

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – April 5, 2019
Freeholders’ Meeting Room
Stillwater Building
201 Shore Road
Northfield, New Jersey 08225
11:00 A.M.

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

PLEDGE OF ALLEGIANCE

ROLL CALL OF COMMISSIONERS:

Jacqueline Woods	Not Present
Tammi Robbins	Present
Janette Kessler	Present
Joseph Giraldo	Present
Michael Fedorko	Present

FUND PROFESSIONALS PRESENT:

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

ALSO PRESENT:

Rachel Chwastek, PERMA Risk Management Services
Brandon Tracy, PERMA Risk Management Services
Chandra Anderson, Atlantic County
James Dugan, Atlantic County

APPROVAL OF MINUTES: OPEN MINUTES OF FEBRUARY 8, 2019.

MOTION TO APPROVE OPEN MINUTES OF FEBRUARY 8, 2019.

Motion: Commissioner Fedorko
Second: Commissioner Giraldo
Vote: 4 Ayes

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR’S REPORT:

Brad Stokes presented the Executive Director’s report.

Mr. Stokes reviewed the proposed amendments to the rules and regulations which were previously circulated among the Commissioners for review. On page 7 there is a change which formalizes the addition of our two alternate commissioners. On page 8 there are duties added for the CEL Commissioner. On page 21 there is a change moving the date the budget will be completed to December. On page 22 there is a change indicating the Commission will adopt the budget in January. On page 27 all references to health insurance are removed since our Commission does not administer health insurance.

MOTION TO APPROVE THE FIRST READING OF AMENDMENTS TO THE COMMISSION’S RULES AND REGULATIONS AND SCHEDULING A PUBLIC HEARING AND ADOPTION AT THE MAY 10, 2019 MEETING.

Motion: Commissioner Kessler
Second: Commissioner Giraldo
Vote: 4 Ayes

CERTIFICATE OF INSURANCE REPORT: 34 certificates were issued from January 1, 2019 to March 1, 2019.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.

Motion: Commissioner Giraldo
Second: Commissioner Robbins
Vote: 4 Ayes

The MEL is holding its 9th annual educational seminar on May 3, 2019 in East Windsor. This is the first invitation for CEL members to attend. Educational credits are available from this seminar. Commissioner Robbins asked if there is a limit on attendees and Brad explained it is a very big ballroom, and there is no limit.

Commissioner Kessler is very excited the CEL has been invited to attend this seminar. She is hopeful this is a foot in the door for CEL members to be able to have access to the MEL training. Mr. Stokes added that some changes were made on the MEL level at JA Montgomery and he believes the training will be shared in the near future.

The last CEL meeting was held on February 28, 2019. Commissioner Ken Mecouch of Cumberland County retired after 42 years of service. Kim Wood will replace Mr. Mecouch.

The Insurance Commission financial fast track for December 31, 2018 shows the Commission's statutory surplus is just over \$5 million. The January 31, 2019 report was also available and shows the surplus at \$4.8 million.

The CEL financial fast track report as of December 31, 2018, shows a surplus of approximately \$14.9 million.

Claims activity report for November to December shows 21 claims closed.

Mr. Stokes requested that the member entities submit their list of property appraisals so he can advise Asset Works. Michael Ridge asked if there is a list of properties that need to be appraised. Mr. Stokes explained that each year he asks member entities to provide a list of properties to be appraised. It is usually 10 from the County, 6 from the ACUA. He noted that we are getting caught up with all of the properties. The members submit their list in or around May and the appraisals come back sometime in August in preparation for the renewals in September.

The property and casualty assessments were due on March 15, 2019, the second assessment is due on June 15, 2019 and the third assessment is due on September 15, 2019.

The insurance policies are available on the Conner Strong website. Commissioner Kessler noted that she did not receive any notification that the policies were available. Rachel will make sure a notice is sent to her.

The next Commission meeting is May 10, 2019.

Mr. Stokes introduced a new member of the PERMA team, Brandon Tracy, who will be working with his team.

Mr. Stokes thanked the Commissioners for agreeing to move today's meeting up one week in order to accommodate for the other meeting he has to attend.

Commissioner Robbins asked Mr. Stokes to explain line 10 of the investments in joint venture. He explained that is our contribution into the Counties Excess Liability Fund. The \$653,000 is the payment for the CEL program. Bonnie Lindaw asked for further explanation because it was explained as an expense, but increases our surplus. Mr. Stokes explained that the money paid into the Fund is ours. If we ever got out of the program the money would come back to this Commission. Ms. Lindaw will reach out to Pauline at PERMA to discuss further.

CLAIMS SERVICES:

Michael Cusak reported that the Claims Committee met immediately prior to this meeting and discussed PARS which were all recommended for approval as discussed. Commissioner Robbins asked about reserving, re-evaluating the level of authority and the process to do it. Mr. Cusak indicated he would discuss this with Brad and address it at the next meeting. Bonnie Lindaw asked if this is with regard to EPLI and it is not, it is related to claims handling.

TREASURER:

Bonnie Lindaw indicated there is no official Treasurer’s report because there is no bills list. However, she does want to report that the Commission bank accounts have been successfully moved to Investors Bank. There are still a few outstanding checks, but they should clear soon. She expects this move to Investors Bank to save some money.

CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL:

Glenn Prince of JA Montgomery presented the safety report. The safety committee last met on February 8, 2019 and the next meeting will be on May 10, 2019. The Britt Safety Grant in the past has been distributed upon receipt of submissions. The procedure has changed and Britt is giving the \$45,000 upfront to be split between the nine counties. It is a 50% grant as in the past. You spend \$10,000 and can get \$5,000 back. They are looking to set up a Britt Safety Grant Committee with one member from each county, so in the event they do receive submissions they will have a conference call with those members on the committee and then forward submissions to the CEL for approval. Commissioner Kessler asked what happens if there is a conflict. Mr. Prince recommended abstaining from the vote. He asked the Commission to appoint one member to serve on the Britt Safety Grant Committee. Commissioner Giraldo nominated Tammi Robbins.

Bonnie Lindaw asked whether notifications were sent out that the Britt Safety Grant funds were available for 2019. Mr. Prince explained that he wanted to wait until they got the committee together so he could send a letter to all members of the CEL explaining the new process for applying for the grant in 2019.

MOTION TO NOMINATE TAMMI ROBBINS TO SERVE ON THE BRITT SAFETY GRANT COMMITTEE.

Motion: Commissioner Giraldo
Second: Commissioner Kessler
Vote: 4 Ayes

MANAGED CARE – QUAL-LYNX:

Karen Beatty presented the claims services report. The Cumulative Summary shows 508 bills were repriced in January for a savings of 68.1%. The top ten provider list really has not changed much. The intake reporting shows 41 new claims were reported, 25 from the County and 16 from the ACUA.

Bonnie Lindaw asked whether EPLI claims were included in those numbers and Ms. Beatty explained it is just workers’ compensation claims.

CLAIMS SERVICES – QUAL-LYNX:

Kathy Kissane reported the Claims Committee met prior to the Commission meeting and reviewed 22 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 APRIL 5, 2019.

Motion: Commissioner Kessler
Second: Commissioner Fedorko
Vote: 4 Ayes

RISK MANAGER'S REPORT:

Gene Siracusa presented the Risk Manager's report. The Risk Managers reviewed the claims summaries from Qual-Lynx and reviewed and approved various certificates of insurance for the County Law Department. They assisted with reviewing insurance requirements for the ACIA and the County for various projects. Michael Ridge reviewed the best fire suppression systems organizations to use to protect computer systems from a catastrophic event.

OLD BUSINESS: None.

NEW BUSINESS: None.

PUBLIC COMMENT:

Commissioner Robbins opened the meeting to public comment. Bonnie Lindaw asked whether EPLI claims were going to be discussed. Jim Ferguson explained this has to do with the issue where the EPLI claims have been going through and paid by Qual-Lynx as a Commission claim since formation and developing a procedure on how to handle the member entity paying the money back. EPLI claims do not go through the Commission. They are handled at the SIR level, then anything above that goes into excess with Chubb. At Atlantic County's internal insurance committee meeting on Wednesday, the subject was raised and it was suggested the matter be discussed today on how to handle them.

Mr. Stokes noted it is common practice in other commissions for the commission to pay the claims first, then back bill the member entity for the costs. He asked for a decision on whether the County wants to reimburse the Commission in installment payments over a couple of years or a lump sum? He noted it is completely up to the Commissioners as to how they want to handle this pay back, either in lump sum or over a period of time, it could also be made by yearly reimbursement. He apologized that not billing the member entity for the EPLI claims for three years was an oversight.

Commissioner Kessler noted she has only had two EPLI claims and paid the ACUA's claims back already. She explained she paid her counsel fees up to the SIR which is \$35,000 then the claim went over to Chubb.

Ms. Lindaw noted the most recent list of EPLI claims had the total paid near \$300,000 and included a \$30 cost for an ACUA claim. Ms. Lindaw asked if more detailed information can be provided on the check registers so she can track when payments are made on an EPLI claim. Kathy Kissane indicated that loss

runs will track those payments and they can discuss further report options so the information can be provided.

The public session is closed. The next meeting will be held on May 10, 2019 at 11:00 A.M.

MOTION TO ADJOURN THE MEETING.

Motion: Commissioner Giraldo
Second: Commissioner Fedorko
Vote: 4 Ayes

MEETING ADJOURNED: 11:32 A.M.

Minutes prepared by: Chandra Anderson, Secretary