

Present: Halley, Flournoy, Thompson, Harmon, Messer

Issue: City involvement in Iowa Insurance Division (IID) action

Background: City is one of 30+ member insurance pool in SE Iowa. Pool was created to enable members to buy health insurance at rates less than offered by Wellmark. Pool is managed by insurance agency, handling claims, COBRA requests, etc. City experience has been very favorable, with lower overall rate increases than average throughout 10-11 year period. IID claims agency did not properly disclose commissions being charged group members and wants city to participate in action against agency. Agency denies allegations and insists reporting rules were followed.

Recommendation: Committee recommends City NOT participate in action against agency. Staff time and other admin costs are not worth the effort. In addition, cost to agency of legal fees to contest action will be passed on to pool members.