

# **School Pool for Excess Liability Limits Joint Insurance Fund SPELL JIF**

**Arthur J. Gallagher Risk Management Services, Inc.  
6000 Sagemore Drive, Suite 6203  
Marlton, New Jersey 08053**

**OPEN SESSION MINUTES  
Friday, April 12, 2019**

## **I. MEETING CALLED TO ORDER**

The meeting of the School Pool for Excess Liability Limits Joint Insurance Fund (SPELL) was held at the Gallagher Offices on Friday, April 12, 2019 at 10:00 a.m., with Tom Grossi, Greater Egg Harbor RHSD, Chairperson, presiding.

## **II. STATEMENT OF COMPLIANCE WITH THE OPEN PUBLIC MEETING ACT**

Notice of this meeting was given by sending sufficient notice herewith to newspapers recognized by owner groups; filing advance written notice of this meeting with each member and their members districts; and by posting notice on the public bulletin boards of all municipalities served by the member districts of each owner group.

## **III. ROLL CALL**

### **2018-2019 Trustees present**

Thomas P. Grossi, Greater Egg Harbor RHSD, Chair – ACCASBO JIF  
Cherie Bratty, Upper Deerfield Township School District, Vice Chair – GCSSD JIF  
Robert Wachter, Jr., Mt. Laurel Twp. BOE, Secretary – BCIP JIF  
Joseph Smurlo, Egg Harbor City School District – ACCASBO JIF  
Richard J. Kaz, Jr., Northern Burlington County RSD – BCIP JIF  
Margaret F. Meehan, Washington Twp. BOE – GCSSD JIF

### **2018-2019 Trustees absent**

None

### **2018-2019 Alternate Trustees present**

Christopher Veneziani, Folsom BOE, Alternate Trustee – ACCASBO JIF  
Michael Colling, Medford Lakes SD, Alternate Trustee – BCIP JIF  
Diana Schiraldi, Eastern Camden County RSD, Alternate Trustee – BCIP JIF

### **2018-2019 Alternate Trustees absent**

Kim Robinson, Mainland Regional High School, Alternate Trustee – ACCASBO JIF  
Joseph Collins, Elk Township School District, Alternate Trustee – GCSSD JIF  
Christopher Rodia, Westville/Woodbury Heights, Alternate Trustee – GCSSD JIF

### **District Personnel present**

No one

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John Serapiglia, Jr., Passaic County Manchester – SE JIF  
Karen Yeamans, Nutley – SE JIF

proposal to perform audits as a potential SPELL service. He explained that the results of the cyber audit survey were plugged into a model using 7 of 83 districts, representing 16% of district employees. It was determined that it would cost the SPELL between \$451,000 and \$548,000, so it is not a service that the SPELL can afford at this time. Mr. Tennant shares this information with the trustees to give an idea of what that service might cost.

*MOTION* by Mr. Kaz, second by Mr. Wachter, to approve a \$10,000 budget for the cyber symposium program scheduled for July 24, 2019. All in favor. Motion carried.

*Safety Director Discussion* – Mr. Wilkie conveyed recent discussions with Mr. Geitz, the Safety Coordinator, about expanding his support team, as it is getting more difficult for Mr. Geitz to keep up with member training requests. Mr. Wilkie explained that the safety program, including training, is owned by the local JIFs. Mr. Geitz has no formal relationship with the SPELL and it may make sense to move his contract over to the SPELL level. Mr. Wilkie advises that Mr. Geitz is supportive of the proposed changes. Discussion followed. The Trustees are in agreement that Mr. Geitz could use some help and are supportive of however Mr. Geitz would like to proceed. They noted that Mr. Geitz has been invaluable over the years. Mr. Wilkie explained that he is not asking for any action by the Trustees today. He wanted everyone to be aware of the conversations occurring with Mr. Geitz, in case anyone has any concerns that need to be addressed.

*SPELL JIF 2019 Joint Retreat Update*– Mr. Wilkie reviewed the notes of the planning committee from their recent meeting. He explained that the schedule for Wednesday is set. Two speakers are being brought in to discuss the direction and future of the SPELL JIF. Other possible topics to be covered include an open forum, Certificates of Insurance, etc. Mr. Wilkie advised Mr. Greco he will be needed to present on Friday. Other topics discussed were workers' compensation, occupational claims, med only to indemnity claims, mercury in gym floors, examples beyond mold, comparing occupation claims and how they differ from accidental ones. Mr. Tennant discussed med-only to indemnity claim issues. He saw a presentation at AGRIP and how two pools are handling this situation. Mr. Tennant explained standard protocol in workers' compensation management is assigning a medical-only claim to a lost time adjuster. An indemnity adjuster is not going to get involved until it's clear that a person has very serious issues. This can happen 4-6 weeks later and the delay can cause a dilemma and those cases wind up being much more expensive. It is a problem occurring across the industry. Discussion followed.

*2019 Conference Dates* – Upcoming conferences were listed in the agenda and reviewed by Mr. Wilkie.

*Proposed Meeting Dates for 2019-2020* – Mr. Wilkie reviewed the proposed dates included in the agenda and asked the Trustees to review for any conflicts. The final schedule will be adopted at the May meeting.

Mr. Wilkie congratulated Ms. Meehan on her upcoming retirement and thanked her for her years of service and dedication to both GCSSD and SPELL JIFs.

## 2. Underwriting and Finance Director

*Mold Settlement Agreement and Release* – *MOTION REQUESTED* - Mr. Tennant reported on an ongoing mold claim and reviewed a settlement agreement included in the agenda. Gallagher has been negotiating with the carrier and takes the position that it was a covered claim. Beazley indicated a willingness to negotiate a settlement with the district to release the carrier entirely from the claim on a going-forward basis. Mr. Tennant reviewed the numbers the district expended on the claim and the

amount the carrier has offered, noting that the district has accepted the settlement. Mr. Tennant advised that the SPELL JIF is the first named insured on the policy, so a motion was needed by the Trustees to accept this settlement. Ms. Meehan asked if the SPELL was responsible for any part of the claim out of their reserves and Mr. Tennant advised that it was not. Mr. Tennant explained that the settlement was a decent offer and if it wasn't accepted, the carrier would deny the claim outright. Discussion followed on the frustration of dealing with these types of claims. Mr. Tennant advised that this issue and how to handle these claims will be addressed at the mold seminar scheduled for July 17, 2019.

*MOTION* by Mr. Kaz, second by Ms. Bratty, to accept the settlement agreement and release included in the agenda. All in favor. Motion carried.

*2019-2020 Insurance Renewal Update – Excess/Reinsurance Partner Update* - Mr. Hoffman advised that the renewal process is continuing and he will present the final renewal information at the May meeting.

*2019-2020 Budget Process – Vendor Review* – Mr. Hoffman referred to a handout that was distributed regarding Vendor Service Fee Requests and Ms. Palmeri reviewed the information contained in the packet. Mr. Kaz noted that the JIFs have added more districts and asked if that was the basis for some of the fee increase requests. Mr. Hoffman confirmed, noting that specific vendors have contractual based fee adjustments when new members are added in conjunction with the additional workload required. Ms. Palmeri noted that the packet includes the fee activity for the last 5 years. She reviewed each fund professional individually.

Per the request of the members at the last SPELL JIF meeting, Mr. Hoffman updated the members on the long time property appraiser representative Lynn Forsythe who departed Duff & Phelps in the fall of 2018. Ms. Forsythe has been the property appraisal representative to ACCASBO, BCIP, GCSSD and the SPELL dating back to the mid-1990's. Mr. Hoffman advised that Ms. Forsythe recently joined Gallagher Bassett Appraisal Services Group, who is affiliated with Arthur J. Gallagher & Co., and noted that he and Ms. Fox met with Ms. Forsythe recently to discuss the possibility of presenting a proposal to the SPELL, as Ms. Forsythe is very familiar with the members and the needs of the SPELL. Discussion followed. Decision was made by the Trustees to move forward and obtain a proposal from Ms. Forsythe and to also seek a proposal from a third potential appraisal firm (to be determined) for a broader comparative review of which firm could potentially serve the needs of the SPELL the best.

Ms. Palmeri reviewed a handout including the results of a survey sent by the Administrator's office to SPELL JIF members on their usage of current risk management programs and training provided by WeTip, Stopit and Public School Works, to get an idea of what services the districts were using. A total of 59 out of 83 districts responded to the survey. Mr. Tennant discussed the business relationship between WeTip and Stopit, providing 24/7 service.

Mr. Tennant discussed engaging in a learning management system through the SPELL. He reported that sexual abuse/molestation claims are increasing and he has convinced PSW to host this training at a cost of \$4/class instead of the regular \$2/class rate. Those classes will be added to the class list as they become available. Mr. Tennant reported on current discussions with Mr. Geitz to host his training on the SPELL JIF website. Mr. Tennant has had difficulty getting PSW to agree to host training programs, other than their own, on their website. This may be proposed at the May meeting. Discussion followed.

Mr. Grossi recommended approving the fund professionals as a group and addressing any issues individually. Ms. Bratty noted that the property appraiser would be withheld since it was agreed to obtain a proposal from Gallagher Bassett. Mr. Hoffman advised that the vendors would be approved at the May meeting so an informal approval only is requested at this time. Mr. Grossi asked if there were any issues regarding any of the vendors and none were expressed.

**VI. MOTION REQUESTED – Resolution 2018-15 to go into Closed Session.**

*MOTION* by Ms. Meehan, second by Ms. Bratty, to go into Closed Session. All in favor. Motion carried.

**VII. MOTION REQUESTED to come out of Closed Session.**

*MOTION* by Mr. Colling, second by Ms. Bratty, to come out of Closed Session.

**VIII. MOTION REQUESTED Resolution 2018-16**

*MOTION* by Mr. Kaz, second by Ms. Bratty, to approve Resolution 2018-16 for approval of PARs discussed in closed session. All in favor. Motion carried by unanimous vote.

*MOTION* by Ms. Meehan, second by Ms. Bratty, that the current property market be given to a new broker to market and the existing broker be given the remaining market and a letter will be sent from the SPELL JIF Chair expressing displeasure at the broker's handling of the situation. All in favor. Motion carried by unanimous vote.

**IX. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT**

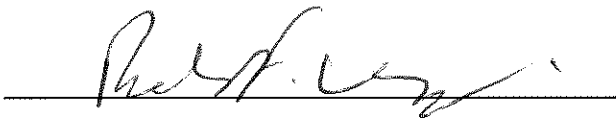
Mr. Tennant noted that there were going to be increases in cyber coverage because of the losses that have been sustained, as well as environmental, which is not unexpected. He explained that \$945,000 has been paid by Beazley over two years against \$886,000 of premium. He hopes there are no structural changes in the program. He wanted the Trustees to be aware of it. Mr. Hoffman confirmed that, as far as the budget is concerned, the SPELL is prepared to handle the increases.

The next meeting of the SPELLJIF is scheduled to be held on Thursday, May 23, 2019 at 10:00 a.m. at the Gallagher offices, 6000 Sagamore Drive, Suite 6203, Marlton, NJ 08053.

**X. MOTION REQUESTED to adjourn the meeting**

*Motion* by Ms. Meehan, second by Mr. Kaz, to adjourn the April 12, 2019 meeting of the SPELLJIF. All in favor. Motion carried by unanimous vote.

The meeting adjourned at 11:56 a.m.

A handwritten signature in black ink, appearing to read "Robert F. Vignone", is written over a horizontal line.