

2012 COGIP Yr-End Assessment July 2013

Committee on Group Insurance Programs (COGIP) 2012 Year-End Assessment

BACKGROUND

The Committee on Group Insurance Programs (COGIP) is composed of 15 attorney members with expertise and experience in insurance law and the business aspects of insurance, particularly group and association plans. COGIP acts as a counselor and advisor to the Board of Trustees. Currently State Bar sponsored group insurance programs include: 10 and 20 Year Term Life Programs, and Adjustable term Life, Auto/Homeowners, Accidental Death & Dismemberment, Long Term Care, Individual Disability Income, Group Long Term Disability and Workers' Compensation.

The charge of the committee is as follows:

1. Studies and makes recommendations on new member group insurance programs to be sponsored by the State Bar and proposes changes in existing programs; recommends actuarial and other consulting studies as needed.
2. In making recommendations, considers premium rates, benefits, limitations, exclusions and other contract provisions in relation to the needs of the members of the State Bar generally and provisions designed to achieve program stability.
3. Works with the administrator/broker, carrier, general counsel's office and designated State Bar staff to prepare contracts for new programs and revisions to existing programs.
4. Monitors ongoing approved programs and reviews sales literature for all approved programs on an ongoing basis.
5. Provides legal advice to the Board of Trustees concerning insurance law aspects of its recommendations.
6. Perform such other functions relevant to the committee's subject area as the Board of Trustees may from time to time assign.
7. Make recommendations to the Board of Trustees for ways and means of increasing non-dues revenue.

2012 YEAR-END ASSESSMENT

The following is a summary of COGIP's activities in 2012 that furthered its charge:

Group Insurance Programs

The committee held four quarterly meetings, including a planning session in November 2012. Each program is reviewed with the partners on a quarterly basis. The committee performs an actuarial review of the program on an as-needed basis to evaluate the program loss ratio and profitability.

Market Review

COGIP monitors the insurance market to ensure the availability of coverage to members and adequacy of policy features for all benefit programs.

Marketing of the Programs

COGIP reviews the sales and promotional material for all of the approved programs. A subcommittee oversees the marketing communication, focused on messaging and branding.

Education

In 2011 and 2012, members of the committee presented a course focused on how insurance may protect your law firm and how to be a more informed buyer of coverage. In addition, COGIP presented two courses on the subject of the legal impacts of Healthcare Reform. The programs were offered at the State Bar's Solo and Small Firm Summit and the Annual meeting.

In addition to these courses, a member of COGIP produced a white paper on Healthcare Reform to response to member request for information on health insurance coverage.

Life Insurance Programs

COGIP oversees the longstanding Life program. COGIP works with the broker to manage and retain existing policies, develop new business and ensure that our members are quoted competitive rates to allow them to purchase these new policies. In 2012, a new simplified issue life product was implemented. This cost effective product provides access to the program for attorneys while ably competing in the marketplace.

In addition, COGIP is tasked with revision of the overall Master Agreement between the Bar and the carrier. A subset of COGIP is assigned to work with outside counsel on this task.

Accidental Death and Dismemberment

This program offers an alternative to the traditional Life insurance offering and in 2012 continued to increase in the number of attorneys covered. The number of policyholders and average face value continues to grow as the members receive comprehensive Accidental Death and Dismemberment coverage.

Workers' Compensation

In 2012, the committee continued the work it began in 2009 with the addition of a new carrier. The program continues to place policies with the help of a series of cross marketing campaigns targeted to solo and small sized firms.

Auto and Homeowners

In 2011, the committee recommended and the Board approved a renewal of the contract with carrier for a 5 year term. This allows COGIP to continue to provide access to Auto and Homeowners insurance products not previously offered to the membership. Through this program the members receive comprehensive coverage at discounted premium rates.

Long Term Care

In 2011 two new carriers, Mass Mutual and Mutual of Omaha were assigned to the Long Term Care program. The two carriers allows for a choice in products and the ability to address the needs of a broader base of the membership. The new products were launched late 2011 and continues to grow today.

Disability Program

This program provides comprehensive individual and group disability income policies for members. The committee continues to work with the broker to make an asserted effort to increase market penetration into the State Bar program.

Healthcare Program

In light of the current health care reforms, including the Affordable Care Act, members are requesting assistance to navigate and understand the health care insurance market ever more frequently. In response, COGIP endeavored to address this need and, in late 2011, published a Request for Proposal for an association Healthcare Benefits Program Administrator. The RFP was for a dual award to identify two brokerage firms to adequately address the membership's divergent needs. At year end, COGIP was preparing a proposal for consideration by the Board of Trustees; the establishment of a State Bar sponsored Healthcare Program.

Revenue

The sponsored insurance program generated approximately \$900,000 in 2012. These funds were used in part to directly support State Bar programs and the operating budget of COGIP.