

ALSO PRESENT:

Rachel Chwastek, PERMA Risk Management Services
Chandra Anderson, Atlantic County
James Dugan, Atlantic County
Michael Cusak, Conner Strong & Buckelew
Gregory Hunt, Conner Strong & Buckelew

APPROVAL OF MINUTES: OPEN MINUTES OF OCTOBER 13, 2017.

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 13, 2017.

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

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT:

Brad Stokes presented the Executive Director's report which includes the introduction of the 2018 Commission Fund budget. The full amount of the budget is \$7,968,307 which is a 3.30% decrease. There were significant changes and very good trends in the actuarial which are reflected in the loss runs. The workers' comp numbers were down \$298,000, which is a decrease of about 6%. The CELJIF premium increased a bit due to excess property numbers coming in high. There was consideration of increasing the local commission retention from \$100,000 to \$250,000; however, the CEL Commissioners decided that would be a burden on some of the smaller commissions. Expenses and contingencies reflect contractual changes. Ancillary coverages had some increases. Some other commissions have had jail claims which are contributing to the excess liability increase. There is a footnote at the bottom of the budget sheet which reflects that managed care fees of \$193,800 are included in the WC loss fund. The foot note will be removed and line 17 will be populated with the managed care amount. The budget will be reissued to reflect this change. The public hearing and final adoption will be held at the January 12, 2018 meeting. Assessments were emailed out to the member entities.

MOTION TO INTRODUCE THE 2018 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$7,968,307 AND SCHEDULE A PUBLIC HEARING ON JANUARY 12, 2018 AT 11:00 A.M. AT THE STILLWATER BUILDING IN NORTHFIELD.

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

Mr. Stokes reported that submissions were received for the Fund actuary, auditor and defense attorneys. Responses were received on October 11, 2017. The incumbent auditors, Bowman & Company, submitted a response. There were no responses received for actuary, so it was advertised again and one submission was received from the incumbent firm, Actuarial Advantage, for \$8,755, which is a 2% increase over the prior contract. The responses received for the defense panel were reviewed with the fund attorney and the recommendation was to appoint those who submitted responses to the defense panel. Mr. Stokes asked for a Motion to designate the actuary, auditor and defense panel for Fund years 2018 through 2020.

MOTION TO APPROVE RESOLUTION 24-17 DESIGNATING THE ACTUARY AND AUDITOR FOR THE FUND FOR YEARS 2018 THROUGH 2020 AND TO APPROVE RESOLUTION 25-17 DESIGNATING THE DEFENSE PANEL FOR THE FUND FOR YEARS 2018 THROUGH 2020.

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT: 3 certificates were issued from October 1, 2017 to October 31, 2017. Mr. Stokes asked if there were any questions, and there were none.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.

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

The CEL met on October 26, 2017 and November 16, 2017 to approve the 2018 budget. The CEL Commissioners released a \$200,000 dividend from the 2010 and 2011 Fund years. The members at that time were Camden and Gloucester. This is a good sign the program is working. The CEL will meet again on February 22, 2018.

The Insurance Commission financial fast track for August shows the Commission's statutory surplus at \$5.8 million. The September report shows the Commission's statutory surplus at just over \$5 million. There were larger PAR's put through in September which are reflected in the report.

The CEL financial fast track report as of September 30, 2017, shows a surplus of approximately \$8.7 million.

The Claims Activity Report shows the claims activity as of October 31, 2017. 10 more claims were reported since last month.

Michelle Leighton provided a reminder that policies are written on a claims made and reported basis. She asked that members report any known claims. Ms. Leighton noted that Qual-Lynx has been very diligent about reporting the claims as well. Commissioner Kessler asked if she was to report through Qual-Lynx or directly to Conner Strong. The policy defines what facts and circumstances are considered claims. She noted it is acceptable to err on the side of reporting a loss. EEOC charges are a claim as defined in the policy. Commissioner Kessler noted that she reports union grievances. Ms. Leighton advised that union grievances are special and not considered a claim under the policy, however, it is still acceptable to err on the side of caution and report it.

Michael Thomas asked if the carriers were staying the same for the renewal. Mr. Stokes advised that they are currently negotiating with the POL/EPL. Mr. Stokes will ask Ed Cooney to provide an update.

The Best Practices Workshop was held last month and was a great success. Cyber is a very hot topic right now among the commissions. Ms. Leighton noted if there is an issue, it should be reported and to also take advantage of the services the carrier offers. Ms. Leighton thanked everyone for their involvement and input. Mr. Ferguson noted the workshop was very well done. Commissioner Kessler noted that she prepared a list of top 10 takeaways from the workshop and sent them to her IT department.

Automobile identification cards were sent out to the member entities. Posting notices and renewal of certificates of insurance will be coming in the near future.

The meeting agenda for 2018 will be circulated. Mr. Stokes noted he will have a conflict in April due to a conference that he and his alternate would have to attend. He suggested having an alternate date for April possibly the week before the usual meeting would occur.

CLAIMS SERVICES: Michelle Leighton reported the Claims Committee met prior to the Commission meeting and reviewed six claims.

She introduced Michael Cusak, who will be taking the place of Danielle Batchelor, and also Greg Hunt, who is on the team.

Kim DeLaurentis reported that five workers' compensation claims and one property PAR were discussed during Claims Committee and were approved.

MOTION TO APPROVE THE PARS AS REVIEWED DURING THE CLAIMS COMMITTEE MEETING OF DECEMBER 8, 2017.

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

TREASURER:

Bonnie Lindaw presented Resolution 26-17 the December Bills List which contains one payment to PERMA Risk Management Services and one payment to *The Press of Atlantic City* for advertising fees.

MOTION TO APPROVE RESOLUTION 26-17 THE DECEMBER 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 safety activities for October and November. The quarterly meeting dates for the 2018 Safety Committee meetings will be circulated prior to the next agenda. The BRIT safety grant is complete for 2017. He has been in touch with the Justice Facility to get the invoices and billing information.

MANAGED CARE – QUAL-LYNX:

Karen Beatty presented the claims services report for the months of October and November. The cumulative claims summary for October shows 206 bills were processed for a total of \$185,146.57 with an overall savings for the month of 58.3%. The PPO penetration was 99.5%. The cumulative claims summary for November shows 163 bills were processed for a total of \$105,901.28 with an overall savings for the month of 57.5%. The PPO penetration was 88.5%. The intake reporting for October shows 26 claims were reported, 21 for the County and 5 for the Utilities Authority. The November report shows 17

claims were reported, 16 for the County and 1 for the Utilities Authority. The Improvement Authority had no new claims for October and November.

Ms. Beatty performed an informal audit of bills paid and noted there were 17 bills for emergency room visits. Of the 17 bills, five could have been seen at an Urgent Care. This is based on the type of injury, time of day, etc. Those 17 emergency room visits cost the Commission \$42,600, as compared to 397 Occ-Med visits which cost \$51,405. Ms. Leighton noted that re-education may be helpful. Mr. Dugan asked whether the emergency room visits had an effect on the November penetration rate, and Ms. Beatty noted it could have also been some psychiatric treatment and anesthesia bills.

CLAIMS SERVICES – QUAL-LYNX:

Kim DeLaurentis reported the Claims Committee met prior to the Commission meeting and reviewed six PARS. The PARS were recommended for approval by the Committee. The motion for approval of the PARS was approved during the Executive Director's report.

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 12, 2018 at 11:00 A.M.

MOTION TO ADJOURN THE MEETING.

Motion: Commissioner Kessler
Second: Commissioner Robbins
Vote: 3 Ayes, 0 Nays

MEETING ADJOURNED: 11:25 A.M.

Minutes prepared by: Chandra Anderson, Secretary