WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **INSURANCE**

DATE: JANUARY 6, 2006

Committee Members Present:		
Supervisors	Mason	Amy Clute, Insurance Administrator
	Haskell	William Thomas, Chairman
	Bentley	Joan Parsons, Administrator/Clerk
	Barody	Paul Dusek, County Attorney
	Kenny	Richard Leonelli, TD Banknorth Insurance Agency Inc.
	Gabriels	Renee Baker, TD Banknorth Insurance Agency Inc.
	Geraghty	John Weber, Capital Financial
		Kristy Laney, Capital Financial
		Lori L. Burch, Capital Financial
		Carlene A. Ramsey, Sr. Legislative Office Specialist

Mr. Mason called the meeting to order at 9:30 a.m.

Motion was made by Mr. Kenny, seconded by Mr. Haskell and carried unanimously to approve the minutes of the previous meeting, subject to correction by the Clerk.

Mr. Mason welcomed both Mr. Leonelli of TD Banknorth Insurance Agency, Inc. and John Weber of Captial Financial to today's meeting.

Mr. Leonelli acknowledged his associate, Renee Baker, and he noted she was the Customer Service Agent for Warren County.

Mr. Weber introduced Kristy Laney, the Vice President of Capital Financial, and Lori Burch, who both work on the Warren County account.

Privilege of the floor was extended to Amy Clute, Insurance Administrator, who reported the property appraisal (authorized at the last Committee meeting) had been completed. She noted representatives from the appraisal company, CBIZ, had spent approximately three days touring the facilities. Once she has received the appraisal report, she said, she would promptly share it with the Committee.

Ms. Clute distributed an Agenda packet to each of the Committee members and a copy is on file with the minutes. Turning to Agenda Item 1, privilege of the floor was turned over to Mr. Leonelli, who directed attention to the TD Banknorth Renewal Proposal (distributed by Ms. Baker and is on file with the minutes).

Mr. Gabriels entered the meeting at 9:35 a.m.

Mr. Leonelli explained the proposal was a very brief summary of the various policy coverages and current limits. Once the policies were available, he mentioned Ms. Baker would deliver them to Ms. Clute's office. He explained that the third page in the proposal was a list of the NYMIR (New York Municipal Insurance Reciprocal) risk management programs that were available to the County, at **no extra cost.**

Mr. Leonelli explained that pages 3-11 contained a detailed list of each location which carried either building or contents insurance coverage. On page 12, he stated, the list was broken down further to indicate the amount of insurance, deductible amounts and the valuation method used. He observed the Blanket Limit on Buildings and Contents was $77,070,738, or approximately $77

Million. That meant that on any one claim, NYMIR would pay up to the $77 Million on any one building or contents loss. The critical issue for his firm, he stated, was to disclose exactly where the need for coverage was.

Mr. Leonelli pointed out the insurance limits listed represented a 4% increase over last year's building and contents limits with the agreed value applied. The coverage, he explained, did not have a co-insurance provision which could penalize the subscriber if under-insured. The agreed value was waived on the County's policy which meant the limits were subject to replacement costs at the agreed value, with no co-insurance penalty.

Responding to Mr. Haskell's question regarding the Hague Firehouse, Ms. Baker explained the County was only responsible for the contents of the building while the building itself was covered through the Town of Hague.

Mr. Leonelli encouraged all in attendance to thoroughly review the list with the appropriate personnel so that any discrepancies could be discovered and quickly corrected.

Mr. Leonelli reminded the Committee of its decision to increase the per-claim deductible to $10,000 to take advantage of the savings on premium costs in 2006.

Turning to page 19, Mr. Leonelli explained TD Banknorth had added particular property coverages as an extension endorsement.

> *Business Income/Extra Expense*: if a loss occurred at any one of the locations, the County would incur expenses to continue operations at an alternate location while the building replacement took place. The $850,000 would cover the rental or moving costs for the temporary location.
>
> *Ordinance or Law Coverage*: in the event a building needed to be replaced and the current law now required new building codes be adhered to, this coverage would provide the higher cost of construction. As an example, he noted the Hadley Luzerne School District incurred a $6 Million loss and the Ordinance or Law Coverage provided close to $1 Million in additional coverage.
>
> *Valuable Papers and Accounts Receivable:* any costs related to the reproduction of papers or documents lost.
>
> *Earthquake/Flood Coverage*: applicable to covered property, only.

Next, Mr. Leonelli directed attention to the NYMIR Property Extensions of Coverage which were provided at no additional expense to any municipality insured through NYMIR.

Responding to Mrs. Parsons' question regarding Asbestos Clean Up, Mr. Leonelli noted that he felt the coverage would apply to a covered claim involving asbestos abatement. He commented he would need to read the full endorsement before he could say for sure.

As for page 20, the Boiler and Machinery coverage, Mr. Leonelli noted, it was also known as equipment breakdown coverage. He stated commercial property policies typically exclude damages from a boiler explosion, which necessitated the Boiler & Machinery coverage be added for the mechanical parts, heating boilers, etc.

Mr. Leonelli pointed out the Equipment Floater policy, detailed on page 21, was related to equipment listed on pages 22-27. He observed the insurance limits and deductibles were listed on page 21, for the various types of equipment. He noted the Auto Physical Damage coverage included all of the heavy vehicles and extra heavy dump trucks; the EDP Equipment pertained to all computers and software; and Unscheduled Equipment related to all the equipment too small to be listed individually. Since the values on various motor vehicles changed from year to year, he urged the importance of a thorough review of the listing.

Turning to page 28, Mr. Leonelli reported the Commercial Crime Policy was written through Hartford Fire Insurance Company since NYMIR did not provide this coverage. He noted the Employee Theft, including Faithful Performance, had a limit of $500,000 with a $5,000 deductible. He also noted coverage was provided for Forgery or Alteration in the event a forged document had been accepted as authentic. The Theft, Disappearance and Destruction coverage, he said, would pertain to any disappearance of cash or securities.

As for the Commercial General Liability listed on page 29, Mr. Leonelli stated he felt the limit of $1,000,000 on each occurrence was important to note. Before any umbrella coverage would be used, he explained the policy would first pay $1,000,000 on any claim which would reduce the limits in the General Aggregate Limit (of $3,000,000) and then the Umbrella policy (with $20 Million in limits) would come in to play. However, he noted, the $10,000 deductible would be applied for either bodily injury or property damage. He also noted the second coverage was the Employee Benefit Liability of $1,000,000 on each claim. This coverage pertained to an error in the administration of one of the employee benefit plans and a law suit was brought against the County, he noted the policy would provide for defense and possible indemnification of the lawsuit.

Next, Mr. Leonelli explained the Schedule of Hazards were also taken into consideration when calculating the liability premium. The expenditures listed in the County Budget were reviewed for the level of risk, he said. At page 31, he noted the Owner's & Contractor's Protective Liability was insurance the County purchased to cover the State of New York as related to any work permits for work performed with any State right-of-way. The Airport Liability (pg. 32) was written through Old Republic Insurance Company with a $5 Million limit for each occurrence and aggregate limit. He stated there was no coverage for the County related to the Hangar facilities owned by a third party on leased County property.

County Attorney, Paul Dusek, clarified the County does require the hangar owner/operator to provide its own liability insurance, with the County named as an additional insured.

Mr. Leonelli explained the Healthcare Professional coverage listed on page 33 carried a $3 Million limit and was written on a "claims made basis", which was somewhat different from "per claim coverage". Prior to April 1, 2002, he said the County had an occurrence policy and switched to a "claims made" policy when it moved back to NYMIR. Since a "claims made" policy would only cover claims during the policy period, the carrier's exposure during the first few years of the policy was extremely low. However, as the years built up to the plateau area of approximately 5 years, he said the policy's premium slowly escalated as the exposure increased.

Turning to the Healthcare General Liability (pg. 34), Mr. Leonelli explained, related to the coverage that had been excluded by the General Liability coverage. He clarified a "fall down" claim that may occur at the Westmount Health Facility would not be accepted under the General Liability umbrella coverage and would require a separate policy.

Messrs. Barody and Wm. Thomas left the meeting at 9:55 a.m.

Continuing, Mr. Leonelli apprised the Committee the umbrella policy did NOT cover healthcare professionals or healthcare general liability. He mentioned these two areas would be worth a closer review, and he felt the $1 Million limit on both policies *may not be the most advisable.*

Responding to Mr. Dusek's question, he explained the County did NOT have umbrella coverage since NYMIR has excluded these coverages from the primary general liability policy. Therefore, he stated the County has always had this separate policy and NYMIR classifies them as "simple add on policies" for a simple $1,900 premium. However, Mr. Leonelli observed that by pushing the coverage out of the liability policy included in the umbrella, NYMIR had effectively removed the umbrella coverage away from the Westmount Health Facility.

Mr. Dusek expressed his concern with this limited coverage on the Westmount Health Facility. He said the County also had the public nurse facility at the Municipal Center in addition to the Residential Hall where this limitation would also apply. He said he felt the $1 Million limit in today's economy was not a lot of money.

Mr. Leonelli concurred with Mr. Dusek's comments. Mr. Leonelli also stated his firm would like to work with NYMIR to get them to either include the healthcare policies under the umbrella policy, or to offer a separate umbrella policy. He clarified he would report back to the Committee as soon as he heard.

Mr. Haskell suggested the Committee may want to call a special meeting to address this concern.

Continuing, Mr. Leonelli noted the Law Enforcement coverage, listed on page 35, carried a $1 Million limit on each occurrence, with a $25,000 deductible. He explained this policy experienced a higher premium increase. Ms. Baker noted the increased number of armed police officers, as well as the increase in activity of law enforcement claims contributed to the premium increase.

Mr. Dusek acknowledged the number of law enforcement claims may have increased. However, he noted the results of those claims have generally been very positive for the County. He said he felt it may be beneficial to sit down with the NYMIR representatives and the Sheriff to explain the County's initiatives. Mr. Leonelli stated that NYMIR had also expressed an interest in meeting with the County.

Mr. Leonelli noted that both the Law Enforcement and Public Officials policies were actually included in the umbrella policy, even though they were both subject to a sub-limit of $10 Million. He noted the public officials policy related to wrongful acts, such as wrongful termination, discrimination, harassment, or employment related claims.

Turning to the Commercial Automobile Policy, Mr. Leonelli indicated the vehicles were listed on pages 37-51. He noted the umbrella policy did apply on this coverage, as well as the statutory coverages of uninsured, under-insured motorists and the personal injury protection (no fault coverage) and the additional mutual aid endorsement. In the event a fire department or an EMS team was brought in to respond and damages were to occur due to County negligence, he said, the County would have liability or property coverage.

Without going through each item, Mr. Leonelli pointed out the last two columns listed the Comprehensive and Collision coverages as related to each vehicle. He noted several of the large equipment vehicles will have been marked "IM" which stands for inland marine and had been mirrored on this schedule. In addition, he stated the autos that were less than 10 years old were valued on a replacement cost basis. Ms. Baker clarified that some contracting equipment was covered at replacement cost, unless otherwise listed.

Mr. Leonelli stated the Inland Marine Equipment did have a schedule of autos and contractor's equipment and the autos listed on the contractor's equipment schedule could be covered at replacement cost if less than 10 years old. As an example, the County would need to decide if a 7-year old dump truck would be covered at replacement cost, or at the depreciated value; or a $120,000 grader may have depreciated to $80,000 after 5 years although it may cost $140,000 to replace in today's market. He said he felt it may be worth discussing such information with the highway department.

Mr. Dusek stated it had been his experience that most of the County automobiles did not carry collision coverage, although he pointed out Item Number 246 (pg. 49) apparently did have comprehensive and collision coverage.

In response, Ms. Baker reported that she had observed the Sheriff's Office does not request collision coverage. However, she observed that a number of other departments have elected to carry the comp and collision.

Ms. Clute explained that some of the smaller departments had begun to carry the extra coverage following an incident in the Fire Prevention and Building Codes Department a number of years ago. She expounded that an accident with a deer had damaged the Department's vehicle, comprehensive and collision had not been carried and there were no budgetary funds to pay for the vehicle repairs.

Mr. Dusek expressed his concern with the decision to carry the added coverage. He said he felt it was actually a matter for the whole Board to decide, and the individual decisions being made by the various departments may not actually be in the best interest of the collective whole. In addition, he said, the Board may want to develop an overall strategy as to how to address the issue.

Mr. Leonelli acknowledged his staff would be more than happy to comply with whatever parameters the Board were to set.

Next, Mr. Leonelli explained the Excess Workers' Compensation Policy provided coverage in the event that any one claim exceeded $750,000 under the self-insured plan (pg. 52). In addition, he noted there was a separate employer's liability coverage of $2 Million (pg. 53). Lastly, he noted the Excess Catastrophe Liability carried a $20 Million Aggregate and $10 Million for each occurrence.

On any one claim, he said the most that would be paid would be $11 Million made up of the $1 Million of the underlining coverage (general liability, auto, public officials and law enforcement, although exclusive of the healthcare profession, healthcare general liability and the airport liability).

Mrs. Parsons said it was her understanding the 2006 premium for the Excess Workers' Compensation coverage was at $187,262. She noted that was even higher than the figure quoted during the budget time.

Turning to page 55, Mr. Leonelli commented the Commercial Pollution Legal Liability policy was a 3-year policy that had been in place prior to TD Banknorth becoming the broker for the County.

Ms. Baker apprised that 3 different statements of value had been provided to the carrier during the year 2005. Just last week, she said, the underwriters had noticed the fuel farms on the statement of values and the underwriters were now asking for detailed information. She said she expected the premiums would increase due to the fuel farms being added to the policy.

Mr. Leonelli directed attention to the last page of the report, which detailed the various premiums.

Mr. Barody pointed out the Airport Liability premium was much lower than the Public Officials premium and he wondered why.

Mr. Leonelli explained the Public Officials coverage was to protect the County in the event an employee decided to sue the County regarding an employment issue. He said he felt the potential for employment issues carried a much greater risk than airport liability. However, he said that NYMIR had recently provided a 73 page report on the County's claims experience. A claims analysis would be completed shortly, he noted, which would illustrate what the County's loss ratio was, by year, by coverage and what the experience was.

Mr. Dusek commented that in the past 10 years he could not recall any significant Public Official claim, or any large settlements against the County. He noted that the one case he was aware of was from 1996 and was related to the burn plant. Therefore, he said he would encourage the Committee members to explore this issue further.

Mr. Leonelli suggested that he could have the claims analysis ready for review by early March. He said he would be glad to thoroughly review the report with the Committee members.

Continuing, Mr. Leonelli observed the Excess Employer's Liability was a policy his staff worked hard on to obtain a variety of quotes. Of the 6 different carriers they contacted, he stated, only 2 of them submitted a quote. He mentioned the County's current carrier was purchased by Safety National, who submitted the quote of $187,262. The new plan he noted, was structured somewhat differently from a $750,000 cap for all types of claims to $1 Million sub-limit on any claims from volunteers.

Ms. Clute directed attention to pages 9 and 10 of the Agenda packet where a comparison between the 2 quotes and the current policy was provided.

Ms. Baker reported the entire process of quoting the Excess Workers' Compensation was quite a learning experience for her. She explained that Ms. Clute's office provided countless reports regarding payroll by class, losses over the past 6 years, etc. The original quote obtained in October of 2005 had projected a 20-25% increase with a concern over the $750,000 retention. She declared the volunteer rosters had the underwriters very concerned, as reflected by a large impact on the pricing structure. Of the 6 carriers contacted, she said only 4 started the quote process; 1 withdrew when its premium came in at $450,000+; and another withdrew when its premium came in at $250,000 with a $2 Million retention. Therefore, only 2 of the 6 submitted quotes, Safety National at $187,262 and ACE at $195,822 and she remarked that both came in under the 20% projected increase.

Ms. Baker pointed out the retention limits were split, with $1 Million for the volunteers and $750,000 for the employees. However, she said the Self-Insured Employer's Liability carrier stepped up and they increased the limit for the volunteers to $900,000 without a change in premiums.

Mr. Mason queried if the underwriters hadn't received enough information for them to develop an experience rating for the County.

Mr. Leonelli commented the experience rating for the compensation model for businesses was a very specific formula of the experience encountered. He explained the underwriters looked at the probability factor that the County would actually hit the excess of $750,000. He noted the experience mod was greatly impacted by every little claim that goes into, and the policy was being written for the shock losses or claims.

Mr. Bentley remarked that it was his understanding the County had never come anywhere near hitting the $750,000 limit.

Ms. Clute concurred with the comment, and directed attention to page 11 of the Agenda packet. She reported she had surveyed the other self-insured counties and received 4 replies. All 4 counties used third party administrators (TPAs) she noted, and a comparison of their premium rates was presented at the bottom of page 11.

Ms. Clute mentioned that Monroe County did not carry any volunteers on its self-insured plan, which probably accounted for their very low rate. She pointed out that Allegheny County was more similar to Warren county in the number of lives insured and the retention of $750,000. Continuing, she stated, Allegheny County was covered through Safety National, and had been for the past 10 years, with a current rate of approximately $0.17 per hundred. She observed their policy was up for renewal in February, and Allegheny's payroll was approximately $28 Million while Warren's was nearly $60 Million.

Mr. Mason said he understood the Excess Workers' Compensation policy needed to be renewed as of January 1, 2006. Ms. Clute reminded the Committee that the County's former carrier would not renew the policy which expired December 31st. She indicated that Ms. Baker had met with her on December 29th concerning the new carrier's coverage, which would take effect January 1st. In view of the time constraints, Ms. Clute reported that she consulted with Mr. Dusek, Chairman Thomas and Mr. Mason as to how to proceed. In the absence of a resolution to the contrary, she reported the resulting decision had been to go ahead and renew the policy for 2006 which put the coverage in place and bound the County to the premium. Should the Committee decide against the coverage, she noted a penalty may be applied for cancellation at this point.

Mr. Dusek commented he was interested to learn what it was that the underwriters were seeing that the County was not aware of. He said it was obvious the premiums were not based on past experience, since the County has not had any bad experiences. However, as the County Attorney, he said he was very concerned with the statement that "based on everything you have in place, we think you're getting ready for a big claim." He reiterated his desire to sit down and meet with these people to determine what was the cause of such concerns. He speculated that perhaps the concerns were related to the number of volunteers, or the types of volunteers, or some mis-information that needed to be cleared up.

Wm. Thomas and Mrs. Parsons left the meeting at 10:30 a.m.

Mr. Leonelli explained that his colleague, Joe Blanche from Future Comp (who had presented at the October 3, 2005 Committee meeting) had impressed upon him the fact that TPAs go to the same six companies for their coverage. He said it was his understanding the underwriters feel the self-insured plan would be much stronger if the County utilized a TPA to manage the workers' compensation plan. He pointed out that a TPA would bring in other resources to work with the County and focus on the long term benefits of the plan. In fact, he declared that Safety National had responded with a quote for Warren County *after they learned* the County was *even considering* receiving bids for TPA services.

Following a brief discussion between Mr. Dusek and Mr. Leonelli regarding the benefits of a TPA, Mr. Mason said he felt the discussion should be held over to another meeting. He acknowledged the County had coverage for the time being and would need to evaluate how it wanted to proceed in the future. Ms. Baker said she would look into whether or not the policy could be cancelled and what, if any, penalty would result.

Mr. Kenny left the meeting at 10:35 a.m.

Responding to Mr. Gabriels question on the railroad lines, Ms. Baker explained the County had coverage for the existence of the lines, but not for the operation of the rail lines.

Mr. Mason extended the Committee's appreciation to the Banknorth representatives for the informative presentation.

Mr. Leonelli and Ms. Baker left and Ms. Parsons re-entered the meeting at 10:36 a.m.

Following a brief recess, the Committee reconvened at 10:42 a.m.

Privilege of the floor was extended to John Weber, of Capital Financial Group, Inc. and he distributed a report packet to each of the Committee members (and a copy is on file with the minutes). He explained that the coming year would require continuous reporting throughout the year as he worked on possible changes in the health care coverage. He suggested that the Committee may want to meet with the property and casualty brokers separately from the health insurance brokers. In view of the time constraints today, he said he would like to quickly review the highlights of the open enrollment/renewals. As for the change over to an experience rated group, he mentioned that discussion could be held over until another meeting.

Mr. Weber directed attention to the health insurance report and he noted page 1 illustrated where the enrollments were as of 2005. He pointed out the Monthly Premium portion pertained ONLY to the portion paid by the County, and NOT the employee's portion. He stated that following discussions with Mr. Dusek and Mr. Paltrowitz, and the various unions, a plan with a $25 co-pay had been added to the roster for 2006.

Mr. Weber explained that page 2 illustrated what the premium changes would have been for 2006 IF the enrollment had remained exactly the same as 2005, with a 13% increase. Since the County's portion was based upon the plan with the lowest rate on individual coverage, he observed the employee would pay any premium cost that was over and above the lowest individual plan's rate.

Mr. Weber pointed out the change from a $20 co-pay to a $25 co-pay resulted in a 8-10% premium decrease in one of the plans (CDPHP also known as Capital District Physicians Health Plan). By offering such a plan, he observed that the lowest family coverage at $88.27 per month for GHI changed to 10.37 per month through CDPHP. During open enrollment, he reported the employees had nothing but praise for the initiative and family coverage was picked up by 8-10 employees who had not been able to afford it in 2005. In addition, he explained the employees were told the Supervisors had voted in the change due to their concerns regarding affordable health coverage for all the employees.

Mr. Weber stated that page 3, "Final 2006 - After CDPHP Change) illustrated the change in enrollment in the Totals column, Total Enrollees Covered, at 1036 (compared to 1028 Before CDPHP (page 2).

Furthermore, Mr. Weber noted the overall impact from the new CDPHP plan, was that 50% of the employees were now covered under one plan - CDPHP. Therefore, he said, the bidding process for an experience-rated plan would be much more feasible since the loss ratio will be more predictable for the carriers.

All in all, Mr. Weber reported the open enrollment was very successful, all of the rates have been received and all but one of the contract renewals had been signed. The one exception, he noted, was CDPHP, who had yet to issue their contract for signature.

Turning to the Health Benefit Comparison Charts, Mr. Weber indicated the employees had all received the same 3 charts. He stated the "Estimated Premiums to Employees" chart reflected the actual rates the employees will have to pay for the various plans.

Mr. Weber noted the Warren County Dental was detailed on the next page. He stated that the County switched from Empire to Delta with the changes in coverage printed in bold print. He summarized that although the monthly premium remained approximately the same, the coverage was improved.

As for the last 2 pages entitled "Warren County Health & Dental 2005" (and "2006" on the following page) Mr. Weber explained these pages were NOT distributed to the employees. He said the exact costs to the County were illustrated, as he directed attention to the Empire HMO (Health Maintenance Organization) premiums. Specifically, the Medicare rates for either Individual or 2-person, he stated, were printed in red ink since those premiums were actually rebated to the employees enrolled in Empire. (He reminded the Committee that late in 2005, Empire attempted to discontinue that coverage, although the State Insurance Department would not allow that move for 2006.) He noted the only rebated amount for 2006 was the Empire HMO Individual/Medicare plan.

Mr. Weber explained the 2006 Chart, under $25 Copay CDPHP, the figures in the Employee Column illustrated in black ink and parenthesis, represented the savings to the County as a result of the added CDPHP plan.

Next, Mr. Weber distributed two handouts to the Committee members, one regarding Medicare part D and one regarding the general services provided by Capital Financial Group, Inc. (copies are on file with the minutes). He noted the list was simply provided for information purposes.

Mr. Weber stated the Federal Government rules concerning the Medicare part D had been issued late in the year 2005, and then revised several times. Consequently, he noted one staff member has been specifically assigned to Medicare part D to track all of the guidelines. As for the rebates from the Federal Government, he explained the insurance carrier (Empire) will be submitting claims to the Federal Government on a quarterly basis and a percentage of the claims will be issued, electronically, to the County. So far, he observed, the government had not issued its time line concerning the rebates.

Mr. Weber reported that one County employee did elect to sign up for the Medicare part D drug card, although 180 retirees did not. Therefore, he observed the County will be receiving over $100,000 in subsidy premiums from the Government, spread over a quarterly basis.

In addition, Mr. Weber reiterated his expectations for positive results when the health insurance contracts were sent out for bid this year. Since 50% of the employees were now with one company, he said, such a scenario had always produced good results for him in the past.

Mr. Weber pointed out that there were a lot of issues concerning the health insurance bids that he will need to discuss with the Committee, at a later date. Therefore, he repeated his earlier suggestion that the Committee consider separate meetings for different brokers (property and casualty vs. health insurance).

Responding to questions from various Supervisors, Mr. Weber clarified the County was now positioned for a more realistic quote for an experience rated pool, with 50% enrolled in one particular plan. However, he felt a good solid figure may not be available until September and then the unions would need to be consulted. He stated the County could elect to hold open enrollment in June of 2007 for the new plan. Such a schedule, he observed, may actually work better for the County's budget process, which currently coincided with the annual renewal.

Mr. Gabriels queried as to when the Town employees would be eligible to enroll in the same health insurance plan. Mr. Weber explained the first step was to establish the experienced rated group, then form the municipal cooperative with Washington County and then the Towns could join in. He clarified that as long as the municipal cooperative was all with the same company, the products could vary somewhat. At this point, he stated the POS plan at Washington County was still cheaper than Warren County's HMO plans.

The representatives from Capital Financial Group, Inc. left the meeting at 11:00 a.m.

Returning to the Agenda review at Item 3, Workers' Compensation, Ms. Clute reported on 3A, the RFP for a TPA consultant. She explained that she and Mr. Dusek had compiled the criteria for the RFP and she directed attention to Pages 1-6 of the Agenda packet.

In response to questions posed by Mrs. Parsons, Ms. Clute stated the RFP was simply to obtain the services of someone with the knowledge of both the self-insured administration as well as the third party administration. She clarified the size of the group was not a factor in this phase.

Continuing to Item 3B, Ms. Clute presented her Department's Activity Report for 2005. Please see pages 7 and 8 for details.

Ms. Clute explained the Total Saved or Recovered in 2005 was at $591,373.21. She said she felt this was an important amount to keep in mind as the TPA was being considered. In response to Mr. Mason's question on the Medical Bill Adjustment Savings, she clarified the same work has always been done, but not tracked and tallied in years past.

At the bottom of page 8, Ms. Clute explained the Disability Fund was handled exclusively by her assistant, Wanda Armstrong. Ms. Clute pointed out the costs related to NYS Disability were not paid out of the Self-Insurance funds; but were charged back to the employee's related department. In addition, she noted a portion was paid through each employee's paychecks.

Returning to Agenda review at Item 4, NYPERL (New York State Public Employee and Retiree Long-Term Care Insurance Plan), Ms. Clute reminded the Committee of their request that she investigate the benefits of such a plan. She reported, the main benefits of the plan were solely for the employees. From what she reviewed, she said she could see no direct benefit to the County, other than keeping the employees happy by making the option available. She also indicated the County would have NO direct involvement, since the employee would deal with NYPERL themselves.

Mr. Dusek reminded the Committee members the whole issue had started a couple of years ago. He noted the unions had agreed to the plan and the Board had passed a resolution to authorize the County's participation. However, the plan was put on hold when it was discovered that NYPERL's contract would not allow any other County sponsored plans.

One final item of business, Ms. Clute reported, was related to the bills issued to each of the participants in the Self-Insured Workers' Compensation Fund. She noted her office had received a request from the City of Glens Falls seeking authorization to deliver payment by February 15th, rather than January 31st. Actually, she said the City would like to deliver payment in two installments, one on February 15th and one on March 15th. She requested direction from the Committee.

Mr. Haskell commented that he felt very strongly that each of the participants was fully aware of the annual due date. He emphasized that he felt there was no need to make an exception for the one participant who routinely appeared to have trouble with the preset deadline.

Mr. Geraghty remarked that managing funds from a special district could be rather difficult at times. However, he did concur with Mr. Haskell's comments that the January 30th deadline should be maintained.

Motion was made by Mr. Haskell, seconded by Mr. Gabriels and carried unanimously to authorize Ms. Clute to send a letter to the City of Glens Falls to inform them of the Committee's decision, and to reinforce the due date.

Mrs. Parsons requested the Committee to clarify its position on the NYPERL question.

Following a general discussion, it was the consensus of the Committee not to pursue the plan with NYPERL at this time.

There being no further business to come before the committee, on motion made by Mr. Gabriels and seconded by Mr. Haskell, Mr. Mason adjourned the meeting at 11:17 a.m.

Respectfully submitted,
Carlene A. Ramsey, Sr. Legislative Office Specialist