

Village of Barrington Hills
Minutes of Insurance Committee meeting of December 2, 2014
Call to Order 10:01 a.m.

Members Present

Michael Harrington, Chairman
Fritz Gohl, Trustee

Other Attendees

Martin McLaughlin, Village President
Mike Bennett, Lundstrom Insurance
Rich Semelsberger, Acting Chief of Police
Robert Kosin, Director of Administration
Rosemary Ryba, Treasurer
Alice Runvik, Admin. Assistant to Chief

MINUTES

Reviewed minutes from September 10, 2014 Insurance Committee meeting. Motion to approve as submitted by Fritz Gohl, Michael Harrington seconded. All said aye, minutes approved.

HEALTH/DENTAL RENEWALS 2015

Chairman Harrington stated he wished to continue with the current BCBS Plan (Blue PPO Gold) as rates are favorable with an increase of 3.61% for 2015 and employees are happy with the Plan. Treasurer Ryba stated the non-union employees are to contribute 10% of premium to be in line with competitive markets. President McLaughlin asked if other carriers/providers had proven to show they could have had savings. Chairman Harrington stated that Humana, United Healthcare and Aetna were not in line with the BCBS rates/coverage when last queried.

The HRA usage was reported at 49% vs. 80% at year end of 2013. The Committee hopes that trend continues next year. A total compensation package informational sheet is to be provided to each employee after the first of the year. Analysis of costs for 2013 vs. 2014 is to be provided for the December BOT Meeting by Chairman Harrington.

Dental rates increased by 6.98% which includes mandatory pediatric dental. Trustee Gohl asked if other employers are discontinuing offering dental insurance. Chairman Harrington was not aware of any decrease in offering dental programs.

The accidental death and dismemberment (AD&D) insurance premium has not increased as the Village is locked into a two year rate freeze. The long term disability is also frozen for two years and the possibility of not needing to continue this coverage will be looked into by Boomer Whipple and Kris Schwab from Lundstrom Insurance.

The health club reimbursement program is favorable and will be continued for 2015. As a wellness approach, employee meetings can inform the employees of the benefits available through BCBS. Chairman Harrington would like BCBS to come in and give a presentation on wellness. A four-hour compensated time off would be considered for non-union employees after providing proof of a physical examination by their primary physician annually. This would need to be negotiated to be included in the employee handbook.

Chairman Harrington entertained motions to (1) recommend the BCBS renewal in accordance with proposal, moved by Trustee Gohl, seconded by Chairman Harrington. All said aye, approved. (2) Employee share of premiums increase to 10% in 2015 from 5% in 2014. All said aye, approved. (3) Dental program renewal as proposed by Lundstrom. All said aye, approved. (4) AD&D renewal and approve the two year rate freeze. All said aye, approved (5) LTD to approve renewal and get clarification on overlapping coverage/subordination clauses on IMRF/PPF for 2015. All said aye, approved. These decisions were made without any favoritism to union vs. non-union employees.

PROPERTY/CASUALTY /LIABILITY COVERAGE RENEWALS 2015

Mike Bennett announced that Scottsdale increased the blanket limit by \$100,000. Trustee Gohl asked if the general liability insurance coverage is sufficient. Mike explained that the \$1,000,000 is a general baseline and there is a \$30 million umbrella proposed. He then explained that Scottsdale increased their excess coverage from \$5 million to \$10 million from last year due to the fact that Traveler's was also a proposed option. He then gave a comparison for coverages with Traveler's vs. Scottsdale. The quotes Traveler's provided were attractive but did not offer coverage on the Cuba Road Bridge. Trustee Gohl asked if EPL included the Trustees/Committee Members and Mike Bennett will get back to him.

Chairman Harrington and Trustee Gohl agreed that Traveler's premium for auto was so low that they couldn't sustain the savings proposed. Umbrella options are: Traveler's \$40,089 vs. Scottsdale \$40,282. The worker's compensation premiums decreased by 4% from prior year. Overall program decreased from \$225,938 to \$217,432 (a 4% savings).

OPTION 1: Property renewal increased \$231 in premium for a \$500,000 limit increase. OPTION 2: The third party liability coverage to employment practices liability coverage was recommended for additional premium of \$649.00. The increases on both additionally named coverage OPTION 1 and OPTION 2 moved by Trustee Gohl and seconded by Chairman Harrington. All said aye, approved.

Motioned and moved by Trustee Gohl seconded by Chairman Harrington to approve the worker's compensation insurance as proposed. All said aye, approved.

PUBLIC COMMENTS

No persons present or comments received upon notice of the meeting.

There being no further business, Trustee Gohl motioned to adjourn and seconded by Chairman Harrington at 12:15 p.m. All said aye. Adjourned

Rosemary N. Ryba
Recording Secretary