WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: INSURANCE

DATE: APRIL 30, 2007

COMMITTEE MEMBERS PRESENT:		**OTHERS PRESENT:**
SUPERVISORS:	GERAGHTY	AMY CLUTE, SELF-INSURANCE ADMINISTRATOR
	F. THOMAS	PAUL DUSEK, COUNTY ATTORNEY
	HASKELL	HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE AND FISCAL SERVICES
	GABRIELS	
	GIRARD	NICOLE LIVINGSTON, DEPUTY CLERK
	SOKOL	SUPERVISOR BENTLEY
COMMITTEE MEMBER ABSENT:		TODD LUNT, HUMAN RESOURCES DIRECTOR
SUPERVISOR	MERLINO	AMANDA ALLEN, LEGISLATIVE OFFICE SPECIALIST

Mr. Geraghty called the meeting of the Insurance Committee to order at 10:15 a.m.

Motion was made by Mr. Sokol, seconded by Mr. Haskell and carried unanimously to approve the minutes of the February 26, 2007 meeting subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Amy Clute, Self-Insurance Administrator, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes.*

Ms. Clute apprised that agenda item number 1a pertained to the retiree health insurance premium notification letter revised by Capital Financial Group, Inc. at the Committee's request, a copy of which was included in the agenda. Upon review of the letter it was the consensus of the Committee that the changes made to the letter were acceptable.

Motion was made by Mr. Haskell, seconded by Mr. Sokol and carried unanimously to accept the revised letter and authorize its use by Capital Financial Group, Inc. in corresponding with Warren County retirees regarding health insurance coverage and premiums owed.

Ms. Clute reminded the Committee that at their last meeting they had discussed the ability to automatically renew contracts for both the health insurance and the property & casualty insurance broker services for an additional three-year term, as the allowance was included in the original RFP (Request for Proposal) authorized. She said that if the Committee was not agreeable to renewing these contracts for a three-year term, new RFP's could be authorized for both lines of coverage to see what other options were available, and agenda items 1b and 1c pertained to this matter.

Mr. Geraghty stated that he would suggest the renewal of the health insurance broker contract because it was a union contract renewal year and Capital Financial Group, Inc. was currently working on developing an experience-rated group to save funds for the County. He advised that if they changed brokers now, this process would have to be started over.

Mr. Haskell asked what the current financial terms of the health insurance broker contract were and Ms. Clute apprised that the contract was based on commissions paid directly to the broker by the health insurance carriers and the County was not involved in that arrangement. She noted that the RFP would be used to bid for services, not price, as any broker would work on the same commission basis.

Mr. Haskell asked if the contract could be renewed one year at a time and Paul Dusek, County Attorney, replied that the RFP had been set up with a three-year renewal clause; however, it could be renewed one year at a time if Capital Financial Group, Inc. agreed to those terms. Mr. Haskell stated that he felt Capital Financial Group, Inc. was doing a good job handling the County's health insurance needs and he added that he had heard very few complaints about their company.

Motion was made by Mr. Haskell, seconded by Mr. F. Thomas and carried unanimously to authorize the renewal of the contract with Capital Financial Group Inc. for health insurance broker services for a three-year term and the necessary resolution was authorized for the May 18th Board meeting. *A copy of the request is on file with the minutes.*

As for the property and casualty broker services, Ms. Clute apprised that in addition to commissions received, an additional $15,000 per year service fee was charged for the lines of coverage brokered by TD Banknorth. Mr. Haskell asked when the contract for property and casualty broker services with TD Banknorth expired and Ms. Clute replied that the contract would terminate on September 22, 2007. Mr. Haskell noted that the premiums for many of the lines of coverage brokered by TD Banknorth had increased and Ms. Clute apprised that there had been changes in programs that may have directly affected the rate increases. Mr. Haskell noted that the policy deductibles had been raised in some cases in an attempt to contain these costs, which had risen regardless and Ms. Clute agreed that was accurate. Mr. Haskell stated that although he could not say that TD Banknorth was doing an inadequate job, he would like to see what other companies might offer to do the job better. He noted that the Town of Thurman had realized a decrease in insurance costs for 2007 and Mr. Geraghty agreed that most towns had seen a decrease in insurance rates while the County's policy costs continued to rise, and that was strange.

Mr. Dusek stated that the County was in a quandary as the Committee had previously issued an RFP for Workers' Compensation coverage and that meant a different agent would most likely be assuming that coverage, taking it from TD Banknorth and negating a lions share of the commissions received by their firm in connection with the County. He noted that the $15,000 fee charged by TD Banknorth was very low and he was not sure that fee would be mirrored by another agency. The only alternative, Mr. Dusek advised, was to leave the workers' compensation coverage with the current carrier and seek alternate options through the RFP process. However, he noted, the NYMIR (New York Municipal Insurance Reciprocal), lines of coverage currently held would remain fixed and could not be changed, requiring the bidders to include this coverage in their RFP.

Mr. Haskell asked if it was difficult to develop this kind of RFP and Mr. Dusek replied that it was not, adding that it could be modeled after the previous one issued.

Motion was made by Mr. Haskell, seconded by Mr. Sokol and carried unanimously to authorize an RFP for property and casualty insurance broker services.

Ms. Clute stated that agenda item 1d referred to the automobile and property tracking policy which had recently been implemented. She explained that pages three through five of the agenda consisted of an explanation of the insurance scheduling policy and the forms used to schedule or delete County vehicles or property with the Self-Insurance Department. Ms. Clute apprised that her Department now maintained a database which accounted for all such items and the Department Heads had been notified that in cases of additions or deletions of vehicles or property, they were to complete the forms included and submit them to the Self-Insurance Department who would then notify the insurance broker of the changes. This system instituted the tracking system desired by the Committee and also served to maintain appropriate insurance coverage on County-owned vehicles and property, Ms. Clute explained.

Proceeding to the new business portion of the agenda, Ms. Clute advised that item 2a related to coverage for personal tools used by Warren County mechanics for work purposes. She explained that there were ten mechanics employed by the DPW that used their personal tools, valued at a total of $129,000, for work purposes. The current NYMIR policy covered only $500 per person for personal tools, included a $10,000 deductible and stipulated that losses would have to occur inside a County building, Ms. Clute apprised. She said that in researching the alternative options available she had discovered that these items would be more appropriately covered by adding coverage to the existing inland marine policy. Ms. Clute stated that the inland marine policy would cover the full value of the tools for losses occurring both at the property location and in the DPW vehicles, giving a much broader coverage than the current policy, at a cost of $348.30 per year with a $1,000 deductible. She added that in speaking with William Lamy, DPW Superintendent, they had agreed this additional premium would be money well spent to mitigate risk in this area.

Mr. Geraghty asked how many tools it would take to total the $1,000 deductible and Mr. Haskell stated that the tools were very valuable so it would not take many to equal this limit. Mr. Geraghty asked if the deductible might be lowered to lessen the out-of-pocket expense to the County and Mr. Haskell stated that he did not feel that was necessary, as a major incident would have to occur to cause the loss of the tools. Mr. Girard added that decreasing the deductible would raise the policy premium which might not be sensible. Mr. Haskell asked if any such losses had ever occurred and Ms. Clute replied that to her knowledge none had; however, she cautioned the Committee that they had raised the property insurance deductible thinking there was not a great likelihood of loss and then the Municipal Center fire had occurred.

Motion was made by Mr. Girard, seconded by Mr. Haskell and carried unanimously to amend the inland marine policy to include the personal tools of mechanics employed by the DPW when used to perform their job and the necessary resolution was authorized for the May 18th Board meeting. *A copy of the request is on file with the minutes.*

Ms. Clute noted that agenda item 2b referred to the NYMIR loss report, which was included in the agenda. She said that NYMIR Loss Control staff had visited the Municipal Center, the Westmount Health Facility and the new Highway Garage during August of 2006 and the resulting loss report and recommendations had just been received. Ms. Clute stated that the usual routine was for the loss report and recommendations to be reviewed by the Department Head and then sent back to NYMIR with notations of the items completed. She apprised that she intended to revisit the listing of recommendations again in a month or so to be sure that the pending items had been completed by the Department Heads.

Hal Payne, Commissioner of Administrative & Fiscal Services, stated that he was concerned that the inspection had been completed in August of 2006 and the report was not forwarded until April of 2007. He noted that if these were serious safety concerns that needed to be addressed, NYMIR should have presented the report on a more timely basis.

Mr. Geraghty asked if NYMIR required completion of the recommendations within a certain time frame and Ms. Clute replied that normally they were given sixty days to complete the recommended changes; however, this report had not been received on time. Ms. Clute apprised that she would follow up on this issue to be sure everything was completed in a timely manner.

Mr. Geraghty noted that one of the recommendations listed indicated that it had been made previously and he asked why the issue had not been taken care of. Ms. Clute replied that they were currently working with TD Banknorth and the boiler insurance carrier because they were not sure that the particular boiler indicated required an inspection tag. She noted that the boiler inspector had visited the Municipal Center in November of 2006, inspecting the four boilers located there and three had been given inspection tags while the fourth had not. Mr. Geraghty stated that there should not be any pending items carried from year to year as it made the County appear careless and the Department Heads should be instructed to complete all pending items accordingly. Ms. Clute reiterated that she intended to follow up with each Department Head to be sure that the items listed had been addressed and could be removed from the pending items list prior to returning it to NYMIR.

Returning to agenda review, Ms. Clute apprised that item 2c referred to the claim for insurance coverage subsequent to the electrical fire at the Municipal Center on March 27th. She said that initially there had been two carriers involved in the claim because the fire had resulted from an electrical equipment malfunction; however, it appeared that NYMIR would be the carrier covering the claim, subjecting the County to a $10,000 deductible. Ms. Clute apprised that she was currently collecting bills for equipment repairs from each Department and she had submitted approximately $50,000 in claims thus far for repair and damage to equipment. In addition, she noted, she was collecting lost wage information for employees who were unable to work due to the fire or those that could not perform their normal duties because they were required to do alternate work as a result of the fire. Ms. Clute stated that she had collected bills totaling approximately $60,000 in lost wages and the County Clerk had estimated a loss of revenues in the amount of $2,600. These figures combined to derive a grand total of $112,000 in claims sent to the carrier, she advised. Ms. Clute said that she would report back to the Committee with an update on this claim once she had received a response from the insurance carrier.

Mr. Payne asked if there were any Departments that had not provided loss information and Ms. Clute replied that all of the Departments had responded and they were only waiting for hard copies of the claim submitted by the County Clerk's Office, which she anticipated would be provided for submission to TD Banknorth that afternoon.

Proceeding with agenda item 2d, Ms. Clute apprised that a meeting of the Safety Committee had been held in the prior week during which they had discussed developing a driver training program for Warren County employees. In reaching this goal, she explained, the Safety Committee had decided the best course of action would be to send a Health Educator to attend the National Safety Council's DDC (Defensive Driver Certification) course in Springfield, MA. Ms. Clute stated that this was a two-day instructor development course that would cost $505 for the course and hotel accommodations, plus the costs of meals, and the use of a County vehicle would be required. She noted that all of the training costs would be funded by the Safety Committee Budget. Ms. Clute advised that the course was intended for the use of Companies and Government entities to train their employees in driver safety. She said that upon the return of the Health Educator, members of Departments using County vehicles for work-related purposes would be trained in matters of driver safety to, in turn, train other employees within their Departments.

Mr. Geraghty noted that the Safety Committee Budget contained $1,000, which would more than cover the costs of this program.

Motion was made by Mr. Haskell, seconded by Mr. F. Thomas and carried unanimously to approve travel of the Health Educator to attend the two-day National Safety Council DDC course in Springfield, MA. *Note: subsequent to the meeting it was determined that this matter would be addressed in detail with a formal travel request being presented during the Health Services Committee meeting scheduled for May 2, 2007.*

Ms. Clute apprised that agenda item 2e referred to requests to authorize travel for herself, as President of NYSASIC (New York State Association of Self Insured Counties). She reminded the Committee that during the prior year, when she had been elected President of NYSASIC, the Board had adopted a resolution allowing her to perform whatever duties this title required; however, with the advent of the Travel Policy it became a requirement that all travel be authorized by the Committee. As such, she said she had three requests for presentation which were as follows:

Meeting	Location	Date
NYSASIC Conference	Alexandria Bay, NY	5/09/07 - 5/11/07
NYSASIC Board Meeting	Oswego, NY	6/07/07 - 6/08/07
NY Self Insurers Assoc. Conference	Verona, NY	6/14/07 - 6/15/07

She noted that the costs for all of these trips would be completely funded by NYSASIC with absolutely no cost to the County.

Motion was made by Mr. Haskell, seconded by Mr. Gabriels and carried unanimously to authorize Ms. Clute's requests to travel to the three meetings referenced above. *Copies of the requests are on file with the minutes.*

Moving to the 'Updates' portion of the agenda, Ms. Clute advised that item 3a pertained to an RFP for a Workers' Compensation TPA (Third Party Administrator). She said that she and Mr. Dusek were working on the RFP which would be released as quickly as possible. Ms. Clute stated that item 3b referred to an RFP for excess workers' compensation coverage, which she reminded the Committee KBM Management Inc., would be providing, and would most likely be released in the fall of 2007 as the coverage had a January 2008 renewal date.

Ms. Clute explained that item 3c pertained to the Self-Insurance Activity reports for the first quarter of 2007, which she said were included in the agenda. She said that at Mr. Geraghty's request she had included three months of activity so that the Committee could gain a sense of the County's lost workdays, new claims and payments made. Ms. Clute apprised that the report had been reviewed by the Safety Committee during their past meeting and each Department had been asked to develop ideas to reduce the number of accidents occurring for discussion at the next Safety Committee meeting.

Mr. Geraghty stated that by continuing to discuss safety issues, each of the Supervisors had the opportunity to increase safety for both County employees and the employees of their respective Towns. He added that by reducing the number of accidents occurring, the costs of the workers' compensation coverage could also be reduced, thereby saving the County money.

Mr. Haskell asked if a report had been developed to determine during which season the majority of accidents occurred and Ms. Clute replied that they did have reports which trended such things and they were reviewed during each Safety Committee meeting. Mr. Geraghty noted that in reviewing these reports he had noticed a significant number of slip and fall accidents and it led one to wonder if parking lot maintenance was being performed adequately during the winter months.

Ms. Clute stated that an additional safety issue occurred in the instance of the traveling nurses who visited patients that could not properly maintain their own driveways and walks during the winter. She said that the Safety Committee had discussed the possibility of issuing 'yak tracks', which were similar to ice creepers but were rubber with springs on the bottom, that could be worn while driving but gave appropriate traction on slippery surfaces. Ms. Clute apprised that these were standard issue for Airport employees.

Mr. Geraghty stated that proper chainsaw use was another issue that could be addressed by DPW to increase safety not only for County work purposes, but also for working at home. Mr. Haskell apprised that the Town of Thurman presented a chainsaw safety course every two years which was very valuable, as it taught proper use, as well as safety issues and required the participant to cut down a tree at the end of the course to ensure the proper use of chainsaw equipment.

Mr. Geraghty agreed that increased safety courses should be offered, and he added that he was an advocate of a course for the proper use of fire extinguishers, the benefits of which could also be used by Warren County employees at work and at home. He said that the Committee should discuss the possibility of offering additional safety courses to employees in the future.

As there was no further business to come before the Insurance Committee, on motion made by Mr. Haskell and seconded by Mr. Sokol, Mr. Geraghty adjourned the meeting at 10:43 a.m.

Respectfully Submitted,
Amanda Allen, Legislative Office Specialist