed session for the purpose relating to legal issues and Mark Perkins seconded the motion. A role call vote was taken: Eric Sterman – Yes, Mike Geisel – Yes, Mark Perkins – Yes, Bob Shelton – Yes, Matt Zimmerman – Yes, Amy Hamilton – Yes, Matt Conley, - Yes, Kevin Bookout – Yes, Bola Akande – Yes. The Board proceeded into closed session.

VI. Claims Administration Report

John Charpie stated that there are currently 46 open claims with an incurred value of \$100,000 or greater, while at the same time last year there were 45 claims with the same criteria. There had been only 1 claim over \$100,000 so far in 2023, however an accident in Lake St Louis the previous week will increase the number of large claims in the current year.

V. Financial Report

A. Review of Financial Statement as of 12/31/22

Jeff Cox reviewed the statement and noted there was an increase in fund balance from \$5.5 million to \$5.7 million from 9/30/22 to 12/31/22. The fund balance at 12/31/21 was \$1.9 million. Jeff noted there wouldn't be significant changes until the new actuarial report was incorporated.

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

B. Approval of Bills

John Charpie presented the bills for approval and noted bills were since the December meeting. Most bills were typical monthly or quarterly installments, but the last couple of



payroll audit return premium payments were included. A motion to approve the invoices as listed was made by Amy Hamilton and seconded by Kevin Bookout. The motion passed.

## VI. Loss Control

Travis Bennett reported on the loss control activities for December to April. He stated there were Dashboard Reports created for all members. His team has presented some of these midyear reports and the remaining reports will be presented by the end of next week. The loss control team conducted an OSHA 10 Hour program in January. They also conducted safety surveys at Rock Hill and St. Ann. Additionally, they attended safety committee meeting's at University City and Richmond Heights. They are in the process of completing internal research for known use of aliases.

John Charpie asked Travis to inform the Board on the reason for the known alias research and Travis informed the group of a claim SLAIT had that from a mistake in communication between law enforcement regarding a suspect's use of an alias. His research is attempting to assist the departments in identifying and communicating effectively to reduce the possibility of a similar future claim.

## VII. Health Insurance Report

### a. Stop Loss Renewal

Jill Newman reported that the Stop Loss is still being negotiated with Anthem as well as being marketed to other carries. The Anthem renewal currently has a 19% increase in premium. There are two lasers, one at \$450k and one at \$500k. The aggregate stop loss has a 5.5% increase, which SLAIT may consider eliminating. Steve Wicker responded that he has been considering recommending the elimination of the Aggregate Limit for several years and he agrees that this may be the year SLAIT removes it from their policy.

Jill also reported that Anthem is offering a Gene Therapy Program that is intended to cover these expensive drugs. It's possible, without SLAIT enrolling in this program, that there could be lasers for expensive drugs. Jill notes this is common in the Health Insurance Industry and recommended that SLAIT enroll in this program. The cost is \$2 PEPM, and if accepted, Anthem wouldn't place a cap on the cost of these drugs.

Anthem also proposed an upgraded Administrative Service package (ASO Enhanced Plus) that would add additional cost containment features to the program. These featured included Clinical Review at Site of Care for Musculoskeletal, Rehabilitative Services and Surgical services. There are additional reviews for appropriate site of care and redirections of employees to lower cost settings where appropriate. The Cost for this program is \$.52 PEPM and Anthem targets the ROI to be 5:1.



Finally, Jill explained that she had received two quotes to comply with the Mental Health Parity and Addiction Equity act of 2008 that was discussed during the March 16 meeting. This NQTL could be performed by Phia Group for \$15,390 or MZQ Consulting for \$13,500. John Charpie asked if there were any differentiator's between the two proposal's and if both options would get SLAIT in compliance. Jill responded they were the same in her opinion and they would both ensure compliance.

Bob Shelton made a motion to accept the proposal from MZQ Consulting for \$13,500 and Amy Hamilton seconded the motion. The motion passed.

### VIII. Administrator/Marketing Report

John Charpie indicated that Dan Greco, who is the Director of the Thomas McGee Group's St Louis office, would become more involved in the servicing of SLAIT. Dan already supervises the liability program for SLAIT and John stated he would be a natural fit to become more involved. Dan is also currently the Administrator of another Self Insured Group Trust that supports Fire and Ambulance Districts.

Bob Shelton asked if Dan was replacing someone on the team and John stated no other team members role would change, Dan would simply add additional depth and experience to the team. Since Dan is in a Senior Position at Thomas McGee, he would give the Service Team additional options for member meetings and discussion.

### IX. Old Business

Bola Akande asked for any old business items. There being none, the meeting proceeded to the next agenda item.

### X. New Business

#### A. Health Plan Renewal

Steve Wicker presented the Health Renewal. He noted that expenses are approximately 8% of the premium, so there could be a minor adjustment to the budget based on the amount of the final stop loss premium. He stated that the majority of the premium covers the \$29,900,000 in projected claims.

The overall proposed 4% rate increase was distributed to members with increases ranging from 2% to 6%. The best performing members received the lowest increases and the members with the highest loss ratio's received the larger increases. Steve indicated that the Rate committee has asked him to create alternative options that looked at additional tiers for the rate change as well as different breaking points of the loss ratio for the rate changes.



There was discussion on the benefits and difficulties of modifying the rating structure. Eric Sterman stated that he was aware that one large claim could change a small member's loss ratio and put them into a more expensive tier. Mark Perkins stated he thought there should be a fresh look at the rating structure since it has been the same for several years. The Board agreed that they would like the Rate Committee to review the rating structure for next years renewal and offer the Board options. It was decided that the rating structure would remain unchanged this year.

Mike Geisel made a motion to approve the rates as originally proposed and allow the Rate Committee to review the rating structure prior to the next renewal. Doug Harms seconded the motion. The motion passed with Matt Zimmerman abstaining.

Steve Wicker reviewed the proposed surplus distribution of \$1,076,507. This distribution would come from the 2013-14 plan year Steve noted that the health fund balance is expected to increase \$1.5 million due to the 2022-23 results and this distribution would be approved now and distributed in September, similar to previous distributions.

Doug Harms made a motion to approved the \$1,076,507 distribution from the 2013-14 policy year and issue the checks in September. Gregory Rose seconded the motion. The motion passed with Matt Zimmerman abstaining.

#### B. December 31, 2022 Actuarial Valuation

John Charpie reminded the Board that this was the first Actuarial Report completed by Pinnacle Actuarial Resources. He stated the first major change from the last report were that the ultimate loss forecast for workers compensation decreased by approximately \$1,400,000, mostly due to the 2020-21 & 2021-22 policy years. Also, the ultimate loss forecast for liability decreased by approximately \$1,100,000. Most of this decrease was related to the Law Enforcement Liability line of coverage.

Second, the projected losses for the 2023-24 plan year for workers compensation are approximately \$9,400,000, or \$300,000 less than the current year. The projected losses for liability are \$2,500,000 or \$700,000 greater than the current year. John noted that the combined impact for the upcoming renewal will be an overall increase of approximately 4%.

Jeff Cox went on to explain that the reasons for the increase in projected loss rates for liability were that the new actuary is blending SLAIT's historical loss experience with industry loss data, while the former actuary based their projections only on SLAIT's historical losses. Secondly, the new actuary is using the reported date of claims made to value the losses vs the occurrence date (which the previous actuary used). This increases the loss development factors as the losses are more recent, or less mature using this method.



Gregory Rose made a motion to approve the Actuary Report as presented and Doug Harms seconded the motion. The motion passed.

C. Appointment of Nominating Committee

Bola Akande noted that there was a vacant Board Position with Barbara Sondag's recent retirement. She noted the plan was to fill the vacant position at the annual meeting in September. Bola asked Amy Hamilton, Matt Zimmerman, and Bob Shelton if they would serve on this committee and they all agreed to serve. Bob Shelton was appointed Chair of this committee.

There was discussion regarding the make up of the Board Seats and that the By-Laws state that 3 board members must come from the bottom half of the membership group according to total payroll. There was conversation as to if this criteria was still important. It was decided the nominating committee would bring a recommendation to the board if this should be addressed with a By-Law change, or if this criteria should remain in place.

D. Next Meeting Date & Location

The next Board Meeting is scheduled for 10:00 a.m. on May 18, 2023, at The Brentwood City Hall.

E. Other Business

There being no other business, the meeting adjourned at 11:45 PM.

Submitted by:            John Charpie

Approved by:            \_\_\_\_\_