

***School Pool for Excess Liability Limits Joint Insurance Fund
SPELLJIF***

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

**OPEN SESSION MINUTES
Friday, February 2, 2018**

I. MEETING CALLED TO ORDER

The meeting of the School Pool for Excess Liability Limits Joint Insurance Fund (SPELL) was held at the Arthur J. Gallagher Risk Management Services Offices on Friday, February 2, 2018 at 9:32 am, with Tom Fanuka, Lumberton Township BOE, 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

2017-2018 Delegates present

Thomas J. Fanuka, Lumberton Twp. BOE, SPELL Chair – BCIP JIF
Joseph Smurlo, Egg Harbor City School District, SPELL Vice Chair – ACCASBO JIF
Margaret F. Meehan, Washington Twp. BOE, SPELL Secretary – GCSSD JIF
Thomas P. Grossi, Greater Egg Harbor RHSD, Trustee – ACCASBO JIF (arrived at 9:52 am; left at 11:25 am)
Cherie Bratty, Upper Deerfield Township School District, Trustee – GCSSD JIF

2017-2018 Delegates absent

Richard J. Kaz, Jr., Northern Burlington County RSD, Trustee – BCIP JIF

2017-2018 Alternate Delegates present

Christopher Veneziani, Folsom BOE, Alternate Trustee – ACCASBO JIF
Barbara A. Godfrey, Southampton Twp., BOE, Alternate Trustee – BCIP JIF
Robert Wachter, Jr., Mt. Laurel Twp. BOE, Alternate Trustee – BCIP JIF (Left at 11:29 am)

2017-2018 Alternate Delegates absent

Kim Jensen, Mainland Regional High School, Alternate Trustee – ACCASBO JIF
Joseph Collins, Elk Township School District, Alternate Trustee – GCSSD JIF
Brian Ferguson, Penns Grove-Carneys Point Regional BOE, Alternate Trustee – GCSSD JIF

District Personnel present

No one

District Personnel absent

John Serapiglia, Jr., Passaic County Manchester Regional BOE – SEJIF
Karen Yeamans, Nutley BOE – SEJIF

Fund Professionals present

Craig H. Wilkie, Area Vice President – AJGRMS, Inc.
Scott C. Tennant, Area Vice President – AJGRMS, Inc.
Bradford Hoffman, Area Vice President – AJGRMS, Inc.
Jennifer Fox, Sr. Account Manager – AJGRMS, Inc.
Bonnie Ridolfino, Public Entity Director – Hardenbergh Insurance Group (left @ 9:49 am)
Lorraine Verrill, CPA, Fund Treasurer – Verrill & Verrill, LLC (left at 9:36 am)
Sharon Wilson, Recording Secretary

IV. APPROVAL OF MINUTES

Motion by Ms. Bratty, second by Mr. Wachter to approve the Minutes of the October 13, 2017 meeting of the SPELL JIF. All in favor. Motion carried.

V. PROFESSIONAL REPORTS

A. Accountant/Treasurer

Ms. Verrill referred to the November and December, 2017, and January and February, 2018 Bill Lists and Cash Reconciliation Reports for October, November, and December, 2017 found in the agenda.

Motion by Ms. Meehan, second by Ms. Bratty to approve the Bill Lists and Treasurer's Reports. All in favor. Motion carried by unanimous vote.

B. Student Accident Program Update

Ms. Ridolfino reviewed in detail the SPELL JIF Student Accident Group Purchase Program comparison which she distributed at the meeting. She recommends renewing the program with XL Catlin through Bob McCloskey Insurance, which offers a much lower rate. Ms. Ridolfino suggested that with this lower rate, the six districts that left last year should look at the program again this year for possible savings. She also requested that Hardenbergh's commission be increased to 5%. Mr. Tennant added that the Executive Director's Office will communicate a flat renewal rate for the Student Accident Program for 2018-2019.

Motion by Ms. Godfrey, second by Ms. Bratty to approve renewal of the Student Accident Group Purchase Program with McCloskey/Catlin Insurance. All in favor. Motion carried by unanimous vote.

C. Attorney – No report.

D. Executive Director/Underwriting Manager Summary

1. Executive Director

a. *2018-2019 Membership Renewal:* Mr. Wilkie reported that there are 26 districts within the local owner group funds that are up for membership renewal on July 1, 2018. They are as follows: ACCASBO – 6 districts (all have renewed); BCIP – 15 districts (12 have renewed); GCSSD – 5 districts (4 have renewed). He expects all districts to renew.

b. *Potential Members Update:* Mr. Wilkie reviewed potential prospects and marketing strategy. There are several potential new memberships in all funds, especially ACCASBO.

c. *SPELL JIF Website Enhancements*: Mr. Tennant reported that the new COI Module to submit requests for Certificates of Insurance through the SPELL website continues to progress. Ms. Fox added that all districts are now using the new module, with favorable feedback, and the old form was removed from the website on February 1, 2018. The Administrator's office continues to work through any issues internally. Member feedback is always welcome.

- Fall 2018 – Members will have ability to manage certificates held by district.
- Fall 2018 or shortly thereafter – on-line incident reporting.
- Fall 2018 – Collaboration Networks

d. *Environmental Management Seminar*: Mr. Wilkie reported that the 6th Annual Environmental Management Seminar will be held on July 18, 2018 at the DoubleTree in Mount Laurel. A planning meeting was held on January 24, 2018 with the Safety Coordinator, John Geitz, to draft a program agenda. An application will be filed with the New Jersey School Buildings & Grounds Association to secure CEU credits for the Facilities Managers again this year.

e. *2018 Boiler Operator Refresher Training*: Mr. Wilkie reported that Traveler's Insurance, the JIF's boiler and machinery carrier, will hold two refresher training sessions for Black Seal Boiler Operators again in 2018. A planning meeting was held on January 24, 2018 with Traveler's to discuss ways to enhance this year's program.

f. *NJASA TECHSPO*: Mr. Wilkie reported that he and Mr. Tennant attended the NJASA TECHSPO Conference, held on January 25-26, 2018 in Atlantic City. The Washington Township BOE presented their Technology Audit Report at TECHSPO. An update was provided, and discussion ensued regarding districts' attitude regarding cyber risk.

g. *SPELL JIF Technology Committee*: Mr. Tennant reported that the first meeting of the SPELL JIF Technology Committee was held on January 29, 2018. An update was provided at the meeting regarding IT Committee functions for evaluating risk. Mr. Wachter initiated discussion regarding cyber security, and cyber audits. Mr. Tennant responded that no additional audits have been authorized. Mr. Wachter is very concerned about this cyber liability. Mr. Tennant will get contact information for member districts to obtain a quote for cyber audits. A technology checklist of required information that needs to be retained by all districts has been developed, and Mr. Tennant will redistribute this document to the full membership. Mr. Tennant also distributed a survey draft for member review, and asked for approval to distribute the survey to all districts.

Motion by Ms. Bratty, second by Mr. Grossi to approve distribution of the IT Advisory Committee survey to all districts in April. All in favor. Motion carried.

DUPRO Services: Mr. Tennant distributed a summary of services provided by this organization, which addresses language interpretation of certain contracts to highlight cyber and IT related risk transfer concerns. Mr. Tennant asked for permission to use this service judiciously in contract evaluation.

Motion by Ms. Bratty, second by Ms. Meehan to accept the proposal of DUPRO Services, in the amount of \$500 to \$600. All in favor. Motion carried.

NJASBO Spring Conference: Mr. Tennant informed the members that this is a very successful conference, and is scheduled for June 6-8, 2018, at the Borgata. Washington Township BOE will be presenting their audit.

h. *Boundary Respect Education Committee*: Mr. Tennant reviewed the following.

- The first meeting was discussed: Minutes of the first meeting were distributed.

- STOPit Update – Users Group Request: Mr. Tennant reviewed this handout, and received approval from the members to form User Groups.
 - NASDTEC Membership and Clearinghouse: This issue is tabled for now.
 - Learning Management System: Mr. Tennant discussed wanting to develop options for training opportunities.
 - Making Right Choices
- i. *SPELL Joint Retreat*: Mr. Wilkie reported that a planning committee will be assembled and a meeting will be scheduled in the spring to discuss this year's program.
- j. *2018 Conference Dates*: Mr. Wilkie reviewed the following conference dates:
- I. AGRIP – March 3-8, 2018 in San Diego, CA
 - II. NJSIA Worker's Compensation Conference – May 9-11, 2018 in Atlantic City
 - III. PRIMA – June 3-6, 2018 in Indianapolis, IN
 - IV. Mold/Environmental Management Seminar – July 18, 2018 @ The DoubleTree in Mt. Laurel
 - V. SPELL JIF Retreat – September 26-28, 2018 in Cape May
 - VI. AGRIP – September 30 - October 3, 2018 in Portland, OR
2. Underwriting and Finance Director

Mr. Hoffman distributed a packet and reviewed the following information:

a. *Financial Audit Summary Review – June 30, 2017*: Mr. Hoffman reported that the Audit was clean, with no recommendations.

- Aggregate Contingency Account Update
- Transfer Recommendations

Motion by Mr. Grossi, second by Ms. Meehan to approve the June 30, 2017 Audit Summary. All in favor. Motion carried.

b. *2018-2019 Renewal Update*: Mr. Hoffman reviewed the following:

- An update on the renewal process
- Cyber Management and Structure
- Mold Remediation Management and Structure
- Great American Meeting to Discuss Coverage Changes to Absorb More Coverages
- Simplify Claim Reporting through Qual-Lynx "Other Coverages"

c. *Excess/Reinsurance Partner Update – Preliminary Indications*:

Mr. Hoffman distributed an Underwriting & Finance Report to SPELL Board of Trustees and reviewed it in detail, including SPELL Carrier Comparisons for 2018-2019 for the following:

- Great American – Package AL / GL / ELL / WC / Property
- Safety National – Statutory Excess WC
- Risk Placement Services – Layered Property Structure
- Travelers – Boiler & Machinery
- Beazley – Pollution / Environmental / Mold: Mr. Tennant requested approval to immediately send a **Certified Industrial Hygienist (CIH)** to districts with mold issues. Without this professional, remediation companies have carte blanche to address the issue, often at accelerated costs.

- AID – Cyber Liability: Mr. Tennant recommended to the members to immediately contact their lawyer when dealing with a cyber liability issue.
- Lloyds of London – Violent Malicious Acts & Disaster Management Services
- American Alternative Insurance Corp. – UAS/Drones

d. *Initial Budget Outlook 2018-2019 – MOTION REQUESTED:* Mr. Hoffman presented the Preliminary Budget for the 2018-2019. A motion is requested to accept the preliminary budget for 2018-2019.

Motion by Mr. Grossi, second by Ms. Bratty to accept the preliminary SPELL JIF budget for the 2018-2019 Fund Year. All in favor. Motion carried by unanimous vote

VI. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT

Mr. Fanuka commented that during a recent sprinkler system issue in his district, Qual-Lynx, Gallagher, and all JIF Professionals were phenomenal in helping him deal with the issues involved.

The next meeting of the SPELLJIF is scheduled to be held on Friday, April 13, 2018 at 9:30 a.m. at the Arthur J. Gallagher Risk Management Services, Inc., 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

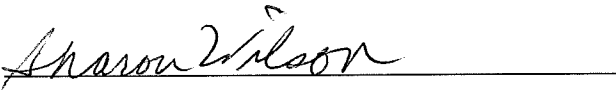
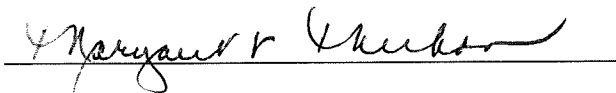
VII. MOTION REQUESTED to go into Closed Session

Motion by Ms. Bratty, second by Mr. Smurlo Motion to go into Executive Closed Session at 11:35 am. All in favor. Motion carried by unanimous vote.

VIII. MOTION REQUESTED to return to Open Session and adjourn the meeting

Motion by Ms. Bratty, second by Ms. Meehan to return to Open Session and to adjourn the February 2, 2018 meeting of the SPELLJIF. All in favor. Motion carried by unanimous vote.

The meeting adjourned at 11:49 am.



Sharon Wilson, Recording Secretary