

INSURANCE COMMITTEE MEETING MINUTES
YULEE MIDDLE SCHOOL – 4:30PM
THURSDAY, MARCH 17, 2016

Attendees: Beverly Kurak – Teacher, Yulee Middle School
Marian Phillips – Supervisor’s Secretary, Adult Education & Dropout Prevention
Jamie Vienneau – Teacher, Yulee Primary School
Rhonda Campbell – Paraprofessional, Yulee Middle School
Nikki Szwedzinski – Paraprofessional, Yulee Primary School
Susan Farmer – Executive Director of Business Services
Suzanne Davis – Director of Personnel Services
Leanne Peacock – Personnel Specialist, Personnel Services

Guests: Jackie Tyson – Agent, Miller Health Group
Allison Profitt – The Bailey Group
Everette Seay – Financial Advisor, Security Benefit
Jake Moore – Regional Vice President, Security Benefit

Meeting Called to Order

The meeting was called to order by Suzanne Davis at 4:36 PM.

Adoption of Agenda

The agenda was reviewed. Beverly Kurak made a motion to accept the agenda and Rhonda Campbell seconded the motion. The motion carried unanimously.

Review of the Minutes from January 21, 2016

The minutes from the January 21, 2016 meeting were reviewed. Beverly Kurak made a motion to accept the minutes and Rhonda Campbell seconded the motion. The motion carried unanimously.

Security Benefits 403(b)

The Insurance Committee had decided during the January 21, 2016 meeting to invite Security Benefits to provide a presentation of their company and products. Jake Moore, the Regional Vice President from Security Benefits was the guest speaker.

Security Benefits is a 126 year old company based out of Topeka, Kansas. Security Benefits has been providing 403(b) plans for over 50 years, and for the past 20 years they have been endorsed by the National Education Association (NEA). In November 2014, Security Benefits earned the seal of approval from the Independent Benefit Council (IBC), becoming a member of the Model Plan. Consistent with all Model Plan companies, Security Benefits has been vetted by an independent investment consulting firm across seven criteria that broadly capture value provided, including investment options, fees and participant services.

Security Benefits places a significant emphasis on retirement planning education. They focus on ensuring that the younger audiences are planning early and know how to plan accordingly. They offer a retirement planning tool “Framing Your Retirement Picture”.

Mr. Moore highlighted the three (3) main components that set Security Benefits apart from other companies:

1. Security Benefits is endorsed by the NEA.
2. Security Benefits employs a NEA Retirement Specialist, one who has been provided with additional training, additional background checks and is also required to live in the community or a neighboring community.
3. Security Benefits offers three different product lines: Variable Annuities, Fixed Annuities and Mutual Funds.

Marian Phillips asked how many school districts Security Benefits currently works with. Mr. Moore responded that they work with 21 school districts within the state of Florida including Duval, Flagler, Orange and Volusia Counties.

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Everette Seay, the Security Benefit Financial Advisor, asked what the process was to become an approved vendor for the Nassau County School District. Ms. Susan Farmer advised that they would be charged with gaining a minimum of 25 employees showing interest in their product. The representatives exited the meeting and thanked the Insurance Committee for their time.

Marian Phillips made a motion to permit Security Benefits with the opportunity to solicit employees to gain the required 25 participants. Beverly Kurak seconded the motion. The motion carried unanimously.

Ms. Susan Farmer indicated that representatives are typically afforded a window of 30-60 days to acquire the 25 participants. However, due to the time of year, she asked the Insurance Committee to allow Security Benefits through the end of August to achieve their goal. The Insurance Committee was agreeable to the end of August deadline.

Edward Jones Update *Susan Farmer*

Ms. Susan Farmer advised the Insurance Committee that a second representative from Edward Jones approached the Nassau County School District, requesting a second chance to gain the 25 required employees.

Nikki Szwedzinski asked what had transpired with Edward Jones' first attempt. Ms. Farmer advised that the Insurance Committee approved Edward Jones with an opportunity to solicit employees to gain the 25 members. However, they did not gain the required number, nor was there any follow-up from the representative.

Marian Phillips made a motion to not allow Edward Jones to have another chance at gaining the 25 members. Nikki Szwedzinski seconded the motion. The motion carried unanimously.

Liberty National *Suzanne Davis*

Mrs. Suzanne Davis shared with the Insurance Committee that several companies call upon the Nassau County School District for a chance to sell their products. It is the responsibility of the Insurance Committee to make the decisions as to which companies are permitted to work with the district and which are not. As such, there have been a number of providers which have been brought before the Insurance Committee for review.

Liberty National offers a multitude of products:

- Group Term Life – pays up at age 65. Valid through age 100. Only nine (9) medical questions, which is rather minimal.
- Cancer – they offer a service policy and a lump sum policy, which is different than AFLAC.
- Career Life Plus – can insure grandchildren.
- Accident – similar to AFLAC.
- Critical Illness – similar to AFLAC.

Liberty National would also provide an Accidental Death and Dismemberment (AD & D) policy for every employee, at no cost. This includes a \$3,000 AD&D benefit for the employee, a \$3,000 AD&D benefit for their spouse and \$2,000 for each dependent. Liberty National will provide a discount card to each employee to help cover vision, hearing, prescription and chiropractic care costs.

Marian Phillips asked if the representative was Lisa West. The NESPA Union is nearing completion of a package for union members that is very similar in structure. Ms. Susan Farmer asked Marian if there would be a payroll deduction to support the product that Marian referenced. Marian advised that there was no payroll deduction involved.

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Mrs. Suzanne Davis indicated that Liberty National can come to the next meeting to present their products to the Insurance Committee. Ms. Susan Farmer and Mrs. Davis had contacted Baker County and they were very pleased with Liberty National and their service.

Jackie Tyson asked if Liberty National was going to want to speak with each and every employee. Mrs. Suzanne Davis advised that she was not certain, however that was one question that could be asked during a presentation.

Nikki Szwedzinski indicated that the insurance product was appealing. She has known of instances where individuals have not been able to purchase life insurance coverage following certain medical diagnoses.

Beverly Kurak made a motion to invite Liberty National to come present to the Insurance Committee. Nikki Szwedzinski seconded the motion. The motion carried unanimously.

ProShare Update *Susan Farmer*

Ms. Susan Farmer provided a handout to the Insurance Committee. She has been asking Florida Blue for the updated ProShare information and the numbers were available March 16, 2016. We are in the second of a two-year window. In the 2013-2014 plan year, there was a surplus of \$459,848 and for the 2014-2015 plan year the surplus was \$1,231,840 for a combined two-year total surplus of \$1,691,688. Per the ProShare agreement, Florida Blue and the Nassau County School Board share the surplus 50/50. We are awaiting a refund of \$845,844. The funds will be deposited into the ProShare account for bargaining.

Ms. Farmer also included the most recent Medical Loss Ratio report spanning February 2015 through January 2016. We are trending at a 64.78% loss ratio, a drop of 3.12% over the last report containing a 67.90% loss ratio. We are in a great position.

Bid Update *Susan Farmer*

Ms. Susan Farmer reminded the Insurance Committee that we are currently bidding the group health insurance on a 5-year timeframe. We are currently at that point in time. Now that we have the information in our hands of the low 64.78% medical loss ratio, we are in a great position to negotiate.

Allison Profitt, Jackie Tyson and Mark Bailey met with Ms. Susan Farmer earlier and a question arose: are we potentially going to hurt ourselves if we move forward with the bid? We are prepared to issue the bid for health, dental and vision tomorrow (March 18, 2016).

Jackie Tyson added the vision plan is currently in a rate lock until 2017. The rate lock on dental expires at the end of this plan year (September 2016).

Ms. Susan Farmer asked if the Insurance Committee wanted to move ahead with the bid, adding that we are not required to bid. Marian Phillips asked if there was a chance that the health insurance rates could remain unchanged. Ms. Farmer advised that yes, there was a chance that rates could remain the same, however there are no guarantees.

Laurie Robert asked, that given the health of our medical loss ratio and the amount of the ProShare refund, is there a chance that we might even see a rollback in rates? The response was yes, it is not out of the question.

Ms. Susan Farmer added that together with Jackie Tyson and Allison Profitt they would negotiate the best rates possible with Florida Blue.

Nikki Szwedzinski asked if we had the option to hold off on the bid, negotiate with Florida Blue and if the Insurance Committee was not pleased with the outcome, still issue the bid? Ms. Farmer responded that we can take that route and see where we are quoted. If necessary we can issue the bid at a later point, however the Insurance Committee would most likely need to convene during the summer months if that route is taken.

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Beverly Kurak made a motion to hold-off on issuing the bid, negotiate with Florida Blue and if rates are agreeable, remain with Florida Blue. Marian Phillips seconded the motion. The motion carried unanimously.

General Discussion

Marian Phillips asked if there was any news on the stalemate between Florida Blue and Borland-Groover. Allison Profitt advised that the two entities are still negotiating, adding that Borland-Groover must be experiencing some financial loss at this point. As a result, perhaps an agreement will be in the near future.

Next Meeting Date

The next meeting is scheduled for May 19, 2016, however that was to review bid results. Given the change in direction and the motion to negotiate with Florida Blue, the Insurance Committee needs to meet in April. The meeting is scheduled for Tuesday, April 26, 2016 at Yulee Middle School.

Meeting Adjourned: Beverly Kurak made a motion to adjourn the meeting and Rhonda Campbell seconded the motion. The meeting adjourned at 5:27 pm.

*Minutes Prepared By: Laurie Robert
Instructional Personnel Specialist, Personnel Department*