MINUTES

PCF OVERSIGHT BOARD

October 6, 2011

WOMAN'S HOSPITAL PHYSICIAN'S TOWER
BATON ROUGE, LA.

Mr. Clark Cossé, Chairman convened the meeting of the Patient's Compensation Fund Oversight Board, at 6:30 PM on Thursday, October 6, 2011.

The following Board Members were in attendance:

Mr. Clark Cossé	Mr. James Hritz	Dr. William LaCorte (late arrival)
Dr. Katharine Rathbun	Mr. Kent Guidry	

The following Board Members were absent:

Mr. Joe Donchess	Dr. Melanie Firmin
Dr. Van Culotta	Mr. Manuel DePascual

Others present:

Mrs. Lorraine LeBlanc	Ms. Christine Bull
Mr. Ken Schnauder	Lynn Duszynski
Ms. Barbara Woodard	Ms. Sharon Knight
Mr. Dave Woolridge	Mr. Adam Thames

Mr. Cossé called the meeting to order and asked that the record reflect four Board Members were in attendance. As another Board member was expected and a quorum would then be present, it was decided that the meeting should start with a general discussion on the status of the PCF's investment program. In order to determine it was best to retain an investment advisor first, Ken, Clark and Lorraine met with LASERS' investment consultant and also met with LWCC investment staff. All agree that the best action would be to retain a consultant first, either on a per project basis or on a retainer fee basis. LWCC agreed to provide a list of consultants that they are familiar with and the LASERS consultant agreed to provide a sample RFP and some guidelines.

At this point, Dr. LaCorte arrived and Mr. Cossé noted a quorum was now present. He welcomed the guests to the meeting and asked all present to introduce themselves.

Mr. Cossé asked for public comments or questions. No public comments were made.

Mr. Cossé called for the approval of the September 1, 2011 minutes. Dr. Katharine Rathbun moved for the minutes to be approved and Mr. Kent Guidry seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Christie Bull gave a brief overview of Conning's clients, explaining a large number were insurance companies. Two booklets were given out to the Board members and used in her presentation. She explained Conning had 50 years experience in investing with $77 billion assets, of which 62% are property and casualty insurance business clients. They have the expertise to handle investments for insurance companies to help develop strategies and develop an investment model. Barkley's is used to develop custom benchmarks. They look at both assets and liabilities to diversify risks. Their average client's investment portfolio is $700 million, but they do handle accounts up to $10 billion. There are two portfolio managers on each account. The web portal access is available 24/7 for custom reports. Fees are based on a sliding scale. They are seeing more companies use consultants so they do work with consultants. They do have a Baton Rouge workers compensation insurance company as a client with approximately $300 million in investments. Mr. Cossé stated the Board would be taking a conservative approach and may never reach the maximum 25% equity investments as now allowed in the statutes. She stated that investing 10% of a portfolio in equities is a high percentage for her clients, so she fully understood the conservative approach. She said there would be no problem signing a no conflicts of interest statement as required by the statute. When asked for specific earning rates, she explained she would need an excel spreadsheet of the Fund's current investments to estimate possible gains that could be achieve by Conning. Further, if selected, Conning would help develop a plan and investment guidelines in accordance with the provisions in the statute to create the best portfolio for the Fund.

Mr. Cossé stated the Fund needed an advisor to watch over the activities of an investment manager and this could be an employee or could be retained through a RFP. The Board does need to develop investment policies.

Ms. Woodard went over the financial report which showed the Fund balance to be $681,692,613 She asked if any Board members had any problems receiving their per diems with the new payroll system and none voiced any problems.

Ms. LeBlanc then requested approval by the Board to increase the staff by two positions, one in the surcharge section and the other in records to serve as the receptionist. This would increase the total staff from 44 to 46. It was estimated that these two positions would cost about $100,000 including benefits. Dr. Rathbun moved to approve the addition of two more positions and Dr. LaCorte seconded the motion. There were no public comments or questions by those present. By unanimous verbal vote, the motion was approved.

Next, Mr. Schnauder went over the claims report. More claims were closed than opened. $23 million was paid in the first quarter, which is less than the same time last year. He also informed the Board that a case was tried by the PCF in which $100,000 was already paid and the provider lost the panel. The award was below the primary level. The PCF attorney did an excellent job and the PCF had an impressive win. There were no questions asked.

Mr. Cossé asked if there were any comments or questions from the public and there were none. All were thanked for their attendance.

Mr. Hritz then motioned for the Board to move into the Executive Session to discuss matters of litigation and Dr. Rathbun seconded the motion. The vote was unanimous and the General Session was adjourned. The Board moved into Executive Session.

Mr. Clark Cossé III, Chairman

12/1/11
Date