



COVERAGE, CLAIMS & LITIGATION COMMITTEE
Meeting Minutes (Conference Call)

Thursday, November 7, 2013
IRMA Office – 9:30 a.m.

PRESENT: Kathleen Gargano, Chair
Curt Barrett
Mike Braiman
Eric Ertmoed
Colleen Nigg
Peter Scalera
Julia Cedillo
Dennis Bubenik

ALSO PRESENT: Larry Bush
Susan Garvey
Mary Henzler

ABSENT: Keith Sbiral
Blaine Wing

I. CALL TO ORDER

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

II. APPROVAL OF MINUTES – September 12, 2013

A motion was made by Nigg and seconded by Braiman to approve the Coverage, Claims & Litigation Committee meeting minutes of September 12, 2013. A voice vote was called and the motion carried.

III. CLAIMS & LITIGATION REPORTS

A. Claims Operational Report

Garvey reported that there has been an increase in general liability claims, primarily due to flooding claims that have been trickling in.

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

Garvey commented on the Litigation Management Report, stating that we are working to get our new attorneys up to speed by assigning them cases, and at the same time balancing case assignment with our other attorney firms.

IV. CCLC MEETING DATES FOR 2014

Gargano stated that on page 11 of the packet was a listing of the 2014 Coverage, Claims & Litigation Committee meeting dates and asked that those who would be on the committee in 2014 record those dates on their calendars.

V. CLARIFICATION OF ALLOCATION OF DAMAGES PROVISIONS

Garvey explained that IRMA's Claims Policy and a portion of our Bylaws provide the ability for IRMA to allocate damages between IRMA and a member when there are both covered and non-covered damages. Garvey stated that the language in the policy and bylaws refers to covered and non-covered counts. It was pointed out that the term "counts" potentially limits what we may be able to allocate, as we may have uncovered damages in a covered count. We were concerned that it might limit our ability to allocate those uncovered damages to the member. To clarify that, staff has changed the language to refer to claims, allegations or damages, which is a very broad category that will allow us to allocate those damages as necessary.

In addition, Garvey stated that the Unified Defense Amendment in the GL and POL policies refers only to counts of a complaint. Staff has modified these also to reflect that they are applicable to covered and non-covered damages, not just counts of a complaint.

A motion was made by Cedillo and seconded by Scalera to approve the changes to the Claims Policy, Section 4.02 of the Contract and Bylaws and GL and POL Unified Defense Amendments. A voice vote was called and the motion carried.

VI. CLARIFICATION OF POL EXCLUSION FOR LAW ENFORCEMENT ACTIVITIES

Garvey explained that this item was being pulled from the agenda. There is an issue going on with one of our members with this language and we don't want to confuse it anymore, so we are pulling this off this agenda and plan to bring it back to a later meeting. Gargano asked what the impetus was to clarify the language in the first place. Garvey replied that the way the coverage documents work is that if we have coverage under the General Liability coverage document, then it is excluded under the Public Officials Liability coverage document. Law enforcement activities are covered under the General Liability coverage document. This exclusion in the Public Officials Liability coverage document, along with a couple of other exclusions, basically excludes coverage for any type of law enforcement activities. The question became in this exclusion is this word "operational" limiting the law enforcement activities that are excluded. We want to clarify it so that the language in the Public Officials Liability coverage document mirrors the language in the General Liability coverage document and it is clear that law enforcement activities are excluded under the POL.

VII. ADDITIONS TO AGENDA

Garvey brought up an issue regarding the Lyons vs. Woodridge case, which was a wrongful conviction case that was settled last year for \$5,000,000. During the course of that litigation, a mistake was made by our defense counsel. Jim Grady who was the officer named in that suit, raised a concern about that mistake and raised a concern about defense going forward. Grady had gone out in the meantime and hired his own attorney and has incurred \$85,000 in legal fees. Grady asked Woodridge to pay those legal bills. Woodridge sent those bills to IRMA, and IRMA has denied the payment because under our Contract and Bylaws, neither Woodridge nor IRMA is obligated to pay. He wanted to hire an attorney outside of IRMA's defense counsel and he was free to do so, but that was at his own expense. This had been a discussion with Grady from the very beginning.

Bush noted that there is a method of appeal and if Woodridge wants to they can file an appeal. Woodridge contacted Gargano and asked her to discuss this at the Coverage, Claims & Litigation Committee; however, the Coverage, Claims & Litigation Committee doesn't have the authority to make this type of decision – it needs to be heard by an Appeals Committee.

Gargano thanked staff for providing background on this to the committee. Gargano asked that staff call Woodridge and advise them that this should be done as a formal appeal.

VIII. CONFIRMATION OF NEXT MEETING

Gargano stated that the next meeting of the Coverage, Claims & Litigation was scheduled for Tuesday, February 11, 2014. Garvey noted that this date would be changed to Thursday, February 6, at 9:30 a.m. due to a staff conflict.

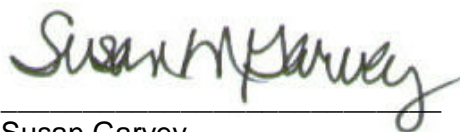
IX. EXECUTIVE SESSION

A motion was made by Cedillo and seconded by Ertmoed to move into Executive Session to discuss approval of the September 9, 2013 Executive Session Minutes, ongoing litigation, and the Executive Director's performance appraisal. A voice vote was called and the motion carried.

X. ADJOURNMENT

A motion was made by Ertmoed and seconded by Nigg 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