

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES

MEETING – December 11, 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
Joseph Girallo	Present
Geraldine Cohen	Present

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services	Brad Stokes
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Claims Administrator	<u>Qual-Lynx</u> Kathy Kissane Karen Beatty
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Conner Strong & Buckelew
Danielle Batchelor
Michelle Leighton

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	Insurance Agencies, Inc. Michael Ridge J. Eugene Siracusa
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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 NOVEMBER 13, 2015 AND THE SPECIAL MEETING OF DECEMBER 1, 2015

MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 13, 2015 AND DECEMBER 1, 2015.

Motion: **Commissioner Kessler**
Second: **Commissioner Robbins**
Vote: **3 Ayes, 0 Nayes**

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT:

Executive Director Brad Stokes presented the Executive Director's report. He begins with the introduction of the 2016 Property & Casualty Budget. The budget workshop was held on December 1, 2015 where various options were presented and discussed. The approved version of the budget was emailed on December 10, 2015. On the claims and appropriations side there is an increase on the property line. This is the County's election to proceed with a reduction of the SIR for auto physical damage from \$100,000 to \$5,000. This is on the County's side of things, so the other entities are not affected by this increase. Increase overall for the claims side is 2.78%.

On the CEL premiums, there was an increase of 2.99%. Expense, Fees & Contingency, lines 20 and 21, show decreases which reflect the actual contract numbers submitted by those professionals. The miscellaneous expense was reduced down to \$15,000. Overall there is a 7.96% decrease for expenses and contingency as indicated on line 28. The ancillary coverages (lines 33 through 42) have some modest increases. Line 41 shows an additional \$10 million of flood coverage. An addition is the aviation coverage which could come into play for some of the entities. Commissioner Kessler questioned what the actual policy is for the Aviation coverage as she has not seen any policy information on it. She also mentioned that the ACUA, while they have completed the requested application, does not have any exposure in this area. Mr. Stokes advised the policy will be available in 2016 when it comes into effect and the member entity will be covered if the entity hires someone to work for them who uses a drone. Overall the ACUA has declined this coverage. Mr. Stokes advised that once the policy information is available from Ed Scioli he will send it out to everyone.

The total budget for 2016 is \$8,020,655, which is an increase of 2.06%. The proposed assessments by line of coverage for each agency are on the following page. Also provided is a sheet showing the percent difference for each agency and how it's reflected. Mr. Stokes indicated that a further breakdown of the assessments per entity will be forwarded at a later date. There were no questions offered with regard to the 2016 budget.

MOTION TO APPROVE THE 2016 PROPERTY AND CASUALTY BUDGET AND SCHEDULE THE PUBLIC HEARING ON JANUARY 8, 2016.

Motion: **Commissioner Robbins**
Second: **Commissioner Woods**
Vote: **3 Ayes, 0 Nayes**

CERTIFICATE OF INSURANCE ISSUANCE REPORT:

Mr. Stokes reported there were four Certificates of Insurance issued during the period of November 1, 2015 through December 6, 2015.

Commissioner Kessler asked about the 2016 Certificates of Insurance. She has some vendors already requesting updated certificates. Rachel Chwastek will be sending a list out on Monday, December 14 of all certificate holders which can be used to determine which vendors will need updated certificates for 2016.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.

Motion: **Commissioner Kessler**
Second: **Commissioner Robbins**
Vote: **3 Ayes, 0 Nayes**

Mr. Stokes reported the CEL met on November 19, 2015 which was a conference call to approve the budget. The CEL also approved dividends for Camden and Gloucester Counties for fund year 2010. The dividend was about \$150,000. This is a milestone as dividends do not happen all the time. It will take several years for our fund to get there.

The CEL is always looking to join other Counties. Mr. Stokes doesn't believe there is anything imminent for January 1st, but they are always looking to expand the program.

The financial fast track of our Commission shows that as of September 30, 2015 there is a surplus of \$708,038, total cash is \$1,929,211, and continues to trend well.

The CEL's financial fast track as of September 30, 2015 shows a surplus of over \$5.1 million, which is due to negative reserve changes of \$480,159.

There is a handout to replace page six, the Claim Activity Report. The report shows a gain of six new property claims and seven less general liability claims. Kathy Kissane explained that of the six new property claims, one claim is already closed, another is set to close by the end of the month, and the other four are open County property claims where they are pursuing subrogation where other vehicles struck County vehicles.

Mr. Stokes indicated auto identification cards had been sent out, but members advised that cards had not been received yet. He indicated he would look into that. He was under the impression the cards were to be sent out the week before.

Mr. Stokes welcomed Commissioners Joseph Giralo and Geraldine Cohen as Alternate Commissioners. He wished everyone a nice holiday season and concluded his report.

Bonnie Lindaw asked Mr. Stokes if he would also provide a breakdown of the budget by entity for 2015 in addition to 2016. He indicated he would do so.

CLAIMS SERVICES:

Danielle Batchelor directed attention to the November 13, 2015 memo to Fund Commissioners with regard to timely reporting of claims as the end of the year is quickly approaching. She wanted to remind everyone to make sure all claims are reported as quickly as possible so they can get the information to the carriers before year end and the expiration of the policies.

Commissioner Kessler advised that she has a couple of matters that have not become actual claims yet, which she thought should be reported. Ms. Batchelor advised Commissioner Kessler to send a report on the circumstances to her attention and she will have the matters submitted.

TREASURER: No report.

CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL:

Glenn Prince presented the safety report which includes all activities from November to December. The next Safety Committee Meeting will be held on January 8, 2016. He is planning to present a Power Point presentation on work zone safety, job site assessments, job site observations, along with tool box talks. It will be informative for all committee members to see what we can do to enhance our safety program. Mr. Prince advised he has been getting requests about active shooter training. They do not provide that type of training, but does recommend the *Run, Hide and Fight Video* developed and provided by the F.B.I. with the assistance of the Department of Homeland Security. This video is available online through a variety of websites, including You Tube. Another video available is about nine minutes long and was put together by the L.A. County Sheriff's Office in California. That video can be accessed through activeshooter.lasd.org. Mr. Prince will send an email out with this information. He also recommended engaging conversations with local law enforcement officials to see what training is provided by the local Sheriff's Department or Prosecutor's Office. He noted that Active Shooter Training is more specific to your particular building. The videos will provide basic tips, but the actual work place needs to be taken into consideration for proper training of employees.

Commissioner Kessler pointed out that the ACUA is doing Active Shooter Training and how to respond in January. She has all the links from the Department of Homeland Security which she can share with anyone who is interested.

Commissioner Woods advised that Atlantic County's Human Resources department is looking into scheduling an update for the Active Shooter Training which has been provided in the past.

Mr. Prince noted they have an individual who travels around to some of the municipal JIF's and provides that training which he will forward to Commissioner Woods.

MANAGED CARE – QUAL-LYNX:

Karen Beatty presented the claims services report. The Managed Care Summary report shows for the month of November 2015 there was 60.1% overall savings with 97.3% PPO penetration rate. Pages 13, 14, and 15 show the individual entities' cumulative claims summaries separately. There were three out of network claims which were all emergency room physicians. The intake report shows there were 13 claims for the County, four for the Utility Authority, and no new ones for the Improvement Authority.

There were a total of 17 new claims. Page 12 shows the breakdown of the top 10 providers by specialty which really have not changed from month to month. That concludes her report and she wished everyone a very happy and healthy holiday season.

CLAIMS SERVICES – QUAL-LYNX:

Kathy Kissane reported the Claims Committee met prior to the Commission meeting and reviewed four PARS. There was one PAR which necessitated a conflict and required some individuals to recuse themselves, so the motion will be broken down into two parts. The first motion requested is for the PARS which have no conflicts and the Committee voted to approve the PARS as recommended. They are for file numbers Z21834, Z20956, and Z24390.

MOTION TO APPROVE THE PARS AS REVIEWED DURING THE CLAIMS COMMITTEE MEETING OF DECEMBER 11, 2015 FOR CLAIM NUMBERS Z21834, Z20956, Z24390.

Motion: **Commissioner Kessler**
Second: **Commissioner Robbins**
Vote: **2 Ayes, 0 Nayes**
 Commissioner Woods Recused

Ms. Kissane advised the second motion requested is for the conflict PAR which the Claims Committee voted to approve as recommended. This is for file number Z22490.

MOTION TO APPROVE THE PAR AS REVIEWED DURING THE CLAIMS COMMITTEE MEETING OF DECEMBER 11, 2015 FOR CLAIM NUMBER Z22490.

Motion: **Commissioner Kessler**
Second: **Commissioner Cohen**
Vote: **3 Ayes, 0 Nayes**
 Commissioner Giraldo Aye
 Commissioner Woods Recused
 Commissioner Robbins Recused

EXECUTIVE SESSION: None.

OLD BUSINESS: None.

NEW BUSINESS: Mr. Stokes advised he heard from Cathy Dodd who advised the auto identification cards would be issued on Monday, December 14.

Commissioner Kessler asked whether the EPL claims should be discussed and put on the record. Qual-Lynx gave a proposal for \$900 per claim and the ACUA is on board with this proposal. Mr. Ferguson asked Kathy Kissane to address this as there was some question as to whether these claims were included in the original proposal. Ms. Kissane advised those claims were not included, and are an ancillary coverage which would go to the different carrier, and there was a question because of the retentions the members had as to who was going to handle that retention. She has had discussions with Mr. Stokes as to how that would move forward. Mr. Stokes asked for confirmation the EPL claims were not included in the original proposal, and Ms. Kissane confirmed. Commissioner Kessler noted the current quote is for \$900 per claim, cradle to grave, for the EPL/POL claims. Mr. Ferguson advised this was discussed

during the County's internal insurance committee meeting and the rate was found to be fair and reasonable. The reasoning behind this is when the County joined the JIF the County disbanded the Office of R.I.S.C., so currently there is no liability claims investigators on staff.

Ms. Kissane advised that she would like to follow up after the meeting with regard to setting up financing for the claims. Discussions need to be had with regard to billing member entities directly, what about investigation costs, how to obtain reports, and if a case goes into suit how to pay the defense attorney. Commissioner Kessler noted all that was discussed at the internal meeting, but they are still not sure exactly how to proceed yet. Michelle Leighton noted special coding should be used for these claims as the CEL will want to have those loss aggregate numbers separated out and not mixed in with claim totals. Ms. Kissane will coordinate with Ms. Leighton to further discuss how to handle these types of claims.

Commissioner Robbins asked Ms. Kissane to explain the line item in the fee proposal entitled "police professional liability", how is that claim handling different from EPLI. Ms. Kissane explained that EPLI is not a general liability claim and is a different line of coverage. Police professional are handled under general liability line of coverage because there is bodily injury, property damage and then police professional. Ms. Kissane indicated she would be happy to further discuss Qual-Lynx's contract in closed session with those members affected.

Commissioner Kessler asked about getting a copy of the actuary report. Mr. Stokes noted that once the year is complete the actuary will issue the annual report. The actuary can be invited to a meeting in April or May.

PUBLIC COMMENT:

Commissioner Woods opened the meeting to public comment. Having heard nor seen any public comment the public session is closed. Commissioner Woods welcomed Joseph Giralo and Geraldine Cohen as Alternate Commissioners. The next meeting will be held on January 8, 2016 at 11:00 A.M.

MOTION TO ADJOURN THE MEETING.

Motion: **Commissioner Kessler**
Second: **Commissioner Robbins**
Vote: **3 Ayes, 0 Nayes**

MEETING ADJOURNED: 11:25 A.M.

Minutes prepared by: Chandra Anderson, Secretary