



**ALSO PRESENT:**

Ed Cooney, PERMA Risk Management Services  
Rachel Chwastek, PERMA Risk Management Services  
Chandra Anderson, Atlantic County  
James Dugan, Atlantic County

**APPROVAL OF MINUTES: OPEN MINUTES OF DECEMBER 8, 2017.**

**MOTION TO APPROVE OPEN MINUTES OF DECEMBER 8, 2017.**

**Motion: Commissioner Kessler**  
**Second: Commissioner Robbins**  
**Vote: 3 Ayes**

**CORRESPONDENCE:** None.

**2018 REORGANIZATION:**

Commissioner Woods requests Executive Director Brad Stokes to run the meeting for election of officers.

Mr. Stokes opened the floor for nomination of a Chairperson. Commissioner Robbins nominated Jackie Woods for Chairperson. Commissioner Kessler seconded the vote. There were no other nominations and Mr. Stokes requested a Motion to close nominations.

**MOTION TO CLOSE NOMINATIONS FOR COMMISSION CHAIRPERSON.**

**Motion: Commissioner Kessler**  
**Second: Commissioner Robbins**  
**Vote: 3 Ayes**

Commissioner Kessler nominated Tammi Robbins as Commission Vice Chairperson. The nomination was seconded by Commissioner Woods. There were no other nominations and Mr. Stokes requested a Motion to close nominations.

**MOTION TO CLOSE NOMINATIONS FOR COMMISSION VICE CHAIRPERSON.**

**Motion: Commissioner Kessler**  
**Second: Commissioner Robbins**  
**Vote: 3 Ayes**

Jim Ferguson led the administration of the oaths of the Commissioners.

**EXECUTIVE DIRECTOR'S REPORT:**

Brad Stokes presented the Executive Director's report. There are several resolutions for the reorganization of the Atlantic County Insurance Commission for 2018.

Resolution 1-18 Certifying the Election of Fund Chairperson and Vice Chairperson  
Resolution 2-18 Appointing Janette Kessler as CEL Commissioner  
Resolution 3-18 Appointing Bonnie Lindaw as Commission Treasurer

Resolution 4-18 Appointing James Ferguson as Commission Attorney  
Resolution 5-18 Appointing Chandra Anderson as Commission Secretary  
Resolution 6-18 Designating Wells Fargo as Authorized Depositories for Commission Assets  
Resolution 7-18 Designating Authorized Signatures for Commission Bank Accounts  
Resolution 8-18 Establishing a Cash Management Plan  
Resolution 9-18 Establishing Meeting Dates for 2018  
Resolution 10-18 Designating PERMA as the Custodian of Records  
Resolution 11-18 Designating *The Press of Atlantic City* as the Official Newspaper

**MOTION TO APPROVE RESOLUTIONS 1-18 THROUGH 11-18.**

**Motion:** Commissioner Robbins  
**Second:** Commissioner Kessler  
**Vote:** 3 Ayes

Public hearing of the 2018 budget. The 2018 budget was introduced at the December 8, 2017 meeting.

**MOTION TO OPEN THE 2018 BUDGET TO PUBLIC HEARING.**

**Motion:** Commissioner Robbins  
**Second:** Commissioner Woods  
**Vote:** 3 Ayes

The 2018 budget shows the total loss funds had a decrease of 5.91% which is a significant savings. Expenses increased in light of the contractual increases. There were some slight increases with the ancillary coverages. The total 2018 budget is \$7,968,307. Commissioner Kessler asked whether Salem leaving the CELJIF would have an impact on the fund. Mr. Stokes and Mr. Cooney did not believe it would have an impact because the carriers continue to give the fund good rates. There were no other questions.

**MOTION TO CLOSE THE PUBLIC HEARING OF THE 2018 BUDGET.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Robbins  
**Vote:** 3 Ayes

**MOTION TO ADOPT THE 2018 BUDGET AND CERTIFY THE ANNUAL ASSESSMENTS.**

**Motion:** Commissioner Robbins  
**Second:** Commissioner Kessler  
**Vote:** 3 Ayes

The assessments can be found on page 19.

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** None were issued during the November time frame.

The CEL did not meet in December. The next meeting is February 22, 2018 at the Camden County Emergency Center.

The Insurance Commission financial fast track for October 31, 2017 shows the Commission's statutory surplus at \$5 million. There was an increase over the prior month. All years have sound and positive positions and continue to trend very well.

The CEL financial fast track report as of October 31, 2017, shows a surplus of approximately \$8.5 million. They had 2010 and 2011 claims that showed increased retentions.

The Claims Activity Report had some programming issues so it will be provided at the next meeting.

Appendix II is the 2018 Risk Management Plan which has been reviewed by Mr. Ferguson. It is being presented now for review and then formal action will be taken in February. Ed Cooney noted there were no significant changes to the plan.

Ed Cooney reported that renewals were going very well. There were a lot of changes. Property insurance had a lot of catastrophes worldwide which affected all of the markets they use. However, strong partners and good relationships with them worked out well with approximately an 8% overall rate increase for the entire property program. Two partners in the Casualty and Workers' Comp buffers have gotten out of the public entity business completely because of low rates and large losses. They had to be replaced. The relationship with Britt, the excess liability carrier, was expanded and they are going to provide \$15 million of coverage to all CEL entities across the board. National Casualty was replaced with Argonaut who will provide excess liability limits. The Workers' Comp buffer was replaced with Britt because Westco got out of the business. Safety National is the excess Workers' Comp carrier. Public Officials EPL as well as the cyber coverages were with AIG, but they have been moved to Chubb. There was a price reduction involved along with expansions in coverage. Chubb will provide the County with \$100,000 settlement authority for in house counsel within the retention. Any other member with a lower retention than \$100,000 will be capped at the retention amount for settlement authority, and defense costs outside of the limit to match the aggregate limit on the policy. Chubb provides benefits with cyber, and there is a zero dollar deductible for breach counsel, with same retentions and limits as the prior policy. There is now a Commission wide policy. The aggregate limit is the sum of all of the limits individually that each entity had. Now the entities share from one large aggregate limit that each entity can pull from. Chubb is also providing CEL wide a fund for cyber training. Mr. Cooney will publish that information in an upcoming bulletin. Medical malpractice was moved from AIG to a combination of Ironshore and Chubb, for lower pricing and stability. Bonnie Lindaw asked about the experience with the new insurance companies. Chubb has not been used by the CEL yet, however, their company has used Chubb for other clients. Chubb is probably one of the largest insurance companies in the world and has the highest rating financially. They are rated A++, which is the highest financial rating. Ms. Kissane noted their liability team has dealt with Chubb over many years with no problems. Commissioner Kessler noted she has dealt with them for her entire career. Mike Thomas asked about the Ironshore and Chubb combination for Meadowview. Ironshore is providing the first \$11 million each, \$13 million aggregate and Chubb is providing the next \$10 million. Mr. Ferguson thanked Mr. Cooney for his efforts on the renewal. Mr. Ferguson noted that the County had an issue with defending EPLI claims in house through the AIG coverage, however, this was alleviated due to efforts of Mr. Cooney and his team with explaining the robustness of the County's in house counsel program and placing the coverage appropriately. Commissioner Kessler requested a one page listing of all insurance coverages. Mr. Cooney indicated the schematic would be issued soon.

**CLAIMS SERVICES:** Michael Cusak reported about claims handling. Mr. Cusak passed out some materials regarding the EPLI public officials reporting procedures and some background on Chubb's expertise in the EPL assist, which is their early intervention program and members can contact their

attorneys pre-claim. This is a free resource that can be used. As for reporting, you would continue to report to the third-party administrator, Qual-Lynx, and they will report to the carrier. The cyber breach coach is a free call to Chubb, it does not constitute a claim, and is important in the first line of defense to make sure all the proper steps are taken in a timely manner. Commissioner Kessler noted the prior EPL carrier offered something similar to the free call to the attorney, but there was a limit on it. ACUA does not have an in house attorney so they used the service. She wanted to know if there is a limit under this policy. Mr. Stokes and Mr. Cusak indicated that they would find out and advise.

Mr. Cusak provided the outline of the Claims Committee Charter which lists the Claims Committee members, by-laws meetings and attendants, and the meeting dates for 2018.

**TREASURER:** There is no Treasurer's report.

**CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL:**

Glenn Prince of JA Montgomery presented the safety report. The Safety Director's report covers risk control safety activities for December and January. A Safety Director's Bulletin was provided with regard to disposal of improperly discarded needles. He will provide the bulletin electronically for easy distribution. The quarterly meeting dates for the 2018 Safety Committee meetings will be circulated prior to the next agenda. Mr. Prince noted that Jabel Santiago recently took over for Nancy Marzolino at Roads & Bridges and Public Works. He will be working with Mr. Santiago on training for 2018, MVR checks and establishing an account at NJMVC to run driver licenses. He will be working on the agenda for the safety committee meeting to include job site observations.

**MANAGED CARE – QUAL-LYNX:**

Karen Beatty presented the claims services report. The Cumulative Summary shows 2298 bills were processed for the year which generated a savings for the Commission of \$1,768,533 or 57.4%. The PPO penetration was 96.6%. Out of network bills included 26 emergency physician bills, a dental bill, and 15 ambulance bills. The intake reporting for the year shows 252 claims were reported. 64 were indemnity claims, 146 were medical only, and 42 were report only. 197 were for the County, 54 were for the Utilities Authority and the Improvement Authority had one claim.

**CLAIMS SERVICES – QUAL-LYNX:**

Kathy Kissane thanked the Commission for reappointment for 2018. She reported the Claims Committee met prior to the Commission meeting and reviewed five PARS. The PARS were recommended for approval by the Committee. Unless there are any other questions which would require a closed session she requests a motion for approval of the PARS as reviewed and recommended by the Claims Committee.

**MOTION TO APPROVE THE PARS AS REVIEWED DURING THE CLAIMS COMMITTEE MEETING OF JANUARY 12, 2018.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Robbins  
**Vote:** 3 Ayes

**RISK MANAGER’S REPORT:**

Michael Ridge presented the Risk Manager’s report. He apologized for not making it in time to get onto the agenda. Going forward the report will be included on the agenda. He provided a summary of some of the activities the Risk Managers were involved in during the month of December. They will be more involved with Glenn Prince on loss control visits. Commissioner Kessler asked about the bond for the Sheriff which is outside of the Commission. She requested that if there are functions performed outside of the Commission they should not be reported at the Commission meeting.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

**PUBLIC COMMENT:**

Commissioner Woods opened the meeting to public comment. Having neither heard nor seen any public comment the public session is closed. The next meeting will be held on February 9, 2018 at 11:00 A.M.

**MOTION TO ADJOURN THE MEETING.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Robbins  
**Vote:** 3 Ayes, 0 Nays

**MEETING ADJOURNED: 11:28 A.M.**

Minutes prepared by: Chandra Anderson, Secretary