

School Pool for Excess Liability Limits Joint Insurance Fund SPELL JIF

Teleconference Meeting via Zoom

Friday, October 9, 2020 – 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, October 4, 2019 at 10:00 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

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

Cherie Bratty, Upper Deerfield Twp School District, **Vice Chair** – GCSSD JIF

Joseph Smurlo, Egg Harbor City School District – ACCASBO JIF

2020-21 Alternate Trustees present

Christopher Veneziani, Folsom BOE, **Alternate Trustee**– ACCASBO JIF

Chandra Anaya, Egg Harbor Twp SD, **Alternate Trustee** – ACCASBO JIF

Michael Colling, Medford Lakes SD, **Alternate Trustee** – BCIP JIF

Rose Wang Chin, Woodstown-Piles Grove 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
Annette Reap, Recording Secretary

IV. APPROVAL OF MINUTES

Motion by Mr. Kaz, second by Mr. Wachter, to approve the Minutes of the June 26, 2020 meeting of the SPELL JIF. All in favor. Motion carried.

V. ADOPTION OF AMENDED BUDGET

Mr. Hoffman noted that the amended budget included in the agenda contained final adjustments to the SPELL owner groups' assessment for reinsurance by reallocating loss contingency and member changes as of July 1, 2020.

Motion by Mr. Kaz, second by Mr. Wachter, to adopt the 2020-2021 Amended Budget, as presented and included in the agenda. All in favor. Motion carried.

VI. PROFESSIONAL REPORTS

A. Accountant/Treasurer

Ms. Verrill reviewed the July through September, 2020 Bill Lists and Cash Reconciliation Reports for June through August, 2020 found in the agenda.

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

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

B. Attorney

Mr. Greco provided an update on litigation activity during COVID19. He advised that normal written discovery continues without interruption and depositions have started to resume, via Zoom, over the last few months, other than critical witnesses. Mr. Greco reported that trial listings and actual trials are nonexistent right now. There was an aborted attempt to reopen the court house in Newark recently, which resulted in immediate spread, and it was closed down again. Mr. Greco feels it is going to be a long time before trials resume. 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, it slows down the settlement process. A few exceptions are those who are in dire need of quick money.

C. Student Accident Program Report - No Report

D. Executive Director/Underwriting & Finance Director Report

1. UNDERWRITING & FINANCE DIRECTOR

Exposure Renewal Information Update/Timeline - Mr. Hoffman advised there were a few items to complete the exposure renewal and most likely, November 1st is when renewal packet information emails will be sent by Ms. Fox in his office. He stated that there are no changes to how his office collects that information and that Ms. Fox can provide assistance with the process if needed.

Excess & Reinsurance Partner Update - Mr. Hoffman reported that, at this time of the year, everyone has been updated on renewal and there is nothing significant to note at this time. He hopes to start to receive market indications in December. Mr. Hoffman explained that the carriers need to get through January 1st renewals on other accounts, as well as getting through Hurricane season particularly, to start to get an idea of where the overall market is going. He couldn't say the market has improved any, but the next few months should provide an indication, particularly if COVID will have any impact on claims. He advised that worker's comp has not been impacted in the last 2-3 years. It's been very stable and hopefully that trend continues and is not impacted by COVID in any way and other markets remain stable since the SPELL absorbed significant increases this past July 1st. Mr. Hoffman will continue to update the members as we move through the process.

Financial Performance Update

Owner Group Performance Review - Mr. Hoffman explained that, at the individual JIF meetings, it was reviewed how the local owner groups are performing. He noted that one preliminary positive result from schools shutting down is there was not a lot of claims activity during that time period. Mr. Hoffman advised that we'll have to wait and see what the latent experience is down the road, but all owner groups are in the 50-60% range for the 2019-20 fund year and no significant claims activity for the current fund year.

6/30/20 Process Update - Mr. Hoffman reported that the audit process has begun and is on track. His office has been in communication with the auditors and the actuaries are working with them to update the actuary reports. Hopefully, Finance Committee meetings will be scheduled some time in December to review the audit and get a preliminary look at where the budgets are heading next year.

Mr. Colling asked if the recent fires out west impact the SPELL. Mr. Hoffman explained that the impact has already been felt. He advised that this is the 3-4 year in a row that the west has had significant fire activity. It factors into the worldwide property market so any impact on the JIF has already been seen. Mr. Hoffman doesn't expect there to be any significant impact for this July 1st. He noted that New Jersey has always been categorized in the same CAT loss category as Florida and the Gulf Coast just because of the potential impact of Sandy and a few other hurricanes. He will be able to provide a better update after the January 1st renewals are over.

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 said that Renewal documents will be sent out to all renewing districts this month. Mr. Wilkie doesn't expect any anticipated issues.

NJSIA Workers' Compensation Conference-MOTION REQUESTED – Mr. Wilkie explained that the SPELL has been permitting members and staff to attend this conference since 2015. The New Jersey Self-Insurers' Association had postponed their 2020 spring conference to October, 2020. They have decided to cancel the conference for 2020 and have rescheduled the spring conference to be held on May 12-14, 2021 at The Hard Rock in Atlantic City. He is requesting authorization to approve the expense of sending attendees to the 2021 spring conference, if it is held.

Motion by Mr. Kaz, second by Ms. Anaya, to approve the expense of sending attendees to the 2021 spring conference if held.

Environmental Management Seminar-MOTION REQUESTED - Mr. Wilkie stated that this annual seminar was held remotely this year on Wednesday, July 15, 2020 via Zoom. There were approximately 128 member attendees from 46 School Districts (11 ACCASBO, 25 BCIP, 10 GCSSD), as well as non-member districts. He noted it is a valuable and worthwhile program and is asking for authorization to begin the planning for 2021, whether held remotely or in person.

Motion by Mr. Kaz, second by Mr. Wachter, to hold the annual Environmental Management Seminar in 2021.

Cyber Security Symposium-MOTION REQUESTED - Mr. Wilkie advised that the SPELL JIF IT/Cyber Risk Management Committee held its second risk management symposium on Wednesday, July 29, 2020 via Zoom. There were approximately 70 attendees: 34 from ACCASBO, 21 from BCIP and 11 from GCSSD. He is making a recommendation to approve holding the program again in Fund Year 2021-22.

Motion by Mr. Colling, second by Mr. Wachter, to hold the Cyber Security Symposium again in July 2021.

SPELL Joint Retreat-MOTION REQUESTED - The SPELL Joint Retreat scheduled for September 23-25, 2020 was cancelled. Mr. Wilkie explained that it was cancelled instead of remote because of the difficulty of members trying to open schools or set up remote learning during that time. A decision will be made as the date gets closer to hold remotely if it cannot be held in person. Possible dates are September 22-24, 2021.

Motion by Mr. Colling, second by Mr. Kaz, to move forward with the planning of the SPELL Joint Retreat in September 2021.

NJSBA 2020 Fall Conference - Mr. Wilkie reminded the members that the SPELL JIF will have an Exhibit Booth at the virtual Fall Conference on October 20-22, 2020.

Mr. Wilkie advised that he had a few items to add regarding agenda items to be discussed at the upcoming Strategic Planning Committee meetings in all 3 local funds. He reminded the members who made up the Strategic Planning committees.

Property Coverage – Mr. Wilkie discussed recent issues concerning the perception and misinformation of the SPELL's property coverage limit. He wants to make sure the members understand that the \$175M limit is more than enough. The SPELL performs a study of exposures every few years of property and buildings to make sure that there is more than enough coverage. Property appraisals of all buildings are done every year, updating the numbers, and a physical inventory is performed every 5 years – 20% of the members each year. The SPELL insures the buildings based on those values. Property coverage is triggered by an incident: a fire is an incident, a super storm like Sandy that affects a number of schools at the same time is an incident. The SPELL is only covering their members' property and has never been near the limit. Mr. Hoffman said overall loss from Sandy was approximately \$2M and a majority of those losses were inland. Mr. Wilkie asked if there were any questions. None were expressed.

Administrative Matter Reimbursement – Mr. Wilkie explained that the SPELL has decided, per the members' request, not to get involved in these matters and leave it to the district solicitors to handle. The JIF benefit is \$1500 per year reimbursement 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. This item will be discussed at the Strategic Planning Meetings.

Transfer of Leadership – Mr. Wilkie advised that quite a few business administrators are retiring over the next few years and it will be discussed at the local level to begin placing engaged members into leadership roles to ensure the longevity of the JIFs. Mr. Wachter suggested to focus on the resources that are constantly available to members that don't cost any additional monies. He also recommends education for new BAs who are not up to speed yet on what is available.

Mr. Wilkie advised that the three State of the JIF dinners will be cancelled this year.

Mr. Wilkie reported that when the process begins to search for a new solicitor, one representative from each local fund will form a committee to work with SPELL.

No items were presented for Closed Session.

VII. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT

The next meeting of the SPELL JIF is scheduled to be held on **Friday, February 5, 2021** at 10:00 a.m. either virtually via Zoom or at the Gallagher offices, 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

VIII. MOTION REQUESTED to adjourn the meeting

Motion by Mr. Colling, second by Mr. Wachter, to adjourn the October 9, 2020 meeting of the SPELL JIF. All in favor. Motion carried by unanimous vote.

The meeting adjourned at 10:30 a.m.


