

**DeLea Founders Insurance Trust
Board of Trustees Meeting
May 13, 2014
Meeting Minutes**

Call to Order – Ted Becker, Chair

The meeting was called to order at 10:10 AM by Ted Becker, Chair, with comments thanking George Wright for his vision.

Roll Call – Mike Petit deMange, Vice Chair

A Roll Call was taken of the Trustees:

P	Ted Becker (Lewes) Chairperson	P	Mike Petit de Mange (Kent County Levy Court) Vice Chairperson	P	Gene Dvornick (Georgetown) Secretary
P	Sam Callender (Cheswold)	P	Sam Cooper (Rehoboth Beach)	P	Melvin Cusick (South Bethany)
P	Bob McGhee (Middletown)	P	Teresa Tieman (Harrington) Finance Secretary	P	Bill Barthel (City of New Castle)

A quorum of attendance was reached. Individual introduction of all in attendance took place.

Meeting Minutes – Gene Dvornick, Secretary

Minutes of the March 20, 2014 were distributed and reviewed. One correction to Roll Call, Alan Kujala was present in place of Mike Petit de Mange.

M: Sam Callender; S: Mike Petit de Mange; to approve with correction. Motion Carried.

Financial Update – Terry Tieman, Finance Secretary

Terry Tieman reported the funds transfer from AmeriHealth to PNC has not yet taken place, and each municipality needed to complete an IRS Form W-9 (Verification of Taxpayer Identification Number).

Report of the Self Insurance Plan Initiative – Ted Becker, Mike Petit DeMange, Gene Dvornick, Terry Tieman

Discussion about moving forward with the Self Insured Plan, will require preparation of financial statements on a regular basis, and is following up on our previously granted 2007 plan approval, and will be the first self funded approval in Delaware history.

Our program is well funded, has a good history, and sound financial statements.

The next steps would involve Regulatory Approval and an Actuarial analysis. Once completed,

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a proposal for self funding will be provided to each municipality.

General Comments on why go self insured:

- Not subject to Delaware Compensation Rating Bureau (DCRB);
- Six (6) years of claim performance has a 40% reduction;
- Future ratings based on our own claims; and
- Carriers write policies for profit.

Chairman Becker provided some additional input:

- Workers Compensation Advisory Committee recognizes there will be longer delays for changes to rates and minimal reduction being offered by providers
- Senate Bill 1 did not call for any type of medical schedule nor self direction
- Since joining with AmeriHealth, we have seen a reduction in medical cost due to external providers participating in the program and agreeing to negotiated schedules

By Laws Revisions Update – Scott Wilcox, Whiteford Taylor Preston

Scott Wilcox described the By Laws as necessary to transition to a self insured group.

Additional items needed include:

- ✓ Trust Agreement (to address the Trust and its Members) and
- ✓ By Laws (to govern the Trustee's).

Scott emphasized the By Laws are a greening living document and will change/evolve as the DFIT changes and evolves.

Mike Petit de Mange questioned if we should have an annual enrollment period for municipalities who wish to join in the future. Gary Osbourne responded it was in our best interest to set up a procedure for vetting new members. Scott Wilcox added and cost associated should be borne by the applicant, not the trust.

Workers Compensation Self Insurance Program Workshop

Terri DeSanto introduced two individuals who have been working to assist with our conversion to a self insured group:

- Gary Osborne – Partner and Senior Consultant – Sound Actuarial Consulting, LLC
- John Congdon – President, Bay Oaks Group

Both presented an overview of their respective companies and offered comments on the DFIT commitment to becoming self insured.

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The next presenter was Rob Schiller, AIC Director, discussed Third Party Administrator services.

Provided comments on:

- ✓ The group has a very good and sound history;
- ✓ AIC provides Claim & Administrative support;
- ✓ Focus is not necessarily coverage, but preservation
- ✓ Help to minimize charges ;

Final presenters were Betsy Lovensheimer, President and Scott Stohrer, Health & Safety Manager, with Compliance Management International (CMI).

Betsy Lovensheimer reinforced the commitment of CMI to the group; indicated CMI was one of the largest providers of risk management services, and shared that CMI has familiarity with the public sector.

Scott Stohrer shared there would be no change in his role; focus remains preventing injury to reduce claims; the Safety Committee is a key element to the 40% reduction in injuries and claims over the past six (6) years. Future focus will continue to be training & seminars, trend analysis and ways to recognize and reduce slip, trip and fall injuries.

Open Discussion

Chairman Becker reminded all the major changes are to the Trustee's and their responsibilities, not the services provided.

Mark Grossberg (President, SPI) added emphasis that property coverage will not be moving to the self-insured model, only workers compensation was moving – a key to setting our own destiny.

Chairman Becker indicated we are at a critical point regarding a “go/no-go” decision and encouraged all members to ask questions.

Sam Callender (Cheswold) asked about our safety net regarding the following:

Q: Did we have quotes for all municipalities?

A: Quotes are being prepared and will be shared when available (Terri DeSanto)

Q: How readily available are companies willing to work with the DFIT?

A: There are several companies interested in working with the DFIT (Terri DeSanto)

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Q: What do you see as the future availability for coverage if we do not go self insured?

A: Currently there are approximately 6 players in the market, it is anticipated it will slowly evolve to 2 in the future. (Terri DeSanto)

Joe Schultz (Elsmere) expressed concern they had been told excess coverage would be dropped at the joining of the DFIT. Reply was you can ask for excess coverage above what the trust offers via Employment Practices – Part B coverage.

Tyler Reynolds (Middletown):

Q: What is our action plan if we elect to go self-insured today?

A: We would initiate the necessary steps and start today as if we were self insured (most likely the effective date would be July 1, 2014 due to regulatory approvals.

Q: How accurate are the amounts used to determine our budget?

A: We are pretty much on target according the analysis performed by Sound Actuarial Consulting, LLC and Bay Oaks Group

Vice Chair Mike Petit de Mange (Kent County Levy Court):

Q: What is involved to get the By Laws cleaned up and finalized?

A: Final revision by Whiteford Taylor and Preston followed by review with the By Laws Committee.

Q: Does the Trust Agreement need to be adopted/approved by elected officials?

A: If required, all the information can be prepared and presented as required.

M: Sam Cooper; S: Bob McGhee; to move forward towards the self insured program to be effective on/about July 1st, 2014. Motion Carried.

Vice Chair Mike Petit de Mange (Kent County Levy Court) asked about the possibility of developing some type of weighting for voting purposes (i.e., number of employees, premium amount, etc.). Response was very positive to this and it should be incorporated into the By Laws.

M: Mike Petit de Mange; S: Teresa Tieman; to modify the By Laws to allow for the weighting of voting powers. Motion Carried.

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Adjournment/Next Meeting Date

The next general membership meeting will be held on Thursday, September 18, 2014 at 10:00 AM, at the Kent County Administrative Complex.

The meeting was adjourned at 11:58 AM.

Respectfully submitted,

Gene Dvornick
Secretary



DFIT Board of Trustees: Chairperson –Ted Becker, Lewes; Vice Chairperson - Mike Petit deMange, Kent County Levy Court; Secretary – Gene Dvornick, Georgetown; Finance Secretary- Teresa Tieman, Harrington; Bill Barthel, New Castle City; Sam Callender, Cheswold; Sam Cooper, Rehoboth Beach, Melvin Cusick, South Bethany; Bob McGhee, Middletown;

General Membership Meeting May 13th 2013

1. **Call to order- Ted Becker, Chair**
2. **Roll call of the Trustees; Introduction of Attendees- Mike Petit deMange, Vice Chair**
3. **Meeting Minutes- Gene Dvornick, Secretary**
4. **Financial Update- Terry Tieman, Finance Secretary**
5. **Report of the Self Insurance Plan Initiative- Ted Becker, Mike Petit DeMange, Gene Dvornick, Terry Tieman**
6. **By Laws Revisions Update- Scott Wilcox, Whiteford Taylor Preston**
7. **Workers Compensation Self Insurance Program Workshop**
Presenters:
 - **Terri DeSanto, Program Administrator; Mark Grossbard, CEO- Strategic Insurance Partner**
 - **Rob Schiller, AIC Director; Tom Watkins, Client Administrator- AmeriHealth Casualty**
 - **Betsy Lovensheimer, President; Scott Stohrer, Health & Safety Manager- CMI**
 - **John Congdon- President, Bay Oaks Group**
 - **Gary Osborne, Partner and Senior Consultant- Sound Actuarial Consulting, LLC**
8. **Open Discussion**
9. **Adjournment/ Next Meeting Date**

DFIT Membership Meeting

May 13th 2014

NAME	PHONE	MUNICIPALITY
Joseph Schuler	302-998-2215	Town of ELSMERE
Sharon Lynn	302-227-4641	City of Rehoboth Beach
SAM COOPER	302-227-4641	REHOBOTH BEACH
MELVIN CUSICK	302-539-3653	SOUTH BETHANY
Bill Barthel	302-322-5812	City of New Castle
AARON CHAFFINCH	(302) 697-2299	CAMDEN
PAUL ECKRICH	302-645-7777	LEWES
Ellen Lorraine McLabe	(302) 645-7777	Lewes
Leroy A Lehman	(302) 398-3530	Harrington
Wayne Kersey	(302) 275-6072	Town of Middletown
MORRIS DEPUTY	(302) 378-9120	Middletown
Scott G.W. Kap	(302) 351-3255	attorney w/ Whiteford Taylor Preston
Teresa Tieman	302 398 3530	Harrington
GENE DVORNIK	302 856 7391	GEORGETOWN

DFIT Membership Meeting

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NAME	PHONE	MUNICIPALITY
Scott Stohme	215-801-4215	CMI / Amerihealth
Betsy Lovensheimer	484 4310132	CMI / Amerihealth
MARY INTROCASO	302-875-2277	LAUREL
Jamie Smith	302 875 2277	Laurel
KEITH WZISON	302-562-5563	NEW CASTLE
Tom Watkins	215-516-9613	Amerihealth Casualty
Rob Schiller	215-587-1817	Amerihealth Casualty
Sam Calender	302-734-6991	Cheswold
Bergette Williams	302-745-1273	Wyoming
TYLER REYNOLDS	302-378-2711	MIDDLETOWN
Robert Mesh	302-275-0764	"