

# **GLOUCESTER, CUMBERLAND, SALEM SCHOOL DISTRICTS JOINT INSURANCE FUND**

## **CLOSED SESSION MINUTES**

**Thursday, January 25, 2024**

A Closed Session of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund was held on January 25, 2024 at 1:00 pm, with Joseph Collings, Elk Township SD/Delsea Regional SD, Chair, presiding.

### **CLAIM ADMINISTRATOR'S REPORT**

The following Workers' Compensation Payment Authorization Request for January 2024 was presented to the Trustees:

2024309376 – Claimant was carrying a ladder between taking light covers off overhead lights to clean, when she felt pain in her neck. Total Incurred Value: \$494,045.13

2023297968 – Claimant was helping a student out of a chair when the student threw themselves back into the chair causing claimant to strain her left shoulder. Total Incurred Value: \$148,844.46

2024315490 – While exiting the transportation breakroom, claimant slipped and fell down the outside steps. Total Incurred Value: \$124,687.56

2023302054 – While working as a bus aide, the bus was involved in a motor vehicle accident. Total Incurred Value: \$90,551.00

2024312176 – While on the roof working, claimant slipped and felt a "pop" in his right knee. Total Incurred Value: \$82,218.33

The following Liability Payment Authorization Request for January 2024 were presented to the Trustees:

2019162595 – Student injured using an electric saw in woodworking class. Proposed Authority: \$116,000.00

2018143745 – Contract dispute regarding an administrative due process matter. Proposed Authority: \$275,000.00

2024316496 – Property claim for damage resulting from a hot water supply valve failure. Total Incurred Value: \$37,500.00

2024318646 – Property claim for damage resulting when another vehicle struck the insured's vehicle. Total Incurred Value: \$149,000.00

2024318853 – Property claim for vandalism/malicious mischief by a custodian. Total Incurred Value: \$267,700.00

2024318753 – Potential claim for food poisoning as the result of tampering by a custodian. Total Incurred Value: \$32,500.00

Discussion followed regarding claims 2024318853 and 29024318753 that are companion claims associated with a singular incident. Mr. Tennant advised that the circumstances of this claim necessitated a conference call with the reinsurer to gain their support of GCSSD JIF handling of this matter. Mr. Madden arranged for a PR firm and assigned defense counsel.

Mr. Tennant further explained that the district opened a property claim because the vandalism to one of their three buildings required the entire building be cleaned and sanitized. The three buildings are used for instructional purposes. There is only evidence of one of the buildings being affected and the GCSSD JIF covered the sanitation expense of that building under the vandalism and malicious mischief peril of the property policy that has been fully resolved. The district elected to sanitize the other two buildings despite there not being any evidence of vandalism or tampering.

The combined total incurred value is 299,664.42. If all of the cleaning was covered and the projected total incurred value of the GL claim was realized then the clash coverage endorsement of the SPELL coverage document would result in GCSSD JIF paying out \$250,000 and the SPELL reinsurer paying out everything above that with the risk of any future liability action being completely the reinsurer's responsibility. The problem is that \$159,502.44 is not technically an insurable expense under the coverage document and if that is not accepted as an exception and insurable, then the reinsurer has no exposure in this claim as the covered amounts total \$140,661.98.

The reinsurance partner was approached to ask if they would consider making the cleaning of the other two buildings an exception and covered loss given the exceptional management of a truly horrific claim scenario. The reinsurer agreed to do this if the JIF would agree to separate the property file from the general liability file and agree to suspend the clash endorsement on this event.

Mr. Tennant clarified that covering this or not covering this expense is not a fund professional decision. Spending the GCSSD JIF retention of \$250,000 with only a portion of it insurable under the coverage document and spending operating moneys to cover the full remediation loss value is a GCSSD JIF Trustee decision. Any agreement to a business accommodation by recognizing all remediation costs as a covered loss is up to the involved carrier/s.

Mr. Tennant then presented and explained in detail the various options for handling this unique circumstance that are available to the GCSSD JIF membership.

After lengthy discussion, the GCSSD JIF Board of Trustees and Member Delegates agreed to eliminate clash coverage for the event these claim files are directly related. The purpose in doing so is to permit a fully insured response to the involved member district and to limit the member's out of pocket expenses in managing the above claims. The impact to GCSSD JIF is that the \$250,000 retention for each line of coverage is fully borne by the GCSSD JIF through its loss fund and not combined as a single event under the clash endorsement. The SPELL reinsurer, Great American Insurance Group, has agreed to pay the full cost of the excess property claim above the \$250,000 retention and maintain its obligation for any potential litigation that may drive a liability claim over the separate \$250,000 retention. The members take this action in support of a member who managed an extreme and difficult matter with grace and the best interests of its community in mind.