

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
ORGANIZATIONAL MEETING – December 29, 2014
Freeholders' Meeting Room
Stillwater Building
201 Shore Road
Northfield, New Jersey 08225
11:00 A.M.

Meeting was called to order by Bradford C. Stokes, Executive Director. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE

ROLL CALL OF COMMISSIONERS:

James F. Ferguson	Present
Jacqueline Woods	Present
Janette Kessler	Present

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services	Bradford C. Stokes
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Claims Administrator	<u>Qual-Lynx</u> Alice Lihou Kathy Kissane
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<u>Conner Strong & Buckelew</u> Michelle Leighton Robyn Walcoff

CEL Underwriting Manager	Conner Strong & Buckelew
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Attorney	To be named
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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	Glenn Insurance Michael Thomas
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Insurance Agencies, Inc. Gene Siracusa Michael Ridge
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ALSO PRESENT:

Rachel Chwastek, PERMA Risk Management Services
James Kickham, Conner Strong & Buckelew
Frank Proctor, Conner Strong & Buckelew
Chandra Anderson, Atlantic County

Organizational Resolutions

Executive Director Stokes stated Resolutions 1-10 would be done by consent.

James Ferguson was nominated by Commissioner Kessler as Chairman and seconded by Commissioner Woods. Jacqueline Woods was nominated by Commissioner Ferguson as Vice Chairman and seconded by Commissioner Kessler.

MOTION TO APPROVE RESOLUTION 1-14 APPOINTING FUND CHAIRMAN AND VICE CHAIRMAN

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

Janette Kessler was nominated as CEL Commissioner by Commissioner Ferguson and seconded by Commissioner Woods.

MOTION TO APPROVE RESOLUTION 2-14 APPOINTING CEL COMMISSIONER

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

Bonnie Lindaw is named the Commission Treasurer.

MOTION TO APPROVE RESOLUTION 3-14 APPOINTING COMMISSION TREASURER

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

The Resolution for Attorney for the Commission was tabled to allow Jim Ferguson additional time for investigation.

MOTION TO APPROVE RESOLUTION 4-14 APPOINTMENT OF COMMISSION ATTORNEY

Tabled until next meeting.

Chandra Anderson was named Commission Secretary.

MOTION TO APPROVE RESOLUTION 5-14 APPOINTING COMMISSION SECRETARY

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

Commissioner Ferguson reviewed that the Executive Director was advertised by way of RFP. There were two responses; PERMA and Arthur Gallagher. PERMA was selected because PERMA is already the Executive Director for all of the Counties currently within the Fund and oversees the CELJIF in general; therefore, it is in the best interest of ACIC for PERMA to also be the Executive Director for ACIC. PERMA was approved at \$120,000.00 for the first year.

Commissioner Ferguson reviewed that the Risk Manager was advertised by way of RFP. There were two responses, and the Joint Proposal of Insurance Agencies, Inc. and Glenn Insurance, Inc. was selected and approved. The reason is they have been the insurance consultants for Atlantic County for many years and have the specific knowledge of Atlantic County necessary to continue in that capacity. They were approved at \$200,000.00.

Commissioner Ferguson reviewed that there were six responses for Claims Administrator. After an in depth review of the responses the two finalists were AmeriHealth and Qual-Lynx. Further discussion was had with both entities by the Commissioners and ultimately Qual-Lynx had the more competitive proposal, with favored bill review and reductions component. Qual-Lynx was selected and the approved fee is an amount not to exceed \$470,000.00.

MOTION TO APPROVE RESOLUTION 6-14 APPOINTING EXECUTIVE DIRECTOR, RISK MANAGER AND THIRD-PARTY ADMINISTRATOR

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

Wells Fargo is the chosen bank.

MOTION TO APPROVE RESOLUTION 7-14 ESTABLISHING BANK ACCOUNTS

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

The three Fund Commissioners and the Treasurers are listed as the signers on those accounts.

MOTION TO APPROVE RESOLUTION 8-14 DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS

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

PERMA Risk Management Services will serve at no cost to the Fund.

MOTION TO APPROVE RESOLUTION 9-14 DESIGNATING AGENT OF SERVICE OF PROCESS AND CUSTODIAN OF RECORDS

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

The Press of Atlantic City is named as the official Newspaper.

MOTION TO APPROVE RESOLUTION 10-14 DESIGNATING OFFICIAL NEWSPAPERS

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

Temporary 2015 Budget

The temporary 2015 budget is \$193,000.00 and was introduced by Executive Director Stokes. It is put in place for any claims expenses that need to be paid in the next month.

MOTION TO APPROVE RESOLUTION 11-14 APPROVING THE TEMPORARY BUDGET FOR FUND YEAR 2015

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

2015 Budget Introduction and Schedule Public Hearing

The proposed 2015 Budget Introduction was presented by James Kickham, Managing Director, Senior Vice President, PERMA Risk Management. The budget is \$7,825,160. It was discussed that the budget will be amended at the next formal hearing. There will be reductions in the Executive Director's fee, they also have to allocate the claims adjustment fee between the run off claims and the new claims going through the Fund. There are changes in property to work out. The CEL purchased excess flood insurance after the decision to join the JIF so there would be a small charge there. The County's property will come in on April 1st and an amendment will be needed at that time. Member entities should be given the initial billing assessment so funding can be set up and accounts opened. The next public hearing will be January 16, 2015 at the Stillwater Building, Freeholders' Meeting room at 11:00 A.M. The meeting will need to be published in *The Press of Atlantic City*.

COMMISSIONER FERGUSON MOVED TO INTRODUCE THE 2015 BUDGET WHICH WILL BE AMENDED AT THE NEXT PUBLIC HEARING ON JANUARY 16, 2015 AT 11:00 A.M. IN THE FREEHOLDERS' MEETING ROOM. ALSO, THE COMMISSION AUTHORIZES THAT THE MEMBER ENTITIES BE GIVEN AN INITIAL ASSESSMENT SO THE INITIAL FUNDING OF THE VARIOUS ACCOUNTS PER THE TEMPORARY BUDGET CAN BE SET UP.

Motion: Commissioner Ferguson

Section: Commissioner Kessler
Vote: 3 Ayes, 1 Nays

MOTION TO APPROVE RESOLUTION 12-14 AUTHORIZATION TO TRANSACT INSURANCE COVERAGE

Motion: Commissioner Ferguson
Second: Commissioner Woods
Vote: 3 Ayes, 0 Nays

Executive Director Stokes explained the Case Management Plan is standard language for operating the Fund and the plan was previously distributed for review. He noted there were a few minor changes. Bonnie Lindaw questioned what the changes were. Executive Director Stokes stated a date was corrected and nothing else of substance.

MOTION TO APPROVE RESOLUTION 13-14 ESTABLISHING A CASH MANAGEMENT PLAN

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

Executive Director Stokes indicated there were some changes made to the Rules and Regulations as to typographical errors and the form of Government. Commissioner Ferguson explained that there were some changes to the Rules and Regulations because the original template was based on a County Government that operated under a Freeholder form of Government and did not have a County Executive. The language had to be corrected to reflect Atlantic County has a County Executive. There were a few other changes to grammar, but those did not change the rationale of the Rules and Regulations.

MOTION TO APPROVE RESOLUTION 14-14 APPROVING THE RULES AND REGULATIONS

Motion: Commissioner Ferguson
Second: Commissioner Woods
Vote: 3 Ayes, 0 Nays

MOTION TO APPROVE RESOLUTION 15-14 AUTHORIZATION TO ADVERTISE FOR COMMISSION ACTUARY AND AUDITOR

Motion: Commissioner Ferguson
Second: Commissioner Woods
Vote: 3 Ayes, 0 Nays

Risk Management Plan

Executive Director Stokes stated the Underwriting Department is working on the Risk Management Plan and a draft copy will be available by the next meeting.

Certificate of Insurance Request Form

Executive Director Stokes stated when a Certificate of Insurance is needed there is a Certificate of Insurance Request form to send to Conner Strong. Executive Director Stokes confirmed that the County and ACUA had received the automobile insurance cards. There is an email address to request Certificates of Insurance, along with a fax number, and direct contact is Cathy Dodd at Conner Strong.

2015 ACIC Meeting Dates

The next meeting is scheduled for January 15, 2016 at 11:00 A.M. at the Stillwater Building in Northfield. The future meeting schedule will be discussed at that time. After the meeting on January 16, 2015 there will be a Claims Committee meeting.

Claim Services from Conner Strong & Buckelew

Michelle Leighton and Robyn Walcoff provided a verbal overview of the CELJIF. Robyn Walcoff reviewed that she and Michelle Leighton are Claim Consultants for the CELJIF. The CELJIF has 10 Commissions now that Atlantic County has joined. Michelle is the team leader for the public entities in the CELJIF. Mary Lou Doner, who was not present, is the Claim Consultant for the CELJIF. Qual-Lynx will be the main point of contact for reporting claims. Conner Strong is also there for claim resources. A Claims Committee will be set up for the Commission. The Claims Committee will review claims prior to them being submitted to the Commission for approval of payment. The TPA will need authority from the Commission to set reserves in order to issue payments. The Claims Committee kick off meeting should follow right after the next meeting on January 16, 2015. The Claims Committee should consist of a representative from each entity and at least one Commissioner. The Claims Committee should meet at least once a month.

Services from Qual-Lynx

Alice Lihou reviewed services Qual-Lynx will provide for ACIC. She also provided a hand out which included contact information. A meeting is scheduled at the County Office Building in Atlantic City on Wednesday, December 30, 2014 at 10:00 A.M. to review in depth Qual-Lynx point of contacts, procedures, banking, coverages, and transfer of Atlantic County's claims to Qual-Lynx.

Services for Risk Control

Glenn Prince of J.A. Montgomery reviewed Safety and Risk Control provided by the CELJIF. They will do loss control visits, check for facility issues, and accident investigation. Mr. Prince would like to attend and participate in Safety Committee meetings. Training is also offered such as OSHA, access to the CEL media library which includes CEL course catalog, programs, DVD videos, in the line of duty series for law enforcement, etc. Janette Kessler asked if there was a cap on training hours, and Mr. Prince replied there is no cap.

There was no old business, new business will be reviewed at the January 16, 2015 meeting, and there was no public comment.

MOTION TO ADJOURN BY Commissioner Ferguson, Seconded by Commissioner Kessler.