

Committee on Group Insurance Programs (COGIP) 2010 Year-End Assessment

BACKGROUND

The Committee on Group Insurance Programs (COGIP) is composed of 14 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 Governors. 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 Governors concerning insurance law aspects of its recommendations.
6. Perform such other functions relevant to the committee's subject area as the Board of Governors may from time to time assign.
7. Make recommendations to the Board of Governors for ways and means of increasing non-dues revenue.

2010 YEAR-END ASSESSMENT

The following is a summary of COGIP's activities in 2010 that furthered its charge:

Group Insurance Program

- The committee held four quarterly meetings, including a planning session in October 2010.
- Each program is reviewed with the partners on a quarterly basis. Every five (5) years, COGIP conducts a full review of each program.
- COGIP monitors the insurance market to ensure the availability of coverage to members and adequacy of policy features for all benefit programs.
- On an ongoing basis, COGIP conducts a review of the sales and promotional material for all of the approved programs.

Committee Highlights

Auto and Homeowners

- This program was implemented in 2005 and has grown steadily. In 2010, there was an increase of 12% in comparison to 2009 in the number of participants.
- COGIP and staff negotiated an extension to the broker agreement. The Member Oversight Committee and the Board approved the contract renewal at the November 2010 meeting. The extension adds an additional 5 years until 2015 at the same terms and conditions.
- The implementation of CalBar Connect into the marketing of the insurance programs has raised awareness and sales. The Auto and Homeowners program has been featured in Bar Card packets and at the State Bar Annual Meeting.

Accidental Death and Dismemberment

- This program has been growing steadily since its implementation . In 2010 there was an increase of approximately 20% in the number of participants.
- COGIP and staff negotiated an extension to the broker agreement. The Member Oversight Committee and the Board approved the contract renewal at the November 2010 meeting. The extension adds an additional 5 years until 2015 at the same terms and conditions.

Life Insurance

- New Admittees were issued “no cost” life insurance at a \$50,000 benefit level for the fifth year in 2010. This program provides coverage to new members at no cost for the first 6 months of State Bar membership.
- The number of participants in the State Bar group life insurance plan grew by 34% in 2010

Workers Compensation

- This program was implemented in 2008 and has grown steadily. In 2010, there was an increase of 30% in comparison to 2009 in the number of participants.
- With The Harford, State Bar members have benefited from a premium reduction of approximately 30% in comparison to the program provided by the State Fund. It is anticipated that this premium reduction will increase participation in the program.
- In 2010 this program made a direct marketing effort to Limited Liability Partnerships and Law Corporations.

Member Recruitment

- The committee gained one member this year. Committee members continue to actively seek new volunteers with the appropriate insurance expertise.

Revenue

- The sponsored group insurance programs generated \$910,760 in revenue 2010.
- Group Insurance program partners also contributed \$30,000 to offset marketing costs incurred by CalBar Connect.