

ARIZONA LOCAL GOVERNMENT EMPLOYEE BENEFIT TRUST

Minutes of Telephonic Board of Trustees Meeting

FINAL

Thursday, October 27, 2016

12:00 P.M.

**Drury Inn & Suites
Kendrick Room
300 S. Milton Road
Flagstaff, Arizona 86001**

Trustees Present:

Terry Cooper Graham County (Chairman)
Kay Gale, Greenlee County
Delwin Wengert, Apache County
Dan Field, La Paz County

Others Present:

Jacque Sanders, Gila County
Mike Hensley, Jones, Skelton & Hochuli
Erin Collins, ECA
Amanda Weaver, ECA

Others Present via Teleconference:

Valerie Porter, ACIP

1. Call to Order

The meeting was called to order at 12:00 p.m. by Chairman, Terry Cooper.

2. Roll Call

Roll Call was taken by Amanda Weaver

3. Approval of Meeting Minutes

Terry Cooper asked for approval of the following meeting minutes:

- May 09, 2016- Trust Meeting

Kay Gale made a motion to approve the minutes as presented. Delwin Wengert seconded the motion. **The motion was approved 4-0.**

4. Discussion and Possible Action Regarding Appeal Re: Dependent Eligibility

Erin Collins provided a brief overview of the appeal.

Trustees heard from the Member and their attorney of why the Benefit Exception was being requested. Trustees asked the necessary questions to the Member and their attorney to help reach their decision. When requesting legal advice from Trust Legal Counsel, Michael Hensley, the meeting did move into Executive Session.

The meeting went into Executive Session from 12:12 p.m. until 12:30 p.m. Terry Cooper excused himself due to a conflict; therefore, Kay Gale took over the meeting.

Delwin Wengert made a motion to uphold the denial. Jacque Sanders seconded the motion. **The motion was approved 3-0.**

5. Discussion of Voluntary Life Insurance Death Benefit Issue

Erin Collins provided an overview of the issue for Trustees.

When requesting legal advice from Trust Legal Counsel, Michael Hensley, the meeting did move into Executive Session.

The meeting went into Executive Session from 12:44 p.m. until 1:10 p.m. Dan Field excused himself due to a conflict.

Kay Gale made a motion for Mike Hensley, Trust Legal Counsel, to investigate the issue, gather as much information as possible and bring it back to the Trust no later than December 1, 2016. Jacque Sanders seconded the motion. **The motion was approved 3-0.**

6. Discussion and Possible Action Regarding Voluntary Life Insurance Benefits, Costs, & Eligibility

Erin Collins provided an overview for Trustees of the issues found for the Voluntary Term Life Benefit. Erin outlined the following recommendations in an effort to resolve the issues:

1. Effective 11/01/16, increase the Guaranteed Issue (GI) amount on Employee VTL from \$100,000 to \$150,000, including on all existing individuals in excess of the current \$100,000 limit. This will leave approximately 19 individuals in excess of the new \$150,000 level.
2. Work with the counties to notify the nineteen that all amounts in excess of the \$150,000 level will be cancelled effective 11/01/16 and invite them to apply for higher limits, subject to underwriting approval through the Evidence of Insurability (E of I) process.
3. Also work with the counties to determine how long the additional coverage has been in effect and refund any excess premium dollars received.
4. We will then offer a one-time open enrollment for all existing employees to sign up for the full \$150,000 guaranteed issue amount effective January 01, 2017.
5. Going forward, we will work with MOO, SmartBen and the County HR/Payroll reps to take steps in an effort to prevent recurrence of this issue.

Kay Gale made a motion for ECA to work with Mutual of Omaha, SmartBen, and the Counties to move forward with the recommendations outlined by Erin. Jacque Sanders seconded the motion. **The motion was approved 4-0.**

5. Call to the Public

There was no response to the Call to the Public.

6. Adjournment

Terry Cooper adjourned the meeting at 1:19 P.M.

Respectfully submitted,

Amanda Weaver
Group Benefits Specialist