

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – December 14, 2018
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	Present

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services	Brad Stokes
Claims Administrator	<u>Qual-Lynx</u> Karen Beatty Kathy Kissane
	<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
	Glenn Insurance Michael Thomas

ALSO PRESENT:

Rachel Chwastek, PERMA Risk Management Services
James T. Dugan, Atlantic County
Angeliere Hurt, Atlantic County
Chandra Anderson, Atlantic County

APPROVAL OF MINUTES: OPEN MINUTES OF OCTOBER 12, 2018.

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 12, 2018.

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

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT:

Brad Stokes presented the Executive Director's report. The proposed 2019 budget was introduced. The actuary reduced the Fund's loss funds. The CEL premium went up due to three reasons. The property self-insured retention is increasing from \$100,000 to \$250,000. The CEL will be picking up and covering the excess of our \$100,000 retention. This is an increase of \$500,000 in the CEL for the loss funds. The CEL will also be funding the handling of all property claims. They will be going out for a TPA where they will be covering claims from first dollar. That will be an increase of about \$130,000. The CEL is also funding the addition of the new Risk Management Information System (RIMS) for data collection. It is anticipated that the new software would be available for the next renewal. These are all driving the CEL increase.

Expenses, fees and contingencies. There will be no increase for the professionals. There is a slight increase for the pollution coverage. The total 2019 proposed budget is \$7,987,916. Commissioner Woods pointed out a discrepancy with regard to the auditor amount. Mr. Stokes will address that with the auditor.

The proposed 2019 assessments were also presented. There were a few increases for payroll. Michael Ridge asked if the Improvement Authority number was accurate with the additional building, and Mr. Stokes confirmed it would be added with the third quarter billing. Otherwise, there were no other questions.

MOTION TO INTRODUCE THE 2019 BUDGET AND SCHEDULE THE PUBLIC HEARING ON JANUARY 11, 2019 AT 11:00 A.M. AT THE STILLWATER BUILDING.

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT:

The report shows 8 certificates were issued from October 1, 2018 through December 3, 2018.

MOTION TO APPROVE CERTIFICATE OF INSURANCE ISSUANCE REPORT.

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

The CEL met on November 15, 2018 and adopted the 2019 budget. They also passed a resolution reaffirming membership offers for Monmouth and Essex Counties. The CEL is scheduled to meet on February 22, 2019 for reorganization.

The Insurance Commission financial fast track as of August 31, 2018 showed the Commission’s statutory surplus at \$5.8 million and the September 30, 2018 shows the Commission’s statutory surplus at \$4.8 million. The decrease is due to reserve changes and approvals of PARS over the summer. Kathy Kissane also noted that the Commission is now going into its fifth year and will be starting to see reopeners from the 2015 and 2016 years.

The CEL financial fast track report as of September 30, 2018, shows a surplus of approximately \$14.4 million.

The Claims Activity Report for September and October 2018 show some workers’ compensation and auto liability claims were closed.

Michael Cusak reminded the Commission that the “claims made policies”; public officials, EPLI, cyber, medical professional, crime and pollution are expiring December 31st. Please reach out to department heads to make sure there are no known issues that may develop into a claim. They need to be reported in the year they arise. Mike Thomas asked if there would be any carrier changes going into the renewal cycle. Mr. Cusak advised no, however, the pollution carrier is being discussed, but no changes have been made.

The new Alternate Commissioner, Michael Fedorko, will be at the next meeting to be sworn in.

Happy Holidays.

CLAIMS SERVICES:

Michael Cusak reported the Claims Committee met prior to the Commission meeting and approved the PARS as presented with a modification to one claim.

TREASURER:

Bonnie Lindaw presented Resolution 22-18 the December bills list which has one payment for the 2017 audit. The total is \$6,475.00. Ms. Lindaw reported the change in banks from Wells Fargo to Investors Bank was progressing smoothly. She has new signature cards that she needs to have signed by the Commissioners today. She also reported that the Commission admin account has \$5,818,576.96. The general liability account has outstanding checks in the amount of \$3,097.00. The Commission workers’ compensation account has outstanding checks totaling \$73,077.53.

MOTION TO APPROVE RESOLUTION 22-18 THE DECEMBER 2018 BILLS LIST.

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

CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL:

Glenn Prince of JA Montgomery presented the safety report. The Safety Director's report covers risk control services for October through December. He provided a media library update replacing tapes and getting more DVD's.

The Safety Committee met on September 14, 2018 and will meet again today right after the Commission meeting.

MANAGED CARE – QUAL-LYNX:

Karen Beatty presented the claim services report for October and November. The Cumulative Summary report shows 62.5% savings for October and November. Savings so far this year are at \$1.3 million. The intake reporting shows that for the month of October there were 22 new claims, and November had 18 new claims reported. Year to date has 277 claims reported.

Happy Holidays.

CLAIMS SERVICES – QUAL-LYNX:

Kathy Kissane reported the Claims Committee met prior to the Commission meeting and reviewed 17 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 with an amendment to one PAR and the recusal of Ms. Kessler from another PAR as recommended by the Claims Committee. Mr. Dugan asked what needed to be done about the two emergent PARS from the prior month. It was explained that the two emergent PARS were included and, therefore, ratified in the Claims Committee discussion today.

Happy Holidays.

MOTION TO APPROVE THE PARS AS REVIEWED DURING THE CLAIMS COMMITTEE MEETING OF DECEMBER 14, 2018.

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

RISK MANAGER'S REPORT:

Mike Thomas presented the Risk Manager's report for the past two months. He noted that on an ongoing basis they review claims and other correspondence. They also review the Certificates of Insurance that are issued for users of facilities and contractors working throughout the County.

Happy Holidays.

OLD BUSINESS: None.

NEW BUSINESS: None.

PUBLIC COMMENT:

Commissioner Woods opened the meeting to public comment. Having neither heard nor seen any public comment the public session is closed. The next meeting will be held on January 11, 2019 at 11:00 A.M.

Happy Holidays.

MOTION TO ADJOURN THE MEETING.

Motion: Commissioner Robbins

Second: Commissioner Kessler

Vote: 3 Ayes

MEETING ADJOURNED: 11:20 A.M.

Minutes prepared by: Chandra Anderson, Secretary