

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – December 9, 2022 at 11:00 A.M.
Atlantic County Board of County Commissioners’ Meeting Room
Stillwater Building, 201 Shore Road, Northfield, New Jersey

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

PLEDGE OF ALLEGIANCE

ROLL CALL OF COMMISSIONERS:

Jacqueline Woods	Absent
Tammi Robbins	Present
Janette Kessler	Present
John Lamey	Absent
Michael Fedorko	Present

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services	Brad Stokes
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Claims Administrator	<u>Qual-Lynx</u> Karen Beatty Kathy Kissane
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	<u>PERMA Claims</u> Jennifer Davis
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CEL Underwriting Manager	Conner Strong & Buckelew
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Attorney	James F. Ferguson
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Treasurer	Bonnie Lindaw
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Safety Director	J.A. Montgomery Risk Control Glenn Prince
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Risk Management Consultant	Brown & Brown Insurance Bob Gemmell
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ALSO PRESENT:

Karen Read, PERMA Risk Management Services
Tim Edmunds, ACIA
Joseph Hrubash, PERMA (by phone)

APPROVAL OF MINUTES: OPEN MINUTES OF OCTOBER 14, 2022.

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 14, 2022.

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

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT: Brad Stokes presented the Executive Director's report. The 2023 budget was introduced. There was a meeting earlier in the week to discuss options. The lower loss funds provided by actuary for the property, auto liability and general liability and keeps the moderate loss funds for the workers' comp, which is where we are seeing the most losses. The actuary loss funds show workers' compensation as the highest at over 8%. The CEL premium is at 10%. Joe Hrubash reviewed the finance committee meetings. The underwriters have reported that the property market is in a very hard market and is driven by their reinsurers who are looking for huge increases. The CEL may have to take on a higher retention. They need the actuary to factor in those numbers and see what the CEL Commissioners want to do. They may absorb the increase. The finance committee is going to request delaying the budget adoption for early January, that way all work will be complete and there will be no surprises. Hopefully our Commission's budget will look better once the CEL budget is adopted. With this continuing hard market, we are better together than we are separate.

Commissioner Kessler asked if there is any anticipated reduction in limits or increased retentions? Mr. Hrubash said that isn't clear at this time, however, there may be some sub limits on property that may be affected, but it shouldn't impact our individual members. Increasing retention from \$2 million to \$2.5 million and rate increases would be involved.

On a good note, they were able to get sewer back up back into the program. Commissioner Kessler was pleased.

The dividends are also available this year, which can be taken as a credit and would reduce the increase.

Ancillary coverages outside the Commission such as med/mal is over 17.5%. Cyber is 16%. On the municipal side they are over 100%. The MEL has a great program just for cyber, it provides employee awareness and training. They use a cyber security expert, Chertoff group, who has done great work on the MEL side.

The 2023 budget has a 7.71% increase on average for a total of \$9,378,257.

Commissioner Kessler asked if we anticipate keeping the same limits, and Mr. Hrubash indicated they did not anticipate increases.

MOTION TO INTRODUCE THE 2023 BUDGET AND SCHEDULE THE PUBLIC HEARING ON JANUARY 13, 2023.

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

CERTIFICATES OF INSURANCE: There were six certificates issued for the period of October 1, 2022 through December 1, 2022.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.

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

The CEL and finance committees were very busy during the months of October and November. Their reports are attached to the agenda. The October 17, 2022 finance report shows the effects of the increase and describes the factors affecting the budget.

The Fund's financial fast track for September has an increase. The third quarter actuary report where the IBNR has a substantial increase of over \$650,000. There is a deficit of \$126,000.

The CEL's financial fast track from August shows a \$15.1 million surplus and \$11.4 million in cash.

Claims activity report shows August had two more open claims. September had 28 more claims with 21 being workers' compensation claims. October to date has 34 more open claims. Kathy Kissane reported they would be doing a review of the claims, as of now most are medical only claims. One of the claims involves two employees that were injured as a result of a motor vehicle accident that was not their fault. They will be looking at the claims again in January.

CLAIMS SERVICES: Jennifer Davis presented the claims services report. Mandatory year end claims reporting from the members are due. Please report your claims early because they have to be set up and reported by Qual-Lynx. They need enough time to report the claims timely.

TREASURER: Bonnie Lindaw presented the Treasurer's report. There were various entries on the December bills list for corrections from prior fund years. 2020 had a voided check for being issued in the wrong fund year and the check was reissued in the 2021 fund year. 2022 had a voided check which was not approved to Safetyserve. There were also payments to PERMA for postage and the ACUA for their Wellness Grant. The net payments were \$807.66.

The admin account for end of November has a balance of \$9,246,132.82 with outstanding checks of \$12,815.00, and interest earned of \$81,144.88. The general liability account has outstanding checks of \$25,902.60 and interest earned of \$148.88. The workers' comp account has \$168,408.65 in outstanding checks and interest of \$1,362.15. The workers' comp and general liability accounts are flow through accounts so there is not a big balance to earn interest.

MOTION TO APPROVE RESOLUTION 25-22 THE DECEMBER BILLS LIST.

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

Commissioner Kessler expressed thanks for the Wellness Grant. It was a good event attended by Glenn Prince who was there for safety. They had vendors providing wellness information to employees and a barbeque.

CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL: Glenn Prince of JA Montgomery presented the safety report for October through December. The media library and online streaming services remain available. December training is only through December 15, 2022. All training through January 31, 2023 have been listed on the website NJCE.org. Safety Committee will have its final meeting of the year on December 9, 2022 and will discuss the 2023 meeting schedule.

MANAGED CARE – QUAL-LYNX: Karen Beatty presented the claims services report. There were savings of 69% which is \$3,679,000, with 94% of bills were in network. There are 329 claims for the year with 45 COVID claims.

RISK MANAGER’S REPORT: Bob Gemmell presented the Risk Management report. The report covers all risk management activities which includes review of claims, coverages, certificates, and contracts. He is finalizing all of the renewal information, with one outstanding item left. He commended the entire CEL team on their negotiations on the renewal.

CLAIMS SERVICES – QUAL-LYNX: Kathy Kissane reported the Claims Committee met prior to the Commission meeting and reviewed 18 PARS. The PARS were reviewed and recommended for approval by the Committee. Unless there are any other questions which would require a closed session, she requested a motion for approval of the PARS as reviewed and recommended by the Claims Committee, and authorize County Counsel to execute the releases.

MOTION TO APPROVE THE 18 PARS AS REVIEWED AND APPROVED DURING THE CLAIMS COMMITTEE MEETING OF DECEMBER 9, 2022 AND AUTHORIZING COUNTY COUNSEL TO EXECUTE RELEASES.

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

OLD BUSINESS: None.

NEW BUSINESS: Jim Ferguson introduced Tim Edmunds who is the new Executive Director for the ACIA. John Lamey is retiring and Mr. Edmunds will be taking the alternate commissioner position. Once the Board of County Commissioners approves of the appointment he will be sworn in. Alan Cohen will be taking Jim’s place while he is out on medical leave.

PUBLIC COMMENT: None.

Commissioner Robbins opened the meeting to public comment. Having heard no public comment the public session is closed. The next meeting is scheduled for January 13, 2023 at 11:00 A.M. Happy Holidays!

MOTION TO ADJOURN THE MEETING.

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

MEETING ADJOURNED: 11:25 A.M.
Minutes prepared by: Chandra Anderson, Secretary