



**COVERAGE, CLAIMS & LITIGATION COMMITTEE
Meeting Minutes**

***Thursday, May 3, 2018
IRMA Office – 9:30 a.m.***

PRESENT: Julia Cedillo, Chair
Greg Van Dahm
Barbara Maziarek
Kate Croteau
Kevin Wachtel
Doris Hamon-Warren
Bryon Vana
John DuRocher
Patrick Brennan

**ALSO
PRESENT:** Margo Ely
Donna Sluis
Keena Marks-Cutler
Susan Garvey
Jennifer Swahlstedt

ABSENT: Peter Vadopalas

I. CALL TO ORDER

Cedillo called the meeting to order at 9:28 a.m., roll was taken and a quorum declared.

II. APPROVAL OF MINUTES

A motion was made by DuRocher and seconded by Hamon-Warren to approve the minutes of February 8, 2018. A voice vote was called and the motion carried.

III. MILLIMAN PRESENTATION – PREDICTIVE MODELING

Mike Paczolt from Milliman presented a quarterly update on the predictive modeling project to the committee.

IV. CLAIMS & LITIGATION REPORTS

Cedillo mentioned the reports have a new look and will be a great chance to look at the changes. Cedillo asked if anyone had any questions or comments on the New Litigation Report, Closed Liability Claims Report January through March 2018, reports. Hearing none, moved to the new Litigation Costs by Line of Coverage. Hamon-Warren commented that the coloring at the bottom was hard to figure out.

Cedillo mentioned the Firm Trending by Amounts Billed with charts providing the average fees per matter and average dollars per matter for each of the law firms. Harmon-Warren commented that it makes sense to her but is a little misleading are that some of them went up to \$15M, \$20M, and \$10M and when looking at the actual schedules they are not actually comparable. Ely commented we can have this look as apples to apples. Cedillo

added when reviewing the reports, I forget what types of cases these firms handle. Staff will add the number and types of cases for each firm. Cedillo commented the next report is the Subrogation Reports GL & WC. Ely commented that last year we started entering in the receivable amount. Wachtel asked the question if we can use the state's IDROP program (Illinois Debt Recovery Program). Marks-Cutler mentioned she would research it. Cedillo thanked Marks-Cutler for a great job on the report. Cedillo mentioned next is the Defense Counsel Performance Survey Report. Ely commented that we have been doing this for 9 months now and we are not getting much response to our surveys. Marks-Cutler commented that it seems the same members are getting sued and commenting on the same attorney and may not have much feedback after doing the survey once before.

V. COVERAGE CHANGES

Expanded Auto Coverage for New Vehicles

Cedillo gave a brief overview of the expanded auto coverage and that staff is recommending that we expand our auto coverage to full replacement value. This change would provide a full new car to a member if a vehicle is less than 2 years old and is a total loss. Cedillo commented this was an enhancement based on feedback that we have received from some of the members. Brennan commented he would feel more comfortable seeing some numbers going back 3-4 years to know the cost. After much discussion, it was recommended to bring market trends, the impacted premiums, how many claims fall in this area and how many are subrogated back to the September meeting.

IRMA Property Coverage-Coverage Section B1.h. Outdoor Property

Cedillo commented that staff has received feedback from some members that members' labor costs are not being covered for the replacement of damaged outdoor equipment. Staff has made some recommended language changes to the coverage that will not only cover the cost to remove debris, but it will also cover the labor cost for reinstalling that equipment. A motion was made by Harmon-Warren and seconded by Mazurek to concur with the recommended revision to the language in the first party property coverage, as attached, to include coverage for labor charges for the repair or reinstallation of damaged outdoor property. The motion carried.

VI. PANEL COUNSEL HOURLY RATE INCREASE

Cedillo commented that staff's memo outlined the item very well. There has not been an increase to these rates for at least 10 years. There has been a history of looking at these fees every 3 years and typically there is an 8% increase to the rate. Given the fact that we have not made any changes to these rates in 10 years, staff has proposed an hourly rate increase to \$200 per hour for Category 1, \$167 per hour for Category 2 and \$140 per hour for Category 3. After much discussion, a motion was made by Brennan and seconded by Harmon-Warren to recommend the modification. The motion carried.

VII. MOUNT PROSPECT CLAIMS HANDLING

Cedillo commented that Mount Prospect's third party claims administrator contract expires June 30, 2018, and is requesting IRMA administer their past claims not covered by IRMA. Staff put together an estimated cost and a proposal for the committee to consider and discuss to administer the 6 open general liability claims at a cost of \$7,726. After much discussion, a motion was made by DuRocher and seconded by Vana to concur with staff's

recommendation and authorize claims administration services for Mount Prospect's GL claims effective July 1, 2018 for a price of \$7,726. The motion carried.

VIII. EXECUTIVE SESSION

A motion was made by Wachtel and seconded by Harmon-Warren to move into Executive Session to discuss matters of: review of closed session minutes; Opioid Litigation and Executive Director's Performance review pursuant to 5 ILCS 120/2(c)(21) and (11) respectively.

A roll call vote was called and the motion carried.

IX. ADDITIONS TO AGENDA

None

X. CONFIRMATION OF NEXT MEETING

Cedillo reported that the next scheduled meeting of the CCLC would be Wednesday, September 19, 2018 at 9:30 a.m. at the IRMA Office.

XI. ADJOURNMENT

At 1:45 p.m., a motion was made by DuRocher and seconded by Harmon-Warren to adjourn the meeting. A voice vote was called and the motion carried.

Submitted by:

Accepted by:

Susan Garvey
Director of Legal Services

Julia Cedillo
Chair, Coverage, Claims & Litigation Committee