

School Pool for Excess Liability Limits Joint Insurance Fund SPELL JIF

Teleconference Meeting via Zoom

Friday, February 5, 2021 – 10:00 AM

OPEN SESSION MINUTES

I. MEETING CALLED TO ORDER

The meeting of the School Pool for Excess Liability Limits Joint Insurance Fund (SPELL) was held remotely on Friday, February 5, 2021 at 10:08 a.m., with Thomas 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

2020-2021 Trustees present

Thomas P. Grossi, Greater Egg Harbor RHSD, **Chair** – ACCASBO JIF
Cherie Bratty, Upper Deerfield Twp School District, **Vice Chair** – GCSSD JIF
Christopher Veneziani, Folsom BOE, Trustee– ACCASBO JIF
Robert F. Wachter, Jr., Mt. Laurel Twp BOE, **Secretary** – BCIP JIF
Richard J. Kaz, Jr., Northern Burlington County RSD, Trustee – BCIP JIF
Joseph Collins, Elk Twp School District, Alternate Trustee – GCSSD JIF

2020-2021 Trustees absent

None

2020-21 Alternate Trustees present

Chandra Anaya, Egg Harbor Twp SD, Alternate Trustee – ACCASBO JIF
Diane Fox, Middle Township BOE – ACCASBO JIF
Michael Colling, Medford Lakes SD, Alternate Trustee – BCIP JIF
Rose Wang Chin, Woodstown-Pilesgrove RSD, Alternate Trustee – GCSSD JIF

2020-21 Alternate Trustees absent

Kathleen Huder, Lindenwold BOE, Alternate Trustee – BCIP JIF
Chris Rodia, Westville/Woodbury Heights, Alternate Trustee – GCSSD JIF

District Personnel absent

John Serapiglia, Jr., Passaic County Manchester Regional BOE– SE JIF
Edward Appleton, Interim, Nutley BOE– SE JIF

Fund Professionals present

Bradford Hoffman, Director of Program Administration – RPA, a division of Gallagher
Craig H. Wilkie, Sr. Program Administrator – RPA, a division of Gallagher
Scott C. Tennant, Sr. Program Strategist– RPA, a division of Gallagher
Jennifer Fox, Sr. Account Manager – RPA, a division of Gallagher

Megan Matro, Marketing Specialist- RPA, a division of Gallagher
Louis J. Greco, Esquire, Fund Solicitor
Lorraine Verrill, CPA, Fund Treasurer – Verrill & Verrill, LLC
Bonnie Ridolfino, Student Accident Program – Hardenbergh Insurance Group
Annette Reap, Recording Secretary

Mr. Kaz welcomed Ms. Fox to the meeting. She is replacing ACCASBO's representative, Joe Smurlo, who recently retired.

IV. APPROVAL OF MINUTES

Motion by Mr. Kaz, second by Ms. Anaya, to approve the Minutes of the October 9, 2020 meeting of the SPELL JIF. All in favor with the exception of Ms. Anaya and Ms. Fox, who abstained. Motion carried.

V. PROFESSIONAL REPORTS

A. Accountant/Treasurer

Ms. Verrill reviewed the October, 2020 through January, 2021 Bill Lists and Cash Reconciliation Reports for September through December, 2020 found in the agenda. Ms. Verrill noted that the money invested at William Penn Bank is earning 1% interest.

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

Ms. Verrill left the meeting at 10:12 am.

B. Solicitor

Mr. Greco provided an update on litigation activity during COVID19. All documents, witness depositions, motions, etc., has been re-established in Zoom form in one way or another. Mr. Greco reported that trial listings and actual trials are nonexistent right now. Mr. Greco feels it is going to be a long time before trials resume. Judges are sending attorneys to mandated settlement conferences but they do not have the same beneficial impact as a trial date. This is important because trials precipitate settlements in cases and, when a case is listed for trial, the pressure is on and without that pressure, and it slows down the settlement process.

C. Student Accident Program Report

Ms. Ridolfino from Hardenbergh Insurance Group discussed her report, which was emailed to the Trustees. She noted that her office has finished the renewal negotiations and they are able to present the SPELL a proposal with a 5% decrease from the 2021 premium. The only change in the program will be the carrier. Catlin, the carrier for the past 3 years, has decided to get out of the business. Hartford, who submitted a proposal last year that was financially more competitive with the same coverages, will now be the carrier. HIG will move forward if the Trustees agree. BMI will continue to handle all the claims and Ms. Ridolfino's office will continue to be the liaison with the claims. All the coverages, limits and benefits, even the addition of the COVID benefits, will remain the same. Also attached to the report is loss ratio by members. Ms. Ridolfino reviewed that the Trustees adopted member premium allocation based on the members' five year combined loss ratio. She has provided an updated report valued as of 12/31/20. Also attached to the handout is the 7/1/2021 premium summary.

Ms. Ridolfino noted that Catlin did refund 10% of the premium last year due to the cancellation of activities due to COVID. She explained that, in the event that 2021-2022 looks similar to 2020-2021, her office will discuss premium relief with Hartford. Ms. Ridolfino concluded her report and explained that she will defer to the Trustees and the Executive Director's office to determine each

member's premium allocation. Mr. Grossi asked if there was any knowledge on how Hartford handles student accident claims. Ms. Ridolfino explained that BMI will still be handling the claims through Hartford as well, so there should be no difference with regard to promptness and the claim forms are the same.

Ms. Ridolfino left the meeting at 10:17 am.

D. Executive Director/Underwriting & Finance Director Report

1. UNDERWRITING & FINANCE DIRECTOR

Financial Performance Update – Mr. Hoffman noted that the presentation of the SPELL financial performance is complex every year and nothing has been included today. He will be meeting with each of the JIF's finance committees, which covers most of the SPELL Trustees, in the next month when the audits are reviewed and the SPELL information will be incorporated. At the next SPELL meeting, Mr. Hoffman will do a quick summary of the SPELL's financials. He thanked the Trustees for their patience.

Initial Budget Outlook 2021-2022 – Mr. Hoffman noted an initial budget is normally presented at the SPELL level today, however, since the insurance market is still very difficult at this time, he is not able to discuss today. He advised that the finance committees will be meeting in the next month and the initial budgets for each of the owner groups will be discussed and premium allocation strategy process will be reviewed. Mr. Hoffman feels it is going to take another few weeks to get the SPELL budget in order. The reinsurance market is still very difficult at this time, with a lot of the same issues still existing that were existing this time last year. He does not want to put something out that can't be met since he always provides a worst-case scenario and wants to be able to be firm with those numbers.

Renewal Update/Timeline Summary – Mr. Hoffman advised that his office will be discussing cyber coverage this afternoon and hopes to have Great American's input and, particularly, the property market's input by next week. He would like to have that budget out to the Trustees. Mr. Hoffman stated that, overall, there are difficulties in property and liability from a carrier standpoint. Once he has the initial looks from Great American, the SPELL can evaluate whether to market the program or not.

Excess & Reinsurance Partner Update – Mr. Hoffman reported that Great American covers most of the SPELL's reinsurance on a package basis and it may be difficult on a percentage increase because the SPELL absorbed a lot of that last year. He noted that the market is in a state of flux from week to week and Mr. Hoffman's office will continue to update the members as we move through the process.

Safe and Secure Legal Files Exchange Transfer to SPELL JIF – Mr. Hoffman explained that this item was first talked about last spring and money was budgeted within the current year to cover the acquisition cost of the program. There was member consensus, as well as based on Mr. Greco's recommendation, that the ownership of this program be transferred to the SPELL. He reminded the Trustees that the SSLFE is the system that Mr. Greco has built and maintained over the years structurally and communication-wise. It is the claims information that the Claim Administrator and all the defense attorneys are tied into in order to review the detail on any particular file and communicate relative to it as well. It is domiciled in a cloud environment, so there is no physical transition other than the actual ownership. Effective March 1, 2021, pending the Trustees' re-approval, the Administrator's office will initiate that transfer. There is no change to the administration costs for it. Previously, \$3,500/month to Mr. Greco's office and now will pay Miles Software \$2000/month and \$1,500/month to Barbara at Mr. Greco's office. Mr. Hoffman

explained that Jennifer Fox of his office will train to begin the transition over. The acquisition cost to Mr. Greco is \$90,000.

Motion by Mr. Veneziani, second by Ms. Bratty, to approve the transfer of ownership of the Safe and Secure Legal Files Exchange from Mr. Greco to the SPELL. All in favor. Motion carried.

Mr. Wilkie discussed the Administrative Matter Reimbursement for JIF districts is \$1500 per year for legal expenses. He noted that only about half of the member districts apply for the reimbursement. Mr. Wilkie is looking at it from a marketing perspective, but also if a district has incurred these expenses, to raise the number up to \$2500. Mr. Greco pointed out that, with the JIF system, the districts have a relationship with their solicitors, unlike an attorney provided by the JIF. Mr. Wilkie advised that this was discussed at the local level, but needs SPELL approval, as long as the budget allows.

Motion by Ms. Bratty, second by Mr. Kaz, to increase the Administrative Matter Reimbursement monies from \$1,500 to \$2,500, if the budget allows. All in favor. Motion carried.

2. EXECUTIVE DIRECTOR

2021-2022 Membership Renewal - Mr. Wilkie reported that there are 33 districts within the local owner group funds that are up for membership renewal on July 1, 2021. They are broken down as follows: ACCASBO - 11 districts, BCIP - 15 districts, GCSSD - 7 districts. He provided updates to the Trustees. Mr. Wilkie provided history of member's performing due process to review coverage. He noted there is no set process and that it is up to the Business Administrator and their comfort level with their Boards. He explained discussion of districts early renewing when a BA is retiring, as in Riverside Township's case.

Marketing Update – Mr. Wilkie advised that this is possibly a large year for the JIFs. The subfunds in Mercer, Burlington, Camden and Gloucester counties in NJ SIG are up for membership renewal and are available as prospects. He is currently in conversations with approximately 22 districts. Three years ago, offers were made to 20 districts and 10 chose to join the JIFs. He is confident that the SPELL will grow and the finance committees will know who the districts are at their meetings.

Risk Assessment Services – **MOTION REQUESTED** – Mr. Wilkie said that Mr. Geitz has been doing a lot of work as the JIFs have been expanding. John has been asked to expand his services. Mr. Geitz currently has 2 full time employees. Last year, the SPELL agreed to an hourly wage in the \$50-200/hour range so that he could bring people on to do training and other type of services as needed. He has an individual that he is now able to put under contract for 30 hours per month. Mr. Wilkie is asking for approval for this expense and noted that it is the hope for this position to be full time by next year.

Motion by Ms. Anaya, second by Mr. Wachter, to approve the proposal discussed. All in favor. Motion carried.

NJSIA Spring Conference Rescheduled – Mr. Wilkie advised that the New Jersey Self-Insurers' Association has decided to cancel the spring conference to be held on May 12-14, 2021. It has been rescheduled to November 3-5, 2021 at the Hard Rock Café in Atlantic City.

Stewardship of SAM Claims – Mr. Wilkie discussed the BCIP Board of Trustees decision to affirm attorneys' fees above panel resolution for a single SAM Reviver claim. Richard Goldstein, Esquire

from Marshall, Dennehey has been hired. He is experienced in these types of claims. Mr. Greco has reviewed and gave his approval. Mr. Wilkie advised that no action needs to be taken by the SPELL Trustees. This is for information purposes only. Mr. Tennant explained that the specific claim reverts back to the 1970s. He explained that everything is more complex in defending these claims and having an experienced attorney is critical to build a successful defense. Marshall, Dennehey has experience with the Scouts and religious organizations and have put together a team of archivists who can research to find the liability policies in place at the time of the occurrence. Mr. Grossi asked how it has affected the schools and specifically the JIFs. Mr. Tennant explained that there are only 2 claims that are of concern. Mr. Tennant discussed how the policy coverages apply to these claims and there may be more claims, as deadline to file a claim goes to December 2021 of deadline to file.

Additional SPELL Website Tools Review – Ms. Matro provided a presentation on the Third Party Diary Tracking Module. It is similar to the Certification of Insurance where members request certificates for other venues, but will help districts manage their third party certificates of insurance. She explained that diaries will be generated for certificates expiring 60 days out, 30 days out, 1 week and 1 day out. Ms. Matro demonstrated the process and encourages the members to log into the website to try. The website walks the individual through each step of the process. Ms. Matro emphasized that the Executive Director's office is not approving these certificates of insurance like it's done with COIs requested by the districts. It is only a diary system for the districts to use. She advised that the test version should be available in approximately 30 days and there are 3 districts who will test the system before it is rolled out to all members. Hopefully, it will streamline the process and help districts stay on top of vendors' certificates of insurance, save time and protect districts from having vendors working in their districts with lapsed coverage. The members agreed that this was a great resource tool. Mr. Tennant also added that it is role-based and the task can be assigned to whoever is performing that function in district. He also recommends uploading the PDF of the certificates so that it becomes part of the diary.

Mr. Tennant provided a demonstration of the Loss Reports Module of the SPELL website. He explained that it will generate loss reports for districts based upon criteria that is entered, specifically, for auto, general, property, work comp or all claims. Reports can be filtered by amount, claim type, year or time frame, location or department. Specific claim details can be reviewed, as well as the adjuster and their contact information and claim status. Mr. Tennant stressed that no Personal Identifying Information exists in this database. He urged members to test and advised that canned reports are available now. Mr. Tennant explained that the system is refreshed every Monday. He also noted that an alert will be sent to the district on any claim where the reserve has increased 25% or more. Reports can still be requested from Qual-Lynx, but those reports will be mimicked in this module. Mr. Wilkie noted that the reports requested from Qual-Lynx do include Personal Identifying Information. Mr. Colling asked about birth date being included in reports. Mr. Tennant said he will have that information removed. Mr. Tennant asked the members to test and provide him with their feedback so that the module can be tweaked before it is formally rolled out to the full membership. Mr. Tennant hopes that everyone will find it useful, as that is its intent.

No items were presented for Closed Session.

VI. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT

The next meeting of the SPELL JIF is scheduled to be held on **Friday, April 23, 2021** at 10:00 a.m. either virtually via Zoom or at the Gallagher offices, 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

VII. MOTION REQUESTED to adjourn the meeting

Motion by Ms. Bratty, second by Mr. Colling, to adjourn the February 5, 2021 meeting of the SPELL JIF.
All in favor. Motion carried by unanimous vote.

The meeting adjourned at 11:02 a.m.

A handwritten signature in black ink, appearing to read "Prof. Uz", is written over a horizontal line. The signature is stylized with a large initial 'P' and a long, sweeping underline.