May 23, 2016

MEETING NOTICE

TO: RUTHERFORD CO. BENEFITS & INSURANCE COMMITTEE MEMBERS

FROM: ERNEST BURGESS, CHAIRMAN

DATE: THURSDAY, May 26, 2016

TIME: 1:00 P.M.

PLACE: RUTHERFORD COUNTY COURTHOUSE, COURTROOM

1. Approve Minutes
2. Financials
3. WC/OJI Stats
4. Wellness Update
5. Other Business

ERNEST BURGESS	JOE RUSSELL	LISA NOLEN	DAN GOODE
MERRY HICKERSON	JIM BOWLES	MARY ASHERBRANNER	SHANNON MCNAIR
ALLEN MCADOO	JEFF SANDVIG	LEE HARRIS/OIT	MELISSA STREET
SUSAN BONEY	RICKY MARLIN	PAUL HUFFMAN	VICKI TAYLOR
PAULA BARNES	JEFF DAVIDSON	BRYAN LAWRENCE(OIT)	VICKIE CLAY
SHAUNTAE SHERRIL	SONYA STEPHENSON	MURFREESBORO POST	KELLY DERRICK
CHRISTIE CROWELL	TERRY HODGE	DAILY NEWS JOURNAL	ALDEN DAVENPORT
RHONDA ALLEN	JEFF JORDAN	COY YOUNG	
GREG HALL	JIM ESTES	LISA MOORE	
DAVID NIPPER	AARON HOLLADAY	WAYNE BLAIR	
JOSEPH HAFFNER	MARK TUCKER	KELLI PERRIEN	

IN ACCORDANCE WITH ADA (AMERICANS WITH DISABILITIES ACT), ANY DISABLED PERSONS REQUIRING ACCOMMODATIONS FOR PARTICIPATION IN THE MEETING SHOULD CONTACT THE COUNTY MAYOR'S OFFICE AT 898-7745 AT LEAST TWO WORKING DAYS PRIOR TO THE MEETING IN ORDER THAT APPROPRIATE ACCOMMODATIONS CAN BE MADE.

Explanation of Agenda Items:

1. **Approve Minutes**
2. **Financials**
   Melissa Street, Risk Management Director, will provide reporting for funds 264 and 266.
3. **WC/OJI Stats**
   Dan Goode, Safety Coordinator, will provide OSHA Reporting
4. **Wellness Update**
   Kelli Perrien, Wellness Coordinator, will provide Smart Steps Wellness Program information
5. **Request to Bid approvals**
   Melissa Street, Risk Management Director, will provide a list of services to bid during the remainder of 2016.
6. **Other Business**

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RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
APRIL 28, 2016 COURTHOUSE

MINUTES

MEMBERS PRESENT:	OTHERS PRESENT:
MAYOR BURGESS	MELISSA STREET
ALLEN MCADOO	SHANNON MCNAIR
RHONDA ALLEN	SHERRY DODD
JIM BOWLES	DAN GOODE
JOE HAFFNER	KELLI DERRICK
SUSAN BONEY	PAUL HUFFMAN
MERRY HICKERSON	VICKI CLAY
DAVID NIPPER	KELLI PERRIEN
SHAUNTAE SHERRIL	SONYA STEPHENSON
PAULA BARNES	ANNIE PERRINE
CHRISTY CROWELL	JANET BOWMAN
JOE RUSSELL	MARY ASHERBRANNER
RICKY MARLIN	

The meeting was opened by Mayor Burgess.

Mayor Burgess introduced Mrs. Christy Crowell as the new School Board employee to the insurance committee. Mrs. Crowell is replacing Mrs. Regina Harvey. We want to thank Mrs. Harvey for her many years of service on this committee.

APPROVE MINUTES:
A motion was made by Merry Hickerson to approve the minutes from the last Benefits & Insurance Committee meeting on March 24, 2016. The motion was seconded by Susan Boney and passed unanimously.

Mrs. Crowell wanted to mention that she was counted present for the Benefits & Insurance meeting in March but was not present.

FINANCIALS:

Risk Management Director, Melissa Street, began with Fund 264 for the month of March. Claims PEPM was $874.00, compared to prior year of $970.00 YTD average $956.00 YTD average compared to prior YTD average of $886.00. Comparing our On-Site Medical Clinics experience our PEPM increases to $921.00 compared to prior year of $1,004.00 for an YTD average of $999.00 compared to prior YTD of $919.00.

Mrs. Street also provided a Revenue and Expense comparison from 2011 through 2015. This is provided for information purposes only. It allows the committee to see how we have looked from year over year from a calendar perspective. When you look at the 2015 Revenue verses Expense comparison we ended with a net of $ 571,839.02. What this report shows is our calculations in terms of how we compute our annual rates and premiums. We are on track and are keeping up with the needs of our budget and our Self-funded model.

Mr. Hall asked if the number given for 2015 was going to sustain our Self-funded plan. Have these totals been compared to other industries?

Mrs. Street replied that she didn't have anything in terms of industry; the goal is to fund your Self-funded plan year over year. A lot of companies do not offer Retirement Benefits any longer and would not have the consideration that we have. Currently, I do not have any terms with me today of different Municipalities that do offer Retirement Benefits or what excess you want. However, we set our premium determinations in March for the upcoming year. Once we go through Open Enrollment, plan elections, tier elections, all of these things are also factored in to these plans. There are some assumptions that we do in the financial review as well. Even if you targeted what you expect those percentages to be you could come in better or worse depending on what your enrollment looks like. The best thing for us is not so much to look at what the comparisons are but look at what the liabilities are in the future. We have contained some of the liabilities through GASB, but we continue to look and review to slow those liabilities as much as we can to make sure that we keep our commitments in the future.

Mr. Burgess also mentioned that we currently do have our reserves, the fund balances exceed the totals given. We could probably pay 6 months of claims before collecting additional revenue.

For fund 266, the month of March YTD ended $440,905.40 compared to prior year of $484,702.89.

WC/OJI STATS:

Dan Goode, Safety Coordinator, reported that for the month of March 2016 had a total of 13 injuries that required medical attention. The YTD injuries total 44 of those 21 were OSHA recordable, 11 had restricted days, 6 had lost time days and 4 were all others. To compare YTD in 2014 we had 55 injuries, 2015 had 49 and 2016 has 44. Total incurred dollars for 2014 had $ 66,000, 2015 $ 97,000 and 2016 had $73,000. Total incurred dollars for each division was $9,900.00. The BOE incurred 9 injuries with a total of $6,700.00. County General had a total of 4 injuries. The Sheriff's department had all 4 injuries. The total dollars for County General was $3,200.00. Mr. Goode also reported that Tennessee OSHA came by on March 22, 2016 to do an inspection. They inspected both the Ambulance EMS and Highway Department. We are just receiving the results of that inspection. Both departments are aware of any issues that OSHA had, we will report once the issues are corrected.

WELLNESS UPDATE:

Kelli Perrien, Wellness Coordinator, gave her report for the month of March 2016. Our spring training 1st quarter County wide program end dates were 03/07/16 – 03/18/16, we had 57 participants to enroll with 38 participants that completed. Our 2nd quarter programming topic is In-tune Stress Management and registered 167 people. Know your numbers year 3, Fee assessments-Help tickets, had 19 researched, of the 19, 2 were refunded. Originally there were 413 employees receiving deductions of 4845 eligible members (8.5%) YTD 96 researched, 12 were refunded.

Wellness Coaching One on One in March was 30 active participants, with a total of 76 visits.

Current and Upcoming Activities for April - May 2016 include the following;

Program promo, WOW Countywide continues through May 2016 and will pick back up in August 2016.

Mammography, St. Thomas Mobile Unit, Stewarts Creek on 05/09/2016 and Blackman on 05/10/2016, Call to make an appointment (615) 222.7644.

Sports Physicals, Clinic date added, Stewarts Creek on 05/14/2016 from 7:00 – 11:00 am

Lifeservices web, Dealing with Depression-Is it more than just the blues? Online on 05/17/16

Relay for Life, American Cancer Society at MTCS on 05/21/2016 12pm-Midnight

Lung Force, American Lung Society in Nashville on 05/21/2016 at 8:30-12pm

Know your #'s year 4, online & biometrics deadline, Online + Clinic until 09/30/2016

Save the Date, for the Annual Wellness Fair at Lane Agri-Park on 10/14/2016 from 3:00 – 7:00 pm

Mrs. Barnes asked Mrs. Perrien to bring back to the committee the number of employees that have completed the Biometric and Online assessment. Mrs. Perrien reported for Quarter 1 – 2016, 696 people have completed the biometrics only, 110 both online assessment and biometrics complete, 206 online assessment only, and 7838 both employees and spouses have not complete anything.

Mrs. Barnes asked the dates of this report, Mrs. Perrien replied, report runs for 01/01/2016 through 03/31/2016.

2018 Wellness Campaign Proposal

Mrs. Street proposed to the committee to continue the same Wellness Criteria for 2018. Employees and Spouses that are participating in the Medical plan complete a Wellness Screening and Biometrics Screening by 09/30/2017. Mrs. Street also mentioned that by using the same criteria, it gives additional time to work on other things that could be added to these requirements, such as, funding an employee only dental program. Dental exam and cleaning be covered as a preventative benefit. Along with Sleep Screening process, using our 24/7 operations employees as an example, they deal with sleep deprivation, fatigued or depression, it could exacerbate any current medical conditions that they may have. There has been a lot of research around getting a good night's sleep. If we had a sleep screening in place that would be the preliminary step to potentially getting the proper care that they are not in today. We have received a lot of feedback from people that have gotten their blood drawn and discovered things that needed to happen for early intervention that wouldn't have had otherwise. We do hear a lot of grumbling but do hear some success stories. Currently, we are asking for approval from the committee to continue the same requirements for 2018, and next year around the same time we will bring back a proposal for 2019.

Mrs. Hickerson made a motion to approve and Mrs. Barnes seconded the motion, the motion passed unanimously.

2016 – 2017 Property and Casualty Renewal

Ms. Janet Bowman with CCMSI presented a report of the Rutherford County & Rutherford County Board of Education for 2017 Bid. Ms. Bowman told the committee that this bid was sent to market, there were several bids, and however, the expiring carrier came back with the best bid. The current carriers are Travelers and Brit Global. Please see the following information that gives the breakdown of all Property and Casualty;

RUTHERFORD COUNTY & RUTHERFORD COUNTY BOARD OF EDUCATION: 2016-2017

EXPOSURES

PROPERTY	EXPIRING	RENEWAL	DIFFERENCE	PERCENTAGE
County- Building Values	$171,601,056	$174,599,295	$2,998,239	1%
County- Content Values	$10,556,582	$10,606,582	$50,000	1%
Schools-Building Values	$863,810,162	$882,846,070	$19,035,908	2%
Schools-Contents Values	$82,249,398	$82,249,398	$0	0%
Vehicles, Specific Amounts of Insurance-as per schedule	$3,239,397	$3,239,397	$0	0%
Contractors Equipment-Emergency Equipment-Fire, Rescue & Ambulance	$10,000,000	$10,000,000	$0	0%
Musical Instruments	$2,381,397	$2,381,397	$0	0%
Miscellanous Equipment	$1,403,148	$1,403,148	$0	0%
Total Insured Values	**$1,145,241,140**	**$1,167,325,287**	**$22,084,147**	1%
CASUALTY	**EXPIRING**	**RENEWAL**	**DIFFERENCE**	**PERCENTAGE**
Vehicles	730	693	-37	-5%
Total Insured Value-Auto Physical Damage	$26,680,265	$25,429,808	-$1,250,457	-5%
General Operating Budget	$480,544,779	$507,254,215	$26,709,436	5%
CRIME/PUBLIC OFFICIALS & EDUCATORS LEGAL LIABILITY	**EXPIRING**	**RENEWAL**	**DIFFERENCE**	**PERCENTAGE**
Number of Employees	6,225	7,053	828	12%
Number of Students	40,350	43,000	2650	6%

2016 – 2017 Property and Casualty Renewal continued

2016-2017 RENEWAL QUOTES-RUTHERFORD COUNTY & RUTHERFORD COUNTY BOARD OF EDUCATION

PROPERTY	Travelers	$ 100,000,000.00	$ 100,000	$0.039642100	$1,145,241,140	$ 453,997	$1,167,325,287	$0.039642100	$ 462,751

Inland Marine	Travelers	EXPIRING & QUOTED LIMITS	RETENTION	EXPOSURE INCREASE	PREMIUM INCREASE	DIFFERENCE
Earth Movement	"	$10,000,000		1.02%	1.02%	0%
Flood	"	$10,000,000				
Extra Expense	"	$2,500,000				
Newly Acquired Property	"	$2,500,000				
Miscellaneous Unnamed Locations	"	$1,000,000				
Property In Course of Construction	"	$3,000,000				
Demolition & Increased Cost of Construction	"	$10,000,000				
Pollutant Cleanup & Removal	"	$100,000				
Radioactive Contamination	"	$25,000				
Expediting Expenses	"	$1,000,000				
Leasehold Interest	"	$250,000				
Accounts Receivable	"	$1,000,000				
Rental Value	"	$250,000				
Valuable Papers	"	$10,000,000/$10,000,000				
Property in Transit	"	$100,000				
Service Interruption	"	$500,000				
Ingress/Egress	"	$1,000,000				
Fine Arts	"	$1,000,000				
Contractors Equipment	"	$10,000,000				
Musical Instruments	"	$2,381,397				
Debris Removal	"	$2,500,000				
EDP Equipment	"	$2,500,000				

2016-2017 RENEWAL QUOTES-RUTHERFORD COUNTY & RUTHERFORD COUNTY BOARD OF EDUCATION

COVERAGE	CARRIER	EXPIRING LIMITS	EXPIRING RETENTION	EXPIRING PREMIUM	RENEWAL LIMITS	RENEWAL RETENTIONS	RENEWAL PREMIUM
CASUALTY							
General Liability	BRIT GLOBAL	$5,000,000/$10,000,000	$350,000	$650,000	$5,000,000/$10,000,000	$350,000	$595,862
Law Enforcement Liability	"	$5,000,000	$350,000	incl.	$5,000,000	$350,000	
Public Officials Liability	"	$5,000,000	$350,000	incl.	$5,000,000	$350,000	
Employment Practices Liability	"	$5,000,000	$350,000	incl.	$5,000,000	$350,000	
Educator's Legal Liability	"	$5,000,000	$350,000	incl.	$5,000,000	$350,000	
Auto Liability	"	$5,000,000	$350,000	incl.	$5,000,000	$350,000	
Auto Physical Damage	"	Per Schedule on file with company	$25,000	incl.	Per Schedule on file with company	$25,000	
Sexual Abuse	"	$5,000,000	$350,000	incl.	$5,000,000	$350,000	
Sexual Harassment	"	$5,000,000	$350,000	incl.	$5,000,000	$350,000	
Crime Coverage	"	$475,000	$25,000	incl.	$475,000	$25,000	
Optional Quote Terrorism Risk Insurance Act (TRIA)			*Optional Quote TRIA*	$5,266		*Optional Quote TRIA*	$3,690

EXPOSURE INCREASE	PREMIUM DECREASE	DIFFERENCE
18%	-9%	$54,138

Request to renew Property with Travelers and Casualty with Brit Global.

Mrs. Allen asked, as we build schools and renovations at what point are these added to the policy, the Schools-Building Values renewal difference of $19,035,908 seems low.

Mrs. Street responded by saying, every year the process for renewal is to receive information from Robert Brown who oversees Inventory Control. Mr. Brown provides an updated property listing as well as a vehicle listing; this information is forwarded to Ms. Bowman. We also have a company called RAI that comes on site, anything buildings or property that has been added RAI will go out and do a property evaluation; they update the property schedule and that information is then forwarded to Ms. Bowman. The information given to Ms. Bowman is the final document that is taken out to market.

Mrs. Allen asked why we don't see where we bought new fire trucks and sold some of the old ones but this report does not reflect any value difference.

Mrs. Street, the new fire trucks that were just purchased according to Mr. Farley have not yet been delivered. Once they are delivered and we receive a title on them that is forwarded to Finance, added to the property schedule. There is blanket coverage for anything that we may add during the year that may not be specified on the current schedule.

Ms. Bowman also added that there is coverage listed under Inland Marine, Property in Course of Construction with limits of $3,000,000 and also listed Newly Acquired Property with $2,500,000 limits. If something happens and someone neglects to report new property this is where those claims will be paid from.

Mr. Burgess told the committee that the proposal before them was to vote on the property renewal. Travelers is our current carrier, the renewal also has no rate increase.

Mr. Hall made a motion to approve the renewal with Travelers; the motion was seconded by Mrs. Hickerson. The motion passed unanimously.

Mr. Burgess told the committee that the next renewal was Casualty with Britt, also our current carrier. Mr. Burgess also asked the committee to vote on TRIA (Terrorist Risk Insurance). In the past we have not elected to add TRIA coverage.

Mr. Marlin asked for a review of the terrorism coverage.

Ms. Bowman, this is the Federal Government Act and has to be determined by the Federal Government that it is an act of terrorism in order for the event to qualify. This would buy you in with whoever else is involved in the terrorism act. The actual limit is the 2002 Act that was past with a $100 billion dollar limit.

Mr. Hall made the motion to approve the renewal without TRIA; the motion was seconded by Mrs. Allen. The motion was passed unanimously.

Mrs. Street asked Ms. Bowman about the renewal of our Provident coverage that included Auxiliary, Police Officers, and Fire Department personnel.

Ms. Bowman replied that the renewal should be ready next week in time for Budget and Finance; the numbers haven't come in yet.

Mrs. Street told the committee that this is a policy that we carry for all our Voluntary Firemen and Sheriff's Department Employees that Volunteer as Deputies. If they are injured in the line of duty they would have coverage that their traditional Medical and Disability would exclude them from any benefits. We wanted to make sure that they could continue to meet their financial obligations if injured protecting the citizens of this county.

<u>Rutherford County Government Life and Disability 2017 Renewal</u>

Kelly Derrick with Willis Towers Watson told the committee that Willis Towers Watson submitted an RFP for Life, STD and LTD to the following carriers: Aetna, Cigna, Dearborn, Guardian, Lincoln, MetLife, Prudential, Sun Life, The Hartford, The Standard, Unum and Usable. All responded with the exclusion of Lincoln and Prudential.

Life AD&D;

The Standard's renewal rate came in with a -50.9% reduction in cost, it is the recommendation to award the bid to Standard, and they are matching all benefits as they are today.

Supplemental Life;

All quotes came back matching current rates; the recommendation is to go with The Standard to go along with the Life AD&D so when there are claims there would be no confusion. The Standard also lowered the employee cost, and matching current benefits.

Mrs. Street reminded the committee that Rutherford County provides Basic Life insurance policy of $35,000 to all fulltime benefit eligible employees. The Standard bid provides a savings to Rutherford County as well as our employees that have Supplemental Life.

Mrs. Derrick told the committee that currently The Hartford offered a guaranteed issue amount of $ 300,000 and The Standard offered a $350,000 guaranteed issue amount.

Mrs. Street also mentioned that The Standard also added a Line of Duty benefits which is also $ 35,000 if one our first responders is fatally injured in the Line of Duty these benefits would be paid in addition to the Basic Life policy.

Mrs. Stephenson asked if the Line of Duty benefit was under the Supplemental Life or Basic Life only.

Mrs. Derrick, it only includes the Basic Life.

Mr. Marlin made a motion to approve The Standard for both Life AD&D and Supplemental Life, the motion was seconded by Mr. Russell. Motion carries and passed unanimously.

Short Term Disability Renewal;

Cigna the current carrier agreed to leave the rates the same for the next 3 years and to provide $50,000 implementation credit if the STD and LTD are both awarded to Cigna. The short term disability is an employee only paid benefit; Rutherford County does not contribute to the benefit.

Long Term Disability Renewal;

Mrs. Derrick mentioned to the committee that it is better to keep the STD with the LTD, what happens is that if an employee is out for more than 180 days the Short Term can roll over automatically to Long Term Disability if approved. There would not be a delay in action. Cigna came in a little lower than the other bids. Our recommendation to the committee is to keep both renewals with Cigna.

Mrs. Street added, Cigna did not come in with the lowest bid but we have discovered that by having both benefits with the same carrier make for an easier transition for employees.

Mr. Bowles made a motion to continue Cigna as our STD and LTD carrier, Mr. Hall seconded the motion.

Mrs. Stephenson asked if we inquired about FMLA tracking capabilities through STD and LTD.

Mrs. Perrine with Cigna responded, Cigna can manage them together and would be a seamless integration at the point of claim intake. It is something that we can look into but was not part of this bid. Cigna can put together a Demo; it is a seamless integration process. Cigna was the number 1 FMLA provider for the last 2 years.

The motion to approve was passed unanimously.

Other Business

None

The meeting was adjourned at 1:55

Ernest Burgess

Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee