

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – May 12, 2017
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
Geraldine Cohen	Not Present

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services	Brad Stokes
Claims Administrator	<u>Qual-Lynx</u> Karen Beatty Kathy Kissane Claudia Acosta
	<u>Conner Strong & Buckelew</u> Danielle Batchelor
CEL Underwriting Manager	Conner Strong & Buckelew
Attorney	James F. Ferguson
Treasurer	Julie Sharkey for Bonnie Lindaw
Safety Director	J.A. Montgomery Risk Control Glenn Prince
Risk Management Consultant	Insurance Agencies, Inc. Michael Ridge
	Glenn Insurance Michael Thomas (not present)

ALSO PRESENT:

Eric Bause, Actuarial Advantage
James T. Dugan, Atlantic County
Rachel Chwastek, PERMA Risk Management Services
Chandra Anderson, Atlantic County

APPROVAL OF MINUTES: OPEN MINUTES OF APRIL 7, 2017.

MOTION TO APPROVE OPEN MINUTES OF APRIL 7, 2017.

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

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT:

Brad Stokes presented the Executive Director's report.

CERTIFICATE OF INSURANCE ISSUANCE REPORT: 14 certificates were issued from March 1, 2017 to March 31, 2017.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.

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

The last CEL meeting was April 27, 2017. Contracts were awarded to Citta, Holzapfel & Zabarsky for litigation management services and Bowman & Company for audit services. The newly formed Coverage Committee met on May 1, 2017. Pages 8-10 are the agenda items discussed. The frequency and types of cyber-attacks were reviewed. Commissioner Kessler was elected as Chair of the Committee. Commissioner Kessler noted the meeting went well, goals were discussed for the next renewal and thereafter. The committee will meet quarterly. Mr. Stokes noted that the JIF has been using this type of committee for years and it is very helpful.

The Insurance Commission financial fast track as of March 31, 2017 shows the Commission's statutory surplus at \$3.8 million. There was a slight deficit for January, which is typical, and it corrected itself for the March report which shows a surplus of over \$500,000. Overall the Commission has a surplus of \$4.9 million, which is trending very well.

The CEL financial fast track report as of March 31, 2017, shows a surplus of \$7.4 million, which is overall sound financial shape for the CEL.

Claims Activity Report shows the claims activity for March with 8 new claims. Kathy Kissane noted the lack of snow and ice storms this winter helped keep the claim numbers down.

The County's list for property appraisals was received and forwarded to Asset Works. Mr. Stokes requested Asset Works to separate the appraisals by entity.

Renewal information should be coming out of PERMA in the next couple of months.

Eric Bause from Actuarial Advantage reviewed the report of Fund Year 2016. The purpose of the report is to provide the IBNR reserve. IBNR means incurred (claims you know about and case reserves as established by the adjusters) but not reported (claims that are out there but have not been reported yet). This also includes the potential for closed cases to reopen. The IBNR reserve and the case reserves are the primary liabilities that are folded into the financial statements. They are item #2 on the financial fast track reports.

There is an entry for discounted claim value. This recognizes the case reserves being held to pay out losses today are not going to be paid out today, they are going to be paid out over time. So this discounting recognizes the time value of money and the interest to be earned on those reserves from now until the balance is paid out. Julie Sharkey asked what the discounted rate was and Mr. Bause advised it is 1%.

Mr. Stokes asked where our Commission stands as compared to others. Mr. Bause noted the first couple of years can be difficult, however, the first and second years for our Commission were good. The loss ratio for all lines of coverage for the first quarter of 2017 is 62.1%, for fund year 2016 it was 50.7%, and for fund year 2015 it was 68.1%. Kathy Kissane noted that the Atlantic County Judges move the Workers' Compensation docket rather quickly and a lot of the Claim Petitions from the 2015 year are already going to settlement. She complemented the Commission, noting that whenever they have to call the entities for information it is immediately supplied. She also noted that the transitional duty programs in place for all of the entities are very helpful in keeping the numbers down.

Union County is looking to form their own Commission and join the CELJIF. Mr. Stokes noted that Jim Ferguson was able to respond to a reference inquiry from Union County. Mr. Ferguson noted they are seriously looking at the program.

CLAIMS SERVICES: The Claim Services report was presented by Danielle Batchelor, Esquire. She noted the Best Practices Workshop will be held in October. Discussions have already begun regarding topics to cover. So far it has been determined that cyber will be a covered topic. If there is any topic of interest she encouraged everyone to send her an email. They will be forming an investigatory committee to review topics for discussion.

TREASURER:

Julie Sharkey presented Resolution 15-17, the May bills list. Julie asked for an explanation of the 2016 payment to Qual-Lynx. Mr. Stokes explained that the Commission previously agreed that when the County reduced the property deductible from a \$100,000 to \$5,000 it increased the amount of claims that Qual-Lynx would be handling for the County. \$6,000 is the fee Qual-Lynx had proposed for handling of these claims and the Commission agreed to the amount. Qual-Lynx did not previously bill for the 2016 handling of the claims. The 2017 fee will be billed later.

The bills list includes one payment from Fund Year 2016 to Qual-Lynx in the total amount of \$6,000 and payments from Fund Year 2017 include second quarter professional services, the BRIT Safety Grant reimbursement for the Utilities Authority, and the actuarial fee. The total payments from Fund Year 2017 total \$209,915.60.

MOTION TO APPROVE RESOLUTION 15-17 THE MAY BILLS LIST.

Motion: Commissioner Kessler
Second: Commissioner Robbins
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 safety activities for April through May. He provided a Safety Director Bulletin for comprehensive playground inspections, a checklist and reporting deficiencies which will be forwarded to Adam Witcraft. The July Safety Committee meeting was cancelled. The next meeting will be October 13, 2017. He has been communicating with Capt. Kelsey at the Atlantic County Justice Facility about the BRIT Safety Grant for 2017. The Jail is looking to update the body cameras they use. He is waiting for a list of what models they want and the pricing so it can be submitted to BRIT for approval.

MANAGED CARE – QUAL-LYNX:

Karen Beatty presented the claims services report. The cumulative claims summary shows savings for the month of April at 62.8%. Savings for the year are at 65.4% which represents savings of \$687,063.51.

There were 19 claims reported for the month of April, 15 for the County and 4 for the Utilities Authority. There were zero claims for the Improvement Authority.

CLAIMS SERVICES – QUAL-LYNX:

Kathy Kissane reported that Claudia Acosta is a new account manager who will be taking over handling of the Commission. The Claims Committee met prior to the Commission meeting and reviewed 9 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.

Commissioner Kessler asked whether arrangements were being made for coverage when Katie Perry goes out on maternity leave. Ms. Kissane advised they have a floater in another office that they can bring in. Commissioner Woods noted that she has reached out to Kim in Katie’s absence previously and Kim was very helpful.

MOTION TO APPROVE THE PARS AS REVIEWED DURING THE CLAIMS COMMITTEE MEETING OF MAY 12, 2017.

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

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 July 14, 2017 at 11:00 A.M.

MOTION TO ADJOURN THE MEETING.

Motion: Commissioner Robbins

Second: Commissioner Kessler

Vote: 3 Ayes, 0 Nays

MEETING ADJOURNED: 11:25 A.M.

Minutes prepared by: Chandra Anderson, Secretary