



Missouri Highways and Transportation Commission Policies

Category: EMPLOYEES
Subcategory: Compensation, Insurance, Retirement, Credit Unions
Sub-Subcategory: Medical and Life Insurance

GUIDELINES for the BOARD OF TRUSTEES of the MISSOURI DEPARTMENT OF TRANSPORTATION and MISSOURI STATE HIGHWAY PATROL MEDICAL AND LIFE INSURANCE PLAN

Board of Trustees

In order to provide for the general administration of a plan of medical and life insurance (the Plan) for persons eligible to participate in such plan under Sections 104.270 and 104.1072 RSMo, as amended, a Board of Trustees is established consisting of eight members: four employees and one retiree from the Department of Transportation and two employees and one retiree from the State Highway Patrol. The Director shall appoint the Department of Transportation employees and retiree, the Superintendent shall appoint the State Highway Patrol employees and retiree, all subject to approval of the Commission.

Trustees who are employee members shall serve terms of six years each and may be reappointed for successive terms. Trustees who are retiree members shall serve a term of three years and may be reappointed for one successive term, subject to Commission approval. Any member of the Board may be replaced at any time by the Commission at its discretion. Five members of the Board shall constitute a quorum for the conduct of business. The Commission shall designate a Chairman to preside over the meetings of the Board and the Board shall select from its members a Vice Chairman and Secretary-Treasurer. Minutes shall be kept of the Board meetings.

Board of Trustees – Responsibilities and Duties

The Board shall be responsible for the general management of the Plan, and in order to carry out those duties in this regard, will have the specific duties and responsibilities outlined in the Summary Plan Description to include the following:

1. Recommend the total premiums necessary to adequately fund the Plan.
2. When necessary, provide direction to MoDOT staff regarding contributions by the state and by participants and keeping the funds invested to the greatest extent possible.
3. When necessary, provide direction to MoDOT staff regarding development and maintenance of a system of accounting for all funds.
4. Establish such reserves as are financially prudent or necessary to pay claims against the fund.

5. Offer a policy of life insurance for eligible members of the MoDOT and Patrol Employees Retirement System.
6. If deemed beneficial to Plan funding, obtain underwriting for excess coverage (stop loss) to assure that all claims can be paid and that the plan is fully insured.
7. Obtain administrative services for the Plan in accordance with the Operating Budget Policy.
8. Provide notice to the Commission of determination of coverage to be provided by the Plan. The Board may from time to time change the coverage, but the coverage may not be reduced without sixty days' notice to Plan participants, and if any increase in coverage requires an increase in contributions, sixty days' notice must also be provided.
9. In establishing total premiums, the Board will endeavor to establish premium levels so that each rate group is sufficiently funded according to the cost of the Plan for that group, but to retain the group aspects of the Plan. The premium shall be based upon actuarial principles and shall be sufficient to pay all claims against the Plan and establish the necessary reserve to pay accrued but unpaid claims at any time. The rate of contribution shall also include any amount necessary to pay for administering the Plan, the necessary actuarial services, and for the payment of the premium for excess coverage (stop loss).
10. Establish a procedure for applying any state contributions made for ~~to~~ salaried employees, retired members, dependent coverage, disability recipients, survivors of employees/retirees, and spouses of members, and establish a special medical insurance rate category for surviving spouses and dependents of employees who lost their lives as a result a work-related injury or illness. State contributions will not be used to defray the cost of coverage for those on leave without pay.
11. Monitor the cost to the Plan to assure that an adequate reserve for benefits is maintained, and timely detect in advance the necessity to adjust the required total premiums. The Board is not to recommend total premiums that will accumulate reserves in excess of those reasonably necessary to assure the payment of claims and should recommend reducing the total premiums when sound reserving levels permit.
12. Maintain a reserve amount which will be sufficiently liquid so that a transfer of funds from the reserve account to the claims account can be made as necessary to permit the prompt payment of claims.
13. When necessary, consult with MoDOT staff to select a depository for the funds and require security, such security to be the same as that required for the deposit of state funds.
14. The Board shall have such additional duties and responsibilities as are necessary to fully carry out the insurance program for participating members.

Reports

The Board shall, through the Chairman of the Board, provide reports that represent the financial condition and plan trends to the Commission no less than semi-annually and at such other times as the Commission may request.

No less than annually, the Board shall make available to the participants information as to the financial condition of the fund. The information will, at a minimum, show the following:

- Total amount of state contributions for preceding year.
- Total participant contributions for preceding year.
- Claims paid from the fund.
- Premiums paid for excess coverage and cost of administering the Plan (if any).
- Claims paid under excess coverage (if any).
- Income from the investment of reserves.
- Net assets on hand at the end of the reporting period, to include the amount of the claims account and funds invested.

Compensation

The members of the Board shall receive no compensation from any source for their services on the Board other than compensation as employees of the Department of Transportation and State Highway Patrol.

Actuarial Services

The Board, in coordination with MoDOT staff shall, obtain the services of an actuary to assist in developing the funding required, the necessary reserves, and the coverage to be provided. The selection of an actuary will be made after obtaining proposals for such services.

Gifts to Insurance Fund

The Board, with the approval of the Commission, may accept gifts to the insurance fund.

Effective Date: November 7, 2013

Supersedes Policy Dated: December 5, 2008

Last Reaffirmed:

Date of Origin: November 9, 1977

Related Commission Minutes: November 9, 1977; August 14, 1987; October 2, 1987; August 3, 1990; September 8, 1993; September 5, 1997; September 4, 1998; August 9, 2000; May 4, 2001; September 7, 2001; December 5, 2008; November 7, 2013 – Comprehensive Policy Review.