

Horsemen's Worker's Compensation Insurance Trust Meeting

MINUTES	Tuesday, September 26, 2017
Meeting Called to Order By Chairman	Bobby Dupre
Type of Meeting	Board of Trustees
Place	HBPA Main Office In New Orleans
Meeting Secretary	Vickie Lory
Roll called and Quorum Declared	Bobby Dupre (<i>left at 2:32 p.m.</i>); Arthur Morrell (<i>arrived later</i>); Andy Leggio, Jr.; Ron Faucheux and Charlotte Stemmans Clavier
Absent	Keith Hernandez
Others in Attendance	Ed Fenasci, Mike Fenasci, John Duvieilh, Benard Chatters, Vickie Lory, and Michele Rodriguez, Sturges Ducoing

The Chairman called the meeting to order at 12:13 p.m.

Discussion and Presentation by John Duvieilh	John discussed associated costs for the WC Insurance Program and the recent increases in premiums. We continue to pay a TPA and Broadspire, the deductible and retainer increased, and therefore, exposure has increased. The farm policy is offered by HBPA as a benefit, and the rate remains at 12% of payroll; the Minimum Annual Charge for all WC policies is \$1000. Farm policy holders have an obligation to supply payroll records and pay premiums based upon payroll. However, many farms failed to provide payroll records and many paid only the minimum deposit. As a result, an in-depth analysis was done to identify non-compliance. 39 farms to date have been audited, with another 15-20 remaining. Of those, 13 farms are complying and account for 95% of premiums, while 26 farms are noncompliant and account for only 5%. <i>[see handout]</i>
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Discussion and Presentation by John Duvieilh <i>(continued...)</i> re Farm Audit	As a part of the 2-year audit, we are visiting and inspecting farms and requesting payroll records and payment. Many of these farms have never submitted payroll nor paid more than the minimum deposit. Mr. Dupre added that if a premium isn't collected the insurer is still obligated to pay claims. The Board has a fiduciary duty to its members to provide equal coverage and pay. There was discussion about what was said at the last HWCIT meeting regarding the increase to \$1000 for the farm policy minimum deposit. Ed, Mike and John explained it was discussed and referred to the previous minutes. Ed also explained the need to obtain excess coverage through Midlands, and the formula they used to figure the cost to start a horse under the training policy is also based on a percentage of payroll. John read from the WC Application regarding the cost of farm coverage being 12% of farm payroll and outlined farm-related activities.
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<p>Discussion with Michelle Rodriguez (<i>continued...</i>)</p>	<p>Michele Rodriguez expressed concern about HBPA auditing back two policy years. She distinguished the farm and "mixed" policies, and said prior to this year no one paid more than \$200 for the "mixed" policy. They were never asked to pay 12% of payroll. John explained the Application is a contractual obligation. Michelle felt going back was a hardship and asked for the Trust's consideration in waiving her premium payments for 2015-16 and 2016-17. John explained the Trust would go into executive session to discuss how to proceed. The Trust is obligated to consider the others who have complied and must serve and protect all members. John further explained the Trust's fiduciary duty to apply rules equally to all members. Benard discussed his perception concerning the difference between farm and racing activities. Michelle stated she did receive a letter from Mike, but did not recall receiving six. John stated that had farms premiums been paid, it may not have been necessary to increase start rates. Michelle addressed the Trust and asked on behalf of herself and all trainers with farm policies [<i>except Dr. Caldwell and Benard</i>], that they not be burdened with paying premiums for prior policies. John suggested the Trust go into executive session.</p>
<p>Motion Into Executive Session <i>at 1:05 p.m.</i></p>	<p>Motion to go into Executive Session Motion by: Charlotte Clavier Stemmans Second by: Ron Faucheux Motion : Passed Unanimously</p>
<p>Motion Out of Executive Session <i>at 2:28 p.m.</i></p>	<p>Motion to go into Executive Session Motion by: Charlotte Clavier Stemmans Second by: Ron Faucheux Motion : Passed Unanimously</p>
<p>Discussion regarding Motion to Send Cancellation Letters and Notices</p>	<p>Ed suggested that John formulate a motion on behalf of the Trust authorizing HBPA staff to send letters to non-complying members with farm coverage who have not replied to requests for payroll. The letters will set a 30-day deadline upon which they can submit payroll, and upon failure to do so by such deadline, a 10-day cancellation notice will be sent. Further that, if requested, their payroll for the prior year's audit must also be submitted.</p>
<p>Motion Cancellation Letters and Notices</p>	<p>Motion made to authorize HBPA staff to draft and send cancellation letters and notices to non-compliant members with farm policies who have failed to pay premiums and/or provide requested payroll records for the current and/or 2016-2017 farm policy. The letters will encourage members to communicate any concerns to HBPA, and will set a 30-day deadline to comply or their farm policy shall be cancelled. Upon failure to comply, a 10-day cancellation notice will be sent. Motion by: Andy Leggio Second by: Charlotte Stemmans Clavier Motion : Passed Unanimously</p>

Bobby Dupre left at 2:32 p.m.

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Discussion	Charlotte stated she wanted to make a motion that the Trustees be made aware of all major changes, because she was not aware of the \$1000 increase at the last meeting. Mike explained that he felt everyone at the meeting understood the increase, and would do their best not to let it occur again.
Motion Major Changes	<p>Motion made that Trustees be made aware of all major changes.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Arthur Morrell Motion : Passed Unanimously</p>
Discussion	Ed asked for a motion to accept a reduction in the monthly management fee from \$59,100 to \$57,400.
Motion Management Fee	<p>Motion to reduce monthly management fee to \$57,400.</p> <p>Motion by: Charlotte Clavier Stemmans Second by: Ron Faucheux Motion : Passed Unanimously</p>
Motion <i>Adjourned at 2:34 p.m.</i>	<p>Motion made to Adjourn.</p> <p>Motion by: Ron Faucheux Second by: Charlotte Stemmons Clavier Motion: Passed Unanimously</p>
Ratification	<p>Minutes Adopted on: <u>January 10</u>, 2017</p> <p> _____ Vickie Lory, Meeting Secretary</p>