

# AGENDA ITEM

V-B MARCH 12, 2015

**DATE:** February 26, 2015  
**TO:** Members, Stakeholders and Access to Justice Committee  
**FROM:** Pam Wilson, Senior Director, Office of Education  
Ruben Reyes, Chair, Committee on Group Insurance Programs  
Randall Miller, Chair, Committee on Professional Liability Insurance  
**SUBJECT:** Committee on Group Insurance Programs (COGIP) 2014 Annual Report

## 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 Healthcare and Workers' Compensation.

The charges of the committee are as follows:

- (a) Study and make recommendations on new member group insurance programs to be sponsored by the State Bar. Propose changes in existing programs, recommend actuarial and other consulting studies as needed.
- (b) Make recommendations, consider 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.
- (c) Work with the administrator/broker, insurance carrier, General Counsel's office and designated State Bar staff to prepare contracts for new programs and revisions to existing contracts.
- (d) Monitor ongoing approved programs and review sales literature for all approved programs on an ongoing basis.
- (e) Provide legal advice to the Board Committee and the Board of Trustees concerning insurance law aspects of its recommendations.
- (f) The Board of Trustees designates the State Bar's Committee on Group Insurance Programs as a Safety Committee to administer group workers' compensation insurance programs for the State Bar of California, in accordance with California Insurance Code section 11656.6.

2014 COGIP  
Annual Report  
March 2015

## **2014 YEAR-END ASSESSMENT**

The following is a summary of COGIP's activities in 2014 that furthered its charge:

### **Group Insurance Programs**

The Committee held four quarterly meetings, including an overnight planning session in October 2014. The Committee performed an actuarial review of the Life program on an as-needed basis to evaluate the program loss ratio and profitability. In addition, each program is reviewed with the partners on a quarterly basis.

### **Group Insurance Programs - New Admittee Life Program**

Now in our third year offering this product, the Simplified issued Life Insurance program was marketed directly to new admittees of the bar and continues to provide coverage to attorneys at the start of their career.

### **Group Insurance Programs - Healthcare**

Now in our second year, the Healthcare program was actively marketed to the membership. The program addresses the member need for information on the health care reform, including the Affordable Care Act. The program helps California lawyers gain access to healthcare coverage and serves solo practitioners and firms of all sizes.

### **Renewal of Broker Agreement - Long Term Care**

In October 2014, the Committee renewed the broker agreement with the incumbent Managing Broker, Associated Insurance and Pension Services (AI&PS). The contract was renewed for a one year term to provide the Committee with the opportunity to survey the market and determine if the existing program most effectively meets membership needs.

The program provides members access to the market to secure long term care coverage. This coverage helps provide for the cost of long-term care beyond a predetermined period. Long-term care insurance covers care generally not covered by health insurance, Medicare, or Medicaid. This program is marketed through the Managing Broker.

### **Renewal of Broker Agreement - Disability**

In October 2014, the Committee renewed the broker agreement with the incumbent Managing Broker, Associated Insurance and Pension Services (AI&PS). The contract was renewed for a one year term to provide the Committee with the opportunity to survey the market and determine if the existing program most effectively meets membership needs.

The program provides members access to the market to secure disability coverage. This program is marketed through the Managing Broker.

## **Market Review**

COGIP monitors the insurance market to ensure the availability of coverage to members and adequacy of policy features for all benefit programs. In addition, the Committee reviews the sales and promotional material for all of the approved programs, focused on messaging and branding.

To further this charge, a marketing plan is established for each product line annually and attached to the broker administrator that provides oversight. An update on the progress of each plan is provided at the 4 meetings of the full Committee.

## **Education**

In its third year participating in formal education programs, the Education subcommittee continues to inform the membership regarding the benefits of insurance coverage. Members of the Committee conducted MCLE credit approved seminars at State Bar's Solo and Small Firm Summit and the State Bar Annual Meeting. The presentations focused on how insurance coverage may protect your law firm and how the Affordable Care Act impacts solos and small firms.

## **Broker Agreement**

As of January 2014, Marsh, the association arm of Marsh & McLennan was absorbed into their sister company, Mercer. This in turn produced a management change in the oversight of the State Bar relationship and the day-to-day administration of the State Bar sponsored Group Insurance Programs, Life, Accidental Death & Disability, Workers Compensation and Healthcare. State Bar staff and COGIP leadership has worked closely over the past year to clearly communicate expectations to Mercer and to create metrics for meeting them in a timely manner. Today, COGIP continues to work with this new team to ensure there is no disruption to our offerings and that Mercer continues to uphold the agreements originally entered into by Marsh. Recent underwriting statistics indicate that the Marsh/Mercer restructuring has positively impacted program performance.

## **Revenue**

The sponsored insurance program generated approximately \$850,000 in 2014. These funds were used in part to directly support State Bar programs and the operating budget of COGIP.