

ATLANTIC COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – September 9, 2022 at 11:00 A.M.
Board of County Commissioners’ Meeting Room
Stillwater Building, 201 Shore Road, Northfield, New Jersey

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
John Lamey	Present
Michael Fedorko	Absent

FUND PROFESSIONALS PRESENT:

Executive Director PERMA Risk Management Services	Brad Stokes
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Claims Administrator	<u>Qual-Lynx</u> Karen Beatty Katie Perry
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<u>PERMA Claims</u> Jennifer Conicella
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CEL Underwriting Manager	Conner Strong & Buckelew
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Attorney	James F. Ferguson (Absent)
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Treasurer	Bonnie Lindaw (Absent)
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Safety Director	J.A. Montgomery Risk Control Glenn Prince
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Risk Management Consultant	Brown & Brown Insurance Bob Gemmell
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ALSO PRESENT:

Karen Read, PERMA Risk Management Services
Dennis Skalkowski, Bowman & Company
Alan Cohen, Atlantic County
Angelier Hurt, Atlantic County

APPROVAL OF MINUTES: OPEN MINUTES OF JULY 8, 2022.

MOTION TO APPROVE OPEN MINUTES OF JULY 8, 2022.

Motion: Commissioner Kessler
Second: Commissioner Robbins
Vote: 4 Ayes

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT: Brad Stokes presented the Executive Director's report.

The 2021 Audit Report was distributed, along with a review of the report on September 6, 2022. Dennis Skalkowski of Bowman & Company appeared by phone and provided a summary of the report. Mr. Skalkowski reported it was a clean audit with no findings or recommendations. At the end of year the Commission had a combined total operating and non-operating income of \$8,328,255. Total operating expenses were \$10,454,480. Total return of surplus to the members was in the amount of \$11,392 and the ending net position was \$2,615,124. There were no questions.

MOTION TO APPROVE RESOLUTION 21-22 CERTIFICATION OF ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2021.

Motion: Commissioner Robbins
Second: Commissioner Woods
Vote: 4 Ayes

Commissioner Kessler was concerned about the overall numbers and requested a further meeting to review a plan of action.

Mr. Stokes noted that resolutions were prepared for the payment of the Attorney Services and Treasurer Services, however, Commissioner Woods caught that the payment of Treasurer Services was already captured in resolution 12-22, therefore, the Treasurer resolution will be pulled. The Attorney Services are covered in resolution 22-22 which amends resolution 4-22 and allows Atlantic County to be paid the Attorney Services.

In light of pulling the Treasurer Services resolution, the September Bills List was renumbered to 23-22.

MOTION TO APPROVE RESOLUTION 22-22 AMENDING RESOLUTION 4-22 ALLOWING ATLANTIC COUNTY TO BE PAID BUDGETED FUNDS FOR COMMISSION ATTORNEY SERVICES.

Motion: Commissioner Kessler
Second: Commissioner Woods
Vote: 4 Ayes

CERTIFICATES OF INSURANCE: There were seven certificates issued for July 2022.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.

Motion: Commissioner Kessler
Second: Commissioner Woods
Vote: 4 Ayes

Underwriting provided a memo with regard to the 2023 renewal. Bob Gemmell reported that most Broker Buddha applications have been completed and submitted. Scheduled are being updated and addressed as needed. It was clarified that when an item is deleted, or marked inactive it is not removed from the system.

The CEL is scheduled to meet on September 22, 2022.

The Fund's financial fast track for June 2022 had a significant decrease of \$1.4 million surplus. This was driven by reserves, paid claims, and an increased IBNR for the second quarter report and is concerning. An in depth claim review will be scheduled. There is \$11.7 million in cash.

Commissioner Woods questioned if the case reserves were deficient to cause this. Mr. Stokes explained it was probably the timing of the reserves as they were current claims. There were increases in 2022 and 2021 claims.

Commissioner Kessler explained her reserving process, and noted she must be able to budget and reserve accordingly.

Commissioner Woods commented that the TPA must come before the Commission for approval. The reserving situation can change after doctor appointments, especially if surgery is recommended. If there is no Commission meeting during the month that occurs there could be a delay in the reserve process. Katie Perry explained that for 2022 they made a change to their reserving practices and they are reserving based on claim developments then coming to the Commission to ask for payment authority. Previously they were only reserving for payment authority. There will be further discussions on how to address reserves moving forward.

Mr. Stokes reported the July report was up \$7,500.

The CEL's financial fast track as of May shows the surplus of \$14.8 million with total cash of \$26.6 million.

Claims tracking for May into June has 14 less open claims. There were 17 new claims for the July report.

CLAIMS SERVICES: Jennifer Conicella reported they are actively working on their recovery efforts for the 2020 COVID claims with Safety National. The MELJIF has significantly more COVID claims so they know what Safety National is are looking for. There must be a positive test in hand for every claim paid. There is more information required by Safety National. The communicable disease policy endorsement was on the 2020 policy. A lot of people in the beginning of COVID did not test, or the doctors did not indicate this person tested positive, only that they had COVID symptoms. They are working through all of this with Safety National.

Commissioner Kessler asked what the COVID claim counts are for our Commission. Ms. Conicella noted there were approximately 35 significant cases.

TREASURER: Ms. Lindaw had a scheduling conflict and could not attend. Commissioner Robbins reported that Resolution 23-22 is the September Bills List which includes a payment to SafetyServe for defensive driving course codes in the amount of \$199.75.

Commissioner Kessler asked whether those codes were received. Karen Read confirmed the codes were sent and will look into it. Commissioner Kessler explained she did not want to approve the September Bills List because she did not receive codes. Commissioner Robbins explained that five codes of 40 were used, and when they attempted to use them in July, access was blocked. An extension was put in place until November to use the codes. She was never advised that we did not have any codes. Commissioner Kessler confirmed she requested codes.

A decision was made to pull the September Bills List until clarification can be provided as to the defensive driving course codes.

Commissioner Robbins delivered the July reconciliation reports. The admin account has \$11,260,007.25, and outstanding are checks in the amount of \$2,368.50. Interest earned is \$24,196. The general liability account has outstanding checks in the amount of \$6,489.39. Interest earned is \$39.94. The workers' compensation account has outstanding checks in the amount of \$151,008.76 and interest earned was \$525.78.

CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL: Glenn Prince of JA Montgomery presented the safety report for July and September. The media library and online streaming services remain available. All training through November 30, 2022 have been listed on the website NJCE.org. On October 5, 2022, another training expo will be held at the Atlantic Cape Community College. Any department that would like to attend should register beforehand. The Safety Committee meeting will follow after this Commission meeting.

Commissioner Kessler commented that she appreciates JA Montgomery accommodating the ACUA with the Hazwoper training in person.

MANAGED CARE – QUAL-LYNX: Karen Beatty attended by phone and presented the claims services report. In July there were 247 bills totaling \$276,992 resulting in a 73% savings. In August there were a total of 315 bills totaling \$602,397 resulting in a 62% savings. Year to date savings are at 69%. There are 222 claims for the year with 26 COVID claims.

RISK MANAGER'S REPORT: Bob Gemmell presented the Risk Management report. The report covers all risk management activities which includes review of claims, coverages, certificates, and contracts. Mr. Gemmell has been working on the renewal and reviewing all the reports and schedules. He reviewed the property inspection report for the Criminal Courthouse and provided additional information to Zurich. Zurich should have most, if not all of the information they were looking for.

Commissioner Woods noted Zurich is requesting additional information to be included in the building manuals. Mr. Gemmell explained that from the information provided yesterday, if Zurich wants any other information they will provide more specific information as to what they are looking for. He is confident we have the information and just need to provide it in a central location.

CLAIMS SERVICES – QUAL-LYNX: Katie Perry reported the Claims Committee met prior to the Commission meeting and reviewed 15 PARS. The PARS were recommended for approval by the Committee. Unless there are any other questions which would require a closed session, she requested a motion for approval of the PARS as reviewed and recommended by the Claims Committee.

MOTION TO APPROVE THE 15 PARS AS REVIEWED AND APPROVED DURING THE CLAIMS COMMITTEE MEETING OF SEPTEMBER 9, 2022.

Motion: Commissioner Kessler
Second: Commissioner Robbins
Vote: 4 Ayes

OLD BUSINESS: None.

NEW BUSINESS: None.

PUBLIC COMMENT: None.

Commissioner Woods opened the meeting to public comment. Having heard no public comment the public session is closed. The next meeting is scheduled for October 14, 2022 at 11:00 A.M.

MOTION TO ADJOURN THE MEETING.

Motion: Commissioner Robbins
Second: Commissioner Kessler
Vote: 4 Ayes

MEETING ADJOURNED: 11:27 A.M.

Minutes prepared by: Chandra Anderson, Secretary