

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – January 13, 2017
Freeholders' Meeting Room
Stillwater Building
201 Shore Road
Northfield, New Jersey 08225
11:00 A.M.

Meeting was called to order by Commissioner Woods. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE

ROLL CALL OF COMMISSIONERS:

Jacqueline Woods	Present
Tammi Robbins	Present
Janette Kessler	Present
Joseph Giraldo	Present
Geraldine Cohen	Not Present

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services	Brad Stokes
Claims Administrator	<u>Qual-Lynx</u> Karen Beatty Kathy Kissane
	<u>Conner Strong & Buckelew</u> Danielle Batchelor
CEL Underwriting Manager	Conner Strong & Buckelew
Attorney	James F. Ferguson
Treasurer	Bonnie Lindaw (Not Present)
Safety Director	J.A. Montgomery Risk Control Glenn Prince
Risk Management Consultant	Insurance Agencies, Inc. J. Eugene Siracusa
	Glenn Insurance Michael Thomas

ALSO PRESENT:

James T. Dugan, Atlantic County
Rachel Chwastek, PERMA Risk Management Services
Chandra Anderson, Atlantic County

APPROVAL OF MINUTES: OPEN MINUTES OF DECEMBER 16, 2016.

MOTION TO APPROVE OPEN MINUTES OF DECEMBER 16, 2016.

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

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT:

Commissioner Woods requested Executive Director Brad Stokes to run the meeting for the election of officers for the 2017 reorganization.

Mr. Stokes requested to start off with the oaths of the Commissioners. Jim Ferguson led the administration of the oaths of the Commissioners.

Commissioner Robbins nominated Jacqueline Woods as Commission Chairperson. The nomination was seconded by Commissioner Kessler. 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 Woods
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 Woods
Vote: 3 Ayes

Mr. Stokes presented the Executive Director's report. Reorganization resolutions 1-17 through 11-17 were reviewed and will be considered by consent Motion.

Resolution 1-17 certifies the election of Jacqueline Woods as Chairperson and Tammi Robbins as Vice Chairperson.

Resolution 2-17 appoints Janette Kessler as the CEL Commissioner.

Resolution 3-17 appoints Bonnie Lindaw as Commission Treasurer.

Resolution 4-17 appoints James Ferguson as Commission Attorney.

Resolution 5-17 appoints Chandra Anderson as Commission Secretary.

Resolution 6-17 designates Wells Fargo as the depository for Commission bank accounts.

Resolution 7-17 designates authorized signatures for Commission bank accounts.

Resolution 8-17 establishes the Cash Management Plan. The only change made was the date.

Resolution 9-17 establishes meeting dates for 2017.

Resolution 10-17 designates PERMA as the agent of service of process and custodian of records.

Resolution 11-17 designates *The Press of Atlantic City* as the official newspaper.

MOTION TO APPROVE RESOLUTIONS 1-17 THROUGH 11-17.

Motion: Commissioner Woods
Second: Commissioner Kessler
Vote: 3 Ayes

Public hearing of the 2017 budget. The 2017 budget was introduced at the December 16, 2016 meeting.

MOTION TO OPEN THE 2017 BUDGET TO PUBLIC HEARING.

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

The 2017 budget shows the total loss funds were up 1.62% going into the third year of the Fund. Expenses increased a bit for the actuarial and auditor increases. Underwriting did a great job with the ancillary coverages. The total 2017 budget is \$8,239,995. The assessments as to each entity are listed on page 19. There were no questions.

MOTION TO CLOSE THE PUBLIC HEARING OF THE 2017 BUDGET.

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

MOTION TO ADOPT THE 2017 BUDGET AND CERTIFY THE ANNUAL ASSESSMENTS.

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT: None were issued.

The CEL did not meet in December. The next meeting is February 23, 2017 at the Camden County Emergency Center.

The Insurance Commission financial fast track as of October 31, 2016 shows the Commission's statutory surplus at \$2.9 million. This is due to some reserve changes which lowered it a bit.

The CEL financial fast track report as of October 31, 2016, shows a surplus of \$7.6 million.

Claim activity report shows 67 claims were closed as of November 30, 2016. Kathy Kissane noted some of the closed claims were minor medical claims. She added that due to the age of the Commission we will start to see some Claim Petitions being resolved, settlements paying out, and lost time files closing out.

The 2017 Risk Management Plan had some minor changes. The year was updated, and on page 8 the CEL voted to increase the deductible for vacant properties \$250,000. In the future the CEL will require our Commission to identify vacant properties. Mike Thomas asked what the deductible was last year and Mr. Stokes advised it was \$100,000. Vacant properties are a liability and can generate large claims due to no security, squatters, frozen pipes, etc. There was also a change to an excess carrier. There were no questions.

MOTION TO ADOPT THE 2017 RISK MANAGEMENT PLAN.

Motion: Commissioner Woods
Second: Commissioner Kessler
Vote: 3 Ayes

CLAIMS SERVICES:

Danielle Batchelor pointed out that pages 23-26 is the 2017 Claims Committee Charter. The only change was the year. The 2017 schedule is on page 26 and follows the regular Commission meeting schedule with meetings being held right before the regular Commission meetings.

TREASURER: No 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 2017. The Safety Committee 2017 schedule will be on a quarterly basis, January 13, 2017, April 7, 2017, July 14, 2017 and October 13, 2017. Today's Safety Committee meeting will include discussion about the most common PEOSH citations and activity around the State.

MANAGED CARE – QUAL-LYNX:

Karen Beatty presented the claims services report. She explained they have converted over to a new software system which is the same system used by claims. The reports are now different and will be based on paid bills not re-priced bills.

In December the bills that were paid showed a 69% savings. Overall for the year 2016 the savings were \$1,830,024.67. The PPO penetration rate was 97.9% for the year.

Intake reporting showed there were 6 claims for Atlantic County and 6 claims for the Utilities Authority. There were no claims for the Improvement Authority.

In order to keep the numbers clear the reports that end in November are from the beginning of the year to the end of November from the old system, and the December report begins in December under the new system.

CLAIMS SERVICES – QUAL-LYNX:

Kathy Kissane reported the Claims Committee met prior to the Commission meeting and reviewed 5 PARS. The PARS were recommended for approval by the Committee with an amendment to one PAR to add a second claim to the total file occurrence. 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 13, 2017.

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

EXECUTIVE SESSION: None.

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 10, 2017 at 11:00 A.M.

MOTION TO ADJOURN THE MEETING.

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

MEETING ADJOURNED: 11:18 A.M.

Minutes prepared by: Chandra Anderson, Secretary