

Counseling Service of Addison County, Inc.
Special Meeting of the Board of Directors
September 15, 2020, 4:30pm

This meeting was held electronically, via Zoom

Board attending: Barbara Doyle-Wilch, BOD Vice-President; Joanne Scott, Treasurer; David Roberts, Secretary. Members at large: Kitty Oxholm, Len Rowell, Louise Sandberg, Jane Spencer. (7/13)

Staff attending: Rachel Lee Cummings, Executive Director; Bill Claessens, CFO; Alexa Euler, Director of Human Resources; Jenn Staats, Executive Coordinator and recorder.

Attending guest: Tom Scull, Vice-President of The Richards Group.

Barbara Doyle-Wilch called the meeting to order at 4:30pm. Rachel Lee Cummings thanked Alexa Euler and Bill Claessens for their two year effort to move toward the captive insurance option, and welcomed Tom Scull from The Richards Group for his help navigating this endeavor.

After reviewing information today, it is reported that the Management Team recommends that CSAC move to the captive insurance model for its health insurance.

Quick overview of the captive and how it works was conducted by Alexa, with clarifications from Tom.

- The offer is attractive and no higher than Cigna's current quote. This is an opportunity that might not present itself again. With the captive, CSAC's expected health insurance cost for the plan year starting November 1, 2020 is \$3,476,000 which is within budget. The maximum possible cost is CSAC's aggregate stop loss of \$4.3M. There are not current or future lasers. Captive insurance moves CSAC out of the annual health insurance "game".
- Going to the captive means that we are self-insured, and we will be owners in the captive. There is risk of volatility in our costs, but based on the experiences of other agencies, there will likely be long term savings.
- Employees pay deductible and co-insurance specific to their plan, after that CSAC pays up to \$100K per person per plan year in claims.
- Cons: there could be higher volatility; more work to manage the plan; more risk.
- Pros: long term savings; more tools available; pricing deals available to DAs for admin and Rx; opportunity to save if costs are lower; self-governed, and; annual increase for stop loss is capped.
- Plan Design Change chart. CIGNA worst case scenario is \$2125 for individual, \$4250 for 2-P and family. The captive: preventative care is still free. Office-visits: co-pay (\$25), and payment to the deductible. In the end, the worst case will be \$2500 for individual, \$5K for 2-P and family.

Clarifying questions from the board followed, with answers from Alexa, Bill, and Tom.

Barbara Doyle-Wilch requested a motion from the Board that the CSAC board accept the recommendation of the Management Team and the Executive Director to move into the captive cell, including a capital investment.

Louise Sandberg made the motion that the board of directors approve making a capital investment into Paradigm Re, a captive service insurance company, to allow CSAC to be self-insured for its health insurance. Joanne Scott seconded the motion. The vote was called and the vote was unanimous.

The meeting was adjourned at 5:35pm.