

MINUTES OF THE SPECIAL CALLED MEETING
OF THE BOARD OF TRUSTEES OF
THE KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM
VIA MICROSOFT TEAMS VIDEO CONFERENCE

August 19, 2022
9:00 a.m. ET

The Board of Trustees of the Kentucky Judicial Form Retirement System convened via video-conference utilizing Microsoft Teams on Friday, August 19, 2022, at 9:00 A.M. All board members participated with the exception of Senator Jimmy Higdon and Representative Brad Montell. JFRS staff present included Bo Cracraft, Executive Director, and Rebecca Stephens, Retirement Programs Administrator.

Chairman Grise called the meeting to order at 9:11 a.m.

Chairman Grise recognized Mr. Cracraft, who reported on administrative matters. The trustees discussed the items and took action as noted.

(A) 2023 Retiree Health Insurance: Mr. Cracraft noted the first item of business was the adoption of a Medicare Advantage plan for the 2023 calendar year. During their meeting on August 5, the trustees reviewed plan options for the upcoming plan year. Humana, who has provided the board with a group Medicare Advantage plan since 2015, provided some additional benefit options for consideration, including the addition of basic dental and vision coverage. After a lengthy discussion, the trustees requested staff provide additional financial information and a projected impact on the plans for each of the options.

In response to that request, Mr. Cracraft provided the trustees with some cost information if the additional dental and/or vision coverage was added to the Humana policies. For both the Judicial and Legislators plans, as of August 2022, Mr. Cracraft noted that almost 90% of total Humana premiums were bore by JRP and LRP. He reviewed the proposed Humana premiums for 2023 and informed the trustees that adding dental coverage would add approximately \$56,000 in annual premiums to the plans, while adding vision would add another \$13,000 per year. Mr. Cracraft reminded the trustees that as of the end of the 2021 fiscal year, the two health insurance funds remained very well-funded, both with a funding ratio over 270%.

The trustees discussed the information provided by Mr. Cracraft. Several trustees voiced belief that adding dental coverage would be a prudent use of surplus assets, but also recognized that health insurance cost were likely to rise and if so, taking back a benefit in the future would be a difficult thing to do. Following the healthy discussion, Mr. Ben Allison made a motion, seconded by Mr. Stephen LeLaurin, to renew its hospital and medical insurance contract with Humana for calendar year 2023, and to set the 2023 monthly contribution level at \$342.97, which includes the addition of a basic dental policy for each JFRS Humana Medicare Advantage

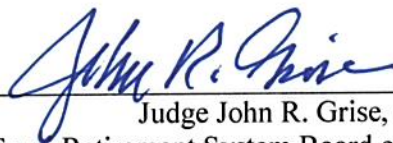
plan policyholder. To avoid a conflict of interest, Justice Venters, Judge George, and Representative Brinkman did not vote concerning 2023 medical benefits provided to Medicare eligible members and recipients. The motion passed unanimously.

(B) Fiduciary Liability Insurance. Mr. Cracraft stated the final item of business was the adoption of a fiduciary liability policy for a term beginning October 1, 2022. He referenced the discussion held during their meeting on August 5 and staff's request to have Assurance Partners, the agency's broker, provide a couple different renewal quotes at varied annual deductible levels. In response to that discussion, the trustees asked staff to request additional information from the broker regarding higher annual deductibles.

In response to that request, Mr. Cracraft provided the trustees with a revised renewal proposal from Assurance Partners, which included full renewal quotes with annual deductibles of five thousand, twenty-five thousand, and fifty thousand dollars. Mr. Cracraft also noted that at the highest deductible level, the providers were willing to agree to a 3-year policy, which would help the agency manage and budget over the short term.

There was a healthy discussion amongst the trustees regarding the premium savings and added deductible requirements if the agency were to need to exercise the policy. The general sentiment among the board was the current policy's deductible was fairly low given the amount of coverage and that moving to a three year policy would help with the management of administrative expenses. After a discussion, Justice Daniel Venters made a motion, which was seconded by Mr. Stephen LeLaurin, to renew the agency's current fiduciary liability insurance, but with an increased annual deductible of fifty thousand dollars. The motion passed unanimously.

There being no further business, the meeting adjourned at 9:36 a.m.



Judge John R. Grise, Chairman
Judicial Form Retirement System Board of Trustees



Stephen F. LeLaurin, Chairman
Judicial Retirement Fund Investment Committee

Brad Montell

Representative Brad Montell, Chairman
Legislators Retirement Fund Investment Committee

Bo Cracraft

Bo Cracraft, Executive Director