



COVERAGE, CLAIMS & LITIGATION COMMITTEE
Meeting Minutes

Thursday, May 8, 2014
IRMA Office – 9:30 a.m.

PRESENT: Julia Cedillo, Chair Curt Barrett
 Peter Scalera Mike Braiman (via phone)
 Eric Ertmoed Dennis Bubenik
 Art Malinowski Carol LeBeau (via phone)
 Sharon Peterson

ALSO PRESENT: Susan Garvey Margo Ely
 Mary Henzler

ABSENT: Keith Sbiral

I. CALL TO ORDER

Chair Cedillo called the meeting to order. Roll was taken and a quorum declared.

II. APPROVAL OF MINUTES – February 6, 2014

A motion was made by Barrett and seconded by Peterson to approve the Coverage, Claims & Litigation Committee Meeting Minutes of February 6, 2014. A voice vote was called and the motion carried.

III. CLAIMS & LITIGATION REPORTS

- A. Claims Operational Report
- B. Litigation Reports
 - 1. New Liability Claims Report
 - 2. Closed Liability Claims Report
 - 3. Litigation Management Report

Garvey reported that claims have increased primarily due to the weather. However, workers' compensation claims are still down.

Cedillo asked if there were any questions. Hearing none, she moved to the next agenda item.

IV. CLAIMS POLICY REVISIONS – SETTLEMENT AUTHORITY

Cedillo reported that IRMA staff is recommending an increase to the settlement authority of the Executive Director for workers' compensation in regards to indemnity settlements. Currently, the level is at \$250,000, and the recommendation is to increase it to \$500,000. A couple of reasons for this request is that workers' compensation indemnity settlements in excess of \$250,000 have increased, and the amounts paid in workers' compensation claims are established by the rulings of the Workers' Compensation Commission and are not subject to substantial variation.

Cedillo asked for input as to how long the level has been at \$250,000. Garvey stated that she wasn't exactly sure how long; however, it has been at the same level since she started with IRMA fourteen years ago.

The committee discussed whether the Coverage, Claims & Litigation Committee wanted to be taken out of the workers' compensation indemnity and have staff just go straight from the Executive Director to the Executive Board for workers' settlement authority over \$500,000. The committee felt that it should be parallel to the way the liability levels are set. It was suggested to increase the Coverage, Claims & Litigation Committee's settlement authority for workers' compensation indemnity claims to over \$500,000 up to \$750,000, and to add in Executive Board settlement authority for workers' compensation indemnity claims to over \$750,000.

A motion was made by Malinowski and seconded by Peterson to approve staff's recommendation to increase settlement authority levels for workers' compensation indemnity claims as follows: Executive Director – up to \$500,000; Coverage, Claims & Litigation Committee – over \$500,000 to \$750,000; and Executive Board – over \$750,000. A voice vote was called and the motion carried.

V. EXTENSION OF JLT TOWERS RE AGREEMENT

Cedillo reported that staff is proposing that the committee approve a contract extension with our incumbent insurance broker and risk management consultant, JLT Towers Re. This is the consultant that we currently use and staff is proposing that we extend the contract for an additional five years.

Cedillo asked whether an RFP was done for the current contract. Garvey replied that a complete RFP was done five years ago. Garvey also noted that the cost for the first year of the proposed extension is the same cost from the last contract. Cedillo noted that this request is coming from staff due to JLT Tower Re's exceptional customer service, expertise in regards to public entity risk pooling, and general overall satisfaction with the service provided to IRMA and its members.

A motion was made by Scalera and seconded by Peterson to approve the contract extension with JLT Towers Re for a five year period beginning November 1, 2014 through October 31, 2019. A voice vote was called and the motion carried.

Cedillo noted that the committee would be moving into Executive Session; however, she wanted to cover to additional items before doing that.

VI. ADDITIONS TO AGENDA

Cedillo asked if there were any additions to the agenda. There were no additions.

VII. CONFIRMATION OF NEXT MEETING

Cedillo stated that the next meeting of the Coverage, Claims & Litigation Committee was scheduled for Thursday, September 11, 2014 at 9:30 a.m. at the IRMA office.

A motion was made by Peterson and seconded by Malinowski to move into Executive Session to discuss matters of: review of closed session minutes and pending litigation

pursuant to 5 ILCS 120/2(c)(21) and (11) respectively. A voice was called and the motion carried unanimously.

A motion was made by Peterson and seconded by Malinowski to adjourn from Executive Session and move back into open session. A voice vote was called and the motion carried.

A motion was made by Ertmoed and seconded by Peterson to approve the recommended settlement authority for the workers' compensation claim, Youpel v. Tinley Park discussed in Executive Session. A voice vote was called and the motion carried.

VIII. ADJOURNMENT

A motion was made by Peterson and seconded by Scalera to adjourn the meeting. A voice vote was called and the motion carried.

Submitted by:

Susan Garvey
Director of Legal Services

Approved by:

Julia Cedillo, Chair
Coverage, Claims & Litigation Committee