

ATLANTIC COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
MEETING – October 11, 2019  
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	Not Present
Michael Fedorko	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director PERMA Risk Management Services	<b>Brad Stokes</b>
---	--------------------

Claims Administrator	<u>Qual-Lynx</u> <b>Karen Beatty</b> <b>Katie Perry</b>
----------------------	---

<u>Conner Strong &amp; Buckelew</u> <b>Robyn Walcoff</b>
---

CEL Underwriting Manager	Conner Strong & Buckelew
--------------------------	--------------------------

Attorney	<b>James F. Ferguson</b>
----------	--------------------------

Treasurer	<b>Bonnie Lindaw</b>
-----------	----------------------

Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>
-----------------	---

Risk Management Consultant	Insurance Agencies, Inc. <b>Gene Siracusa</b>
----------------------------	--

Glenn Insurance <b>Michael Thomas</b>
--

**ALSO PRESENT:**

Rachel Chwastek, PERMA Risk Management Services  
Chandra Anderson, Atlantic County  
James Dugan, Atlantic County  
Ed Cooney, Conner, Strong & Buckelew (*by phone*)

**APPROVAL OF MINUTES: OPEN MINUTES OF SEPTEMBER 13, 2019.**

**MOTION TO APPROVE OPEN MINUTES OF SEPTEMBER 13, 2019.**

**Motion:** Commissioner Robbins  
**Second:** Commissioner Fedorko  
**Vote:** 4 Ayes

**CORRESPONDENCE:** None.

**EXECUTIVE DIRECTOR’S REPORT:**

Brad Stokes presented the Executive Director’s report.

**CERTIFICATE OF INSURANCE REPORT:** 32 certificates were issued from September 1, 2019 to October 1, 2019.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.**

**Motion:** Commissioner Woods  
**Second:** Commissioner Robbins  
**Vote:** 4 Ayes

The CEL met on September 26, 2019. The audit was approved. The budget will be introduced at the October 24, 2019 meeting and adopted on November 21, 2019.

The Financial Fast Track for two months, as of July 31, 2019 shows a \$4.7 million surplus and a \$4.8 million surplus for August. While 2015 is showing a surplus that will go down in light of recent PARS that were approved. The CEL’s Financial Fast Track for July 31, 2019 shows a surplus of \$18.9 million.

The Claims Activity Report shows one more claim open for the month of August. There were seven more workers’ comp and six less liability claims.

Ed Cooney, the underwriting manager, attended by phone. Mr. Cooney advised the CEL coverage committee discussed drones and working animals. There is liability coverage for the drones, but they want to offer additional coverage for physical damage to the drone up to their full property limit. Commissioner Kessler noted the ACUA drones and equipment are less than \$10,000. She wanted to know how much the coverage would cost. Mr. Stokes advised the coverage is included, there is no additional premium. The underwriter is the insurance commission and the CEL. Mike Thomas pointed out the County has a \$25,000 property deductible. The option is provided to lower the property deductible just for physical damage to drones to \$1,000. The Commission needs to determine if they want to self-insure these types of claims and pay out of pocket for each member or go through the Commission and have the Commission pay the claims. Jim noted if the deductible is lowered to \$1,000, then it makes sense to do it. The liability policy provides

coverage if the drone damages other's property. This coverage would be for physical damage to the drone. The Risk Management Plan would have to be amended.

The working animals would be the K-9's at the Sheriff's Office which are trained at the K-9 Academy. Commissioner Kessler asked how it would work for the ACUA and the ACIA since they do not have a need for the coverage? She noted there is no benefit for the ACUA, only harm because they would be paying those claims. Therefore, she is not in favor. Jim Ferguson noted the dog is treated as property. If one is lost there is cost to replace and train the dog. This is not health insurance. This is if the dog were injured in the line of duty. He will follow up with the Sheriff for the cost factors involved with the dogs and then we can analyze it going forward. No members have any other type of working animals. The working animal coverage was tabled.

**MOTION TO AMEND THE RISK MANAGEMENT PLAN TO LOWER THE INSURANCE COMMISSION DEDUCTIBLE FOR PHYSICAL PROPERTY DAMAGE SUBLIMIT ON DRONES TO \$1,000.**

**Motion: Commissioner Robbins**  
**Second: Commissioner Fedorko**  
**Vote: 4 Ayes**

The underwriters also issued a memorandum with regard to active shooter event coverage. Ed Cooney explained this coverage fills the gap between all the other insurance, liability, property damage, and workers' compensation. Following an active shooter event, there could be employee retraining costs, psychiatric counselling for employees and third parties, media costs, etc. They are going to have this quoted by an excess carrier this year for the entire CEL.

Commissioner Kessler stated that the OSHA regulations provide a duty to protect so the ACUA has all employees go through active shooter training. She wants to know if this policy requires the training. Mr. Stokes confirmed it does not. Commissioner Fedorko confirmed that all Atlantic County employees attend active shooter training.

The UIM/UM coverage are set at the statutory minimums of \$15,000. Ed Cooney provided an explanation that it follows federal and state statutes. The minimum required is 15/30. Every county they work with in the state has passed a resolution indicating they would only carry the statutory minimum required. He explained that if your employee is injured in an accident and the other party is either uninsured or underinsured, your employee will be compensated under workers' compensation coverage. Kathy Kissane noted that the plaintiff's counsel sends a letter to Qual-Lynx requesting a copy of the declaration page showing the UM/UIM limits so they can determine if they are going to pursue a claim. Mike Thomas commented that he is seeing the lower limits on the UM/UIM coverage in the private sector as well. Jim Dugan and Kathy Kissane commented that it would be helpful to have a declaration page we can send when requested which clearly states what our coverage limits are, including UM/UIM.

The 2020 renewal is approaching. The budget process relies on the renewal applications, and it was requested that the renewals are completed as soon as possible.

Best Practices workshop is scheduled for October 30<sup>th</sup> in the new Camden office. Robyn Walcoff reported they have a great line up of speakers. Topics include recent developments in workers' compensation, the new sexual molestation statute of limitations and how the CEL plans on handling claims, and Title 59.

Commissioner Kessler asked whether the cyber minimum proficiency paperwork that was distributed at the CEL meeting was mandatory. Mr. Stokes explained that has not been formally adopted by the CEL. It is an incentive program under the MEL. On the municipal side your deductible is reduced if you have those measures in place. The CEL might look into it and it will be discussed further during the Claims Coverage Committee meetings. They will be discussing a Cyber Task Force.

Ms. Walcoff discussed claims made and reported policies. It is important to report claims in the same policy year so coverage can apply. She requested the members check with their departments for any claims that may not have been reported before the end of the year.

Mr. Stokes reported that he recently attended an inspection at the ACUA main treatment plant. Zurich is conducting inspections of the larger properties covered. He complimented the ACUA on how clean and well run the facility is.

Our next meeting is December 13, 2019. Mr. Stokes concluded his report.

Commissioner Kessler asked a question about the 2015 year financials. Since 2015 is going into a deficit she wanted to know if those claims will begin to be paid out of other fund years and if the 2015 will continue to show an increased deficit. Mr. Stokes explained that the total surplus is the number to watch. If that number is down significantly, then it is possible the assessment amount could go up. He also noted that he has seen other commissions go through the up and down with financials and they usually even out. Commissioner Kessler asked Commissioner Woods if the claims were increasing for each year from 2015 to 2019. Commissioner Woods explained that the number of claims filed are decreasing. She also explained that it's not how many claims you have, but the severity of those claims that are going to affect your financials. Mr. Stokes requested Ms. Kissane to prepare a report of the top ten claims to review and discuss at the next meeting. Mr. Stokes stated that the financials our commission has are very good. Other commissions do not have such good numbers. Ms. Walcoff noted she could use Origami to take a look at claims and see what the driver is for each year and perhaps adjustments can be made to avoid those types of claims.

#### **CLAIMS SERVICES:**

Robin Walcoff's report was included in the Executive Director's report.

#### **TREASURER:**

Bonnie Lindaw presented the Treasurer's report. The insurance commission admin account has a balance of \$6,960,141.81. There are \$115,752 in outstanding checks in the workers' comp account, and we earned \$801.84 in interest year to date. The general liability bank account has \$7,840.75 in outstanding checks and interest earned of \$193.32. Most of the outstanding checks are less than 90 days old. There are a few that are older which she will be looking into. Resolution 18-19 is the October bills list and all payments are in line with budget. The total amount we are paying is \$202,962.50 all from the current fiscal year budget. She recommends issuing payment. There were no questions.

#### **MOTION TO APPROVE RESOLUTION 18-19 THE OCTOBER BILLS LIST.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Fedorko  
**Roll Call:** 4 Ayes

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

Glenn Prince of JA Montgomery presented the safety report. The safety director’s report is on page 23 and provides the service activities performed in the months of September and October. All training was scheduled through October 24<sup>th</sup>. The safety committee last met on September 13, 2019 and is scheduled to meet again on December 13, 2019. There is a conference call scheduled with the Brit Safety Grant Committee to review and discuss all the safety grant submissions for 2019. Mr. Prince and Mike Thomas will work together to review the submissions going forward to make sure they meet the criteria established by the Brit.

Commissioner Kessler asked about CDL reasonable suspicion training on October 15, 2019 and where it was being held. Mr. Prince indicated he would find out and let her know.

**MANAGED CARE – QUAL-LYNX:**

Karen Beatty presented the managed care report. The Cumulative Summary shows savings for the year are at 68.4% and \$2.1 million. The intake reporting shows that to date there were 17 new claims from the County and 12 new claims from the ACUA. Year to date 309 claims were reported, 191 from the County, 117 from the ACUA, and one from the ACIA.

**CLAIMS SERVICES – QUAL-LYNX:**

The Claims Committee met prior to the Commission meeting and reviewed 4 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 OCTOBER 11, 2019.**

**Motion:** Commissioner Woods  
**Second:** Commissioner Robbins  
**Vote:** 4 Ayes

**RISK MANAGER’S REPORT:**

Gene Siracusa presented the Risk Manager’s report. The Risk Managers reviewed various claims summaries of County claims and the ACIA’s month end loss summary. Various insurance requirements were reviewed for County projects including the reconstruction of Jimmie Leeds Road, the replacement of the Cotton Mill Bridge in Hamilton Township and the Lake Lenape Catering Hall. They reviewed loss control reports and Safety Director Bulletins. Renewal applications for the ACIA and County entity members were reviewed and processed.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

**PUBLIC COMMENT:** None. The public session is closed. There is no meeting in November. The next meeting will be held on December 13, 2019 at 11:00 A.M.

**MOTION TO ADJOURN THE MEETING.**

**Motion:** Commissioner Fedorko  
**Second:** Commissioner Robbins  
**Vote:** 4 Ayes

**MEETING ADJOURNED: 11:40 A.M.**

Minutes prepared by: Chandra Anderson, Secretary