

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – July 10, 2015
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

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services **Bradford C. Stokes**

Claims Administrator Qual-Lynx
Kathy Kissane
Karen Beatty

Conner Strong & Buckelew
Robyn Walcoff
Danielle Batchelor

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

ALSO PRESENT:

Joseph J. Giraldo, Atlantic County Improvement Authority
Rachel Chwastek, PERMA Risk Management Services
James T. Dugan, Atlantic County
Chandra Anderson, Atlantic County
Donna Passarelli, ACUA
Joe Hrubash, Conner Strong & Buckelew (via phone)
Randy Tusone, Atlantic County

APPROVAL OF MINUTES: OPEN MINUTES OF JUNE 12, 2015

MOTION TO APPROVE OPEN MINUTES OF JUNE 12, 2015

Motion: Commissioner Robbins
Second: Commissioner Woods
Vote: 2 Ayes, 0 Nays (Commissioner Kessler abstained)

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR’S REPORT:

Executive Director Stokes presented the Executive Director’s report. He reviews that the Risk Management Plan revisions were tabled for the last few months for changes and clarifications. There was discussion between the entities with regard to terrorism coverage and certain definitions. Joe Hrubash was present by phone and confirmed that terrorism is covered. Mr. Hrubash pointed out that changes were incorporated in the Risk Management Plan based on the first set of questions that were provided by the Risk Managers. Those items have been resolved and are incorporated into the plan. There is a second set of questions from Bob English, and those questions are currently in consultation with Zurich, however, none of those items would affect what is in the Risk Management Plan. Those questions are related to the policies themselves.

Jim Ferguson wanted to clarify that based upon the conversations he had previously with Brad Stokes and Joe Hrubash, the language on pages 8 and 9 of the Risk Management Plan where it uses the phrase “per member entity”, the underwriter is taking the position that member entity refers to each of the constituent members of the Atlantic County Insurance Commission. Those deductibles and the way they are formulated would apply separately to the County, the ACUA, and the ACIA. Joe Hrubash confirmed that is correct.

Commissioner Robbins questioned whether the policy provides cyber liability coverage. Commissioner Kessler stated that the ACUA purchased cyber coverage. Joe Hrubash pointed out there is a separate section which covers cyber liability.

Jim Ferguson brought up another item at the top of page 8 under property deductibles. It reads that Atlantic County has \$100,000.00 property auto/physical damage comprehensive. Mr. Ferguson said he recollected that during a prior meeting Mike Thomas or Mike Ridge raised a question that in a prior draft that number had been \$25,000.00. Joe Hrubash stated they would have to research that question. Mike Ridge pointed out that the County’s property deductible was \$25,000.00, and the Risk Managers were under the impression that amount would remain at \$25,000.00. Mr. Ridge stated that is what the original deal was. The deductible is \$100,000.00, but the Commission picks up the remaining \$75,000.00 difference. Joe Hrubash asked if there were any correspondence on the subject, and Mike Ridge

explained that Frank Proctor had charts and schematics prepared prior to the ACIC forming. Jim Ferguson stated he wanted to move forward with the approval of the Risk Management Plan, but the question of the correct deductible amount for County proper's property deductible amount must be resolved. Mike Ridge provided Jim Ferguson with a copy of the schematic which was provided by Frank Proctor during the prior meeting and sets forth that for the policy period of 1/1/15 through 1/1/16, the County of Atlantic proposed effective date for property is 4/1/15, and under property it has \$25,000.00 listed. After hearing that Joe Hrubash noted there is an error in the Risk Management Plan. For auto physical damage and comprehensive the deductible would be \$100,000.00, and for property itself the deductible would be \$25,000.00. The edition date on the schematic is 1/14/15 and is from the claims kick off meeting. Joe Hrubash indicates that they will have to go back and confirm the property deductible with Frank Proctor and their underwriters. Resolution 24-15 is for approval of amending the Risk Management Plan.

MOTION TO APPROVE RESOLUTION 24-15 FOR THE AMENDMENT TO THE 2015 RISK MANAGEMENT PLAN PENDING CLARIFICATION OF THE CORRECT PROPERTY DEDUCTIBLE AMOUNT

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT:

Executive Director Stokes reported there were four Certificates of Insurance issued during the period of June 6, 2015 to July 5, 2015.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

Executive Director Stokes reported the CEL Committee met on June 25, 2015. Commissioner Kessler was present. John Kelly of Ocean County was elected Secretary of the Fund. The auditor submitted and reviewed the financial audit for 2014. The marketing report from Mr. Proctor showed they were talking to additional counties to possibly join the CEL, Essex County, Cape May County, and Morris County. They are also approaching Colleges to possibly join the CELJIF or create a new JIF for colleges who did not already have Commissions set up.

The CEL's financial fast track is showing that as of April 30, 2015 there is a surplus of over \$5.6 million. There are only a handful of claims moving into the CEL's retention area. There seem to be a lot of jail claims in other counties. They've met with the Sheriff and the Warden in the other County to try to get some things in place to try and control the claims.

The first financial fast track of our Commission shows that as of April 30, 2015 there is a surplus of \$441,943. This will be a monthly report, but it does lag a few months behind as they must wait on TPA information as it comes in. Commissioner Kessler questioned the underwriting income line, which contains the assessment payments as they come in, not the total assessments for the year. Therefore, the numbers shown are actually better than they look so far.

Claims activity report shows a summary of total claims for each coverage line that were open and closed since the prior month. There were 32 claims closed, and a lot of those claims were workers' compensation claims. Mr. Stokes expressed thanks to Kathy Kissane for working on closing those claims.

Joint Insurance Claims Committee's Best Practices Workshop is held by Conner Strong and Bucklew in their Marlton office. Robyn Walcoff explained this is the fourth year for the workshop for the Commissions. Members of all the Commissions get together with the TPA's, Risk Managers, and discuss what your best practices are. If anyone is interested in participating to help come up with topics, please contact Danielle Batchelor. Also, hold the date for October 6th. Commissioner Kessler noted that Michelle Leighton already asked her to participate on the committee to discuss the topics. Jim Ferguson noted he looks forward to Atlantic County being able to participate in the work shop, and if one of the topics develops to be about jail claims, Jim Dugan of Atlantic County has handled all of the County's jail claims with a high success rate.

Zurich has made environmental emergency response available for member entities. It is an emergency response line for leaks or spills that members can call to obtain guidance on how to handle the situation. Mr. Stokes noted it would be a good idea to send this information over to your emergency management departments. Rachel can provide a clean copy of the Zurich information if requested.

The 2016 renewals have gone out to the Risk Managers and County representatives. Mr. Stokes offered to come to the County offices to review the reports before they are sent out to the individual County departments for review. Mr. Stokes noted the reports can also be prepared in a paper format. Mr. Stokes requested the renewals be completed and returned by September 1st, for budget purposes.

There is an updated OPRA form with new contact information, new fax number, email and new main contact who is now Brad Stokes. Mary Lou Doner retired and Mr. Stokes offered his assistance in order to streamline the process. Ms. Walcoff pointed out that if anyone receives an OPRA request to send it in immediately since they only have seven days to respond.

Resolution 28-15 is for authorization of the continuance of contractual and claims payments and authorization for all professionals and the Commission Treasurer to process payments and expenses since there is no meeting in August. The payments can be ratified at the September meeting. Kathy Kissane asked if it would be acceptable for her to contact them for a phone conference if a situation develops where there is an emergency with workers' compensation or property claim and it cannot wait until September. Mr. Stokes confirmed that would be acceptable by either email or telephone conference call.

MOTION TO APPROVE RESOLUTION 28-15 AUTHORIZING THE CONTINUANCE OF CONTRACTUAL AND CLAIMS PAYMENTS AND AUTHORIZATION FOR ALL PROFESSIONALS AND THE COMMISSION TREASURER TO PROCESS PAYMENTS AND EXPENSES

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

CLAIMS SERVICES:

Danielle Batchelor, Esq. presented the claims services report. She noted the Claims Committee met prior to the Commission meeting. The agenda notes a closed session is only needed if there are questions on the PARS presented. It was agreed the PARS will be addressed further down on this agenda.

TREASURER: No report.

CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL:

Glenn Prince provided the safety report. They received a request for an additional Defensive Driver Course “DDC” and were able to secure Don Rubrecht for Monday’s presentation. The Safety Committee last met on April 10th and is scheduled to meet today following this meeting.

Commissioner Kessler asked if she could send a new supervisor to the DDC training on July 13th. Mr. Prince advised she could. Mr. Prince requested Commissioner Kessler to send him an email and he will forward it to the appropriate person in his office. Mr. Stokes pointed out, for example, if Cumberland County is having training, all Commission members can participate. Class schedules will be sent out in the future so members know when and where training is happening. Jim Ferguson noted the July 13th DDC training will be held in the Stillwater building at “the Bridge”.

MANAGED CARE – QUAL-LYNX:

Karen Beatty provided the claims services report today. Ms. Beatty reviewed the Cumulative Claims Summary report. There were 95 claims repriced in June with 66.5% savings and PPO penetration rate of 99.1%. So far this year we are at 66.1% savings with 98.6% PPO penetration rate. In the month of June the County had reported 23 claims, 6 claims for the ACUA, and no new claims for the ACIA. They have been consistent with the providers they are using.

CLAIMS SERVICES – QUAL-LYNX:

Kathy Kissane reported the Claims Committee met prior to the Commission meeting and reviewed six workers’ compensation PARS. The Committee voted to approve all the PARS as recommended. Ms. Kissane noted there could be a closed session if there were any questions on the PARS, and if not, asked for a Motion to approve the PARS as recommended during the Claims Committee meeting.

MOTION TO APPROVE THE PARS AS REVIEWED DURING THE CLAIMS COMMITTEE MEETING OF JULY 10, 2015

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

EXECUTIVE SESSION: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

PUBLIC COMMENT:

Commissioner Woods opened the meeting to public comment. Having heard nor seen any public comment the public session is closed. The next meeting will be held on September 11, 2015 at 11:00 A.M.

MOTION TO ADJOURN THE MEETING

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

MEETING ADJOURNED: 11:30 A.M.

Minutes prepared by: Chandra Anderson, Secretary