

**Holliston Insurance Advisory Committee
February 27, 2014
Selectmen's Meeting Room**

Attendees: Elizabeth Greendale, Town Hall Rep.
Leslie McDonnell, Library Rep.
Michael Cassidy, Fire Dept Rep
Larry Marsell, Alternate Retiree Rep
Greg White, Teachers Union Rep, Vice Chairman
Matthew Waugh, Police Union Rep, Chairman
Robert Nemet, Highway Dept
Mary Bousquet, Liaison

Guests: Kevin Walsh, GBS Insurance
Peter Cook, LifePlus

The meeting was called to order at 3:02 by Mr. Waugh.

1. **Minutes of the March 11, 3013.**

Motion by Mr. Cassidy to approve the minutes. Seconded by Leslie McDonnell.

Vote: Unanimous with one abstention: Ms. Greendale

2. **FY15 Health Insurance Rates**

Ms. Bousquet presented the new FY15 Health Insurance Rates that were approved by the West Suburban Health Group (WSHG). Ms. Bousquet explained that the rates of FY14 were underfunded by the WSHG to lessen the impact on the employees that changed to the new rate saver plans. Ms. Bousquet explained that the FY14 rates were subsidized by \$5,500,000 from the fund balance and it appears that the fund balance will be used this year to offset the rates. The FY15 rates are also subsidized by \$2,000,000. She also explained that the large increase for BC/BS and Tufts is because of the lower enrollments and high claims. Questions were also raised from Mr. Waugh and Mr. White of Ms. Bousquet pertaining to the Board of Selectmen's intention to open negotiations to move to the benchmark plans. The Committee was informed that the decision had not been made yet.

Motion by Ms. McDonnell to accept the FY15 Health Insurance Rates as presented. Seconded by Mr. Nemet.

Vote: Unanimous

3. **Dental Insurance**

Kevin Walsh from GBS Insurance presented the new FY15 dental insurance rates. Mr. Walsh explained that our current carrier, Altus Dental, had a rate cap of 9% for FY14 and the calculated rate came in at 9.08%. He informed that group that he went back to Altus and was able to negotiate a rate increase of 3%. He also explained that the IAC had options to consider which consisted of the following:

1. Accept the Status Quo Renewal (3%) and seek competitive quotes for next year.
2. Accept a Three-Year Arrangement as offered (3%/9%/9%)
3. Negotiate a Three-Year Arrangement (lower year rate cap).
4. Seek competitive quotes for July 2014 on a single or multi-year arrangement.

Mr. Walsh informed the committee that the other carriers are Delta Dental, MetLife, BlueCross and Guardian. Messrs. Waugh and White like the idea of competitive quotes to see what kind of rates could be obtained.

Mr. Cassidy liked the first option of 3% for FY15 and obtain quotes for FY16.

Motion made by Mr. Nemet to accept the 3% rate increase for FY15 and go out for competitive quotes for FY16. Seconded by Mr. White.

Vote: Unanimous

4. **Life, Cancer and Long Term Disability Insurances**

Peter Cook from Life Plus who handles our group life insurance, permanent life, cancer and long-term disability insurances provided information on the following categories. Mr. Cook provided us with information regarding our current group life insurance, see attachments.

1. **Group Life Insurance (Plan A)**

Boston Mutual is our current carrier and also the largest provider of life insurance. There is an annual \$5,000 in total savings from the current rates to the new proposed rates. He received four quotes from Boston Mutual, Standard, Lincoln and Unum. Assurance, MetLife and The Hartford declined to quote.

Boston Mutual and Standard came in with rates for \$5,000 active/\$3,000 retirees at the rate of \$.88/thousand. Both have a 2 year guarantee on the rate. Mr. Cook suggested that we stay with Boston Mutual.

2. Optional Life Insurance (Plan B)

Mr. Cook explained our current option life insurance plan and also a new proposal by Boston Mutual based on Issue Age. See attachment

There would be a full re-enrollment. New participants would have to complete a 2 page questionnaire.

Motion to accept Boston Mutual's Plan B Issue Age proposal made by Mr. White. Seconded by Mr. Nemet.

Vote: Unanimous, Mr. Cassidy absent for the vote

Based upon the vote for Optional Life Insurance (Plan B) we were offered a new proposal from Boston Mutual. See attachment

Mr. Cook recommended that we increase the amount of insurance for active employees only from the current \$5,000 to \$10,000 and leave the retiree coverage at \$3,000.

Motion made by Mr. White to approve Proposal 3 that has \$10,000 actives/\$3,000 retiree at a cost of \$.70/thousand. Mr. Nemet seconded the motion.

Vote: 5 in favor, 1 opposed (Mr. Waugh prefers Proposal 2 \$10,000 actives/\$5,000 retirees at a cost of \$.82/thousand)

3. Permanent Life Insurance (Plan C)

Mr. Cook explained that Allstate is our current carrier and that we should remain with Allstate because they offer the best rates for permanent life insurance.

Motion made by Mr. White to retain Allstate for our permanent life insurance carrier. Seconded by Mr. Nemet

Vote: Unanimous

4. Long Term Disability Insurance

Mr. Cook received quotes from Boston Mutual (current carrier), Lincoln, Standard and Unum. MetLife, The Hartford and Assurant declined to quote.

Boston Mutual and Lincoln were very close in cost, Boston Mutual \$.41 and \$.42 for Lincoln. The only difference between the two carriers is that Lincoln offered on Pre-Existing Conditions 3/12 for new hires and Boston Mutual as 12/12/24 which means you have to have no new diagnosis for

12 months, be treatment for 12 months, not covered for 24 months. See attachment.

Motion made by Ms. McDonnell to request that Mr. Cook request Boston Mutual to change their pre-existing conditions to 3/12.

Seconded by Mr. Nemet.

Vote: Unanimous

Motion made by Mr. Cassidy to accept the Boston Mutual proposal with the condition that the pre-existing conditions be changed to 3/12.

Seconded by Mr. White.

Vote: Unanimous

NOTE: Received a phone call from Mr. Cook on Monday, March 3, 2013, informing me that Boston Mutual had agreed to change the pre-existing condition clause to 3/12.

5. Cancer Insurance

Mr. Cook informed the committee that the Town currently has 34 employees on the cancer insurance plan. Allstate has been providing cancer insurance since 1999 along with Colonial, Aflac and Unum.

Aflac and Allstate are closest in benefits with Aflac having a first incident payout of \$5,000 and Allstate \$2,000. However, Aflac charges \$13/week and Allstate charges \$8.89/week.

Overall Mr. Cook advised that based on premiums, claims and benefit administration we should stay with Allstate. There would also be a re-enrollment for cancer insurance.

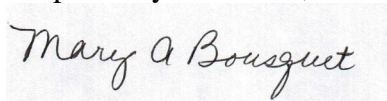
Motion was made by Mr. Nemet to remain with Allstate. Seconded by Ms. McDonnell.

Vote: Unanimous

Motion to adjourn was made by Mr. Nemet at 4:20 p.m., seconded by Mr. Marsell.

Vote: Unanimous

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary A Bousquet". The signature is written in dark ink on a light-colored, slightly textured background.

Mary A. Bousquet

APPROVED ON 4/30/14