

Public Officers and Employees Liability Insurance Commission

6/22/2021

10:00 am

Subject: Update from NCAIA on Excess Aggregate Quotes

10:03 Bryan Heckle Roll Call

- Michael Kelly
- Robert Broome
- Will Polk
- Tommy Sutton
- Jackie Ireland – no
- Tom Anderson – no
- James Avens
- Owen Thomas
- Len Hagaman
- Melody Hairston

Bryan Heckle: We have a quorum.

Tommy Sutton – The reason for this call is for Liz to update us on the status of the State's Insurance.

Liz Hale – At the last meeting I presented Kinsale quote for \$5,000,000 per occurrence and \$5,000,000 Aggregate. POELIC did not want the \$5,000,000 per Occurrence. We went back to Kinsale, and they have confirmed their quote is only triggered after the Brit Primary Policy Aggregate is exhausted. They have added a note to the quote stating that coverage is only triggered after Brit Aggregate is exhausted. Subjectivities have been met. Kinsale quote is ready to bind. Kinsale premium is flat \$150,000 annual premium plus optional \$7,500 for terrorism. Total is \$157,500. They will not back date and they will not pro-rate. You can choose to bind today or any day in the future. They will charge the full annual premium.

Michael Kelly – you're saying that Kinsale is going to write a policy from 6/22/2021 – 2/1/2022 and they will charge us an ANNUAL premium? Will they write the policy for 12 months from 6/22/2021 – 6/22/2022? Can we cancel the policy 2/1/2022 even if we don't get a return premium?

Liz Hale – We could ask Brit to extend the policy from 2/1/2022 to 6/22/2022 so that the policies would be concurrent.

Michael Kelly – They are just doing this because they can. My suggestion is to nail them down to write an annual policy and then ask Brit to extend their policy to 6/22/2021. If it doesn't work out, we can always tell Kinsale to cancel 2/1/2022. That puts us in the best position. I don't like underwriters to charge us an annual premium for a six- month policy.

Bryan Heckle – From an operations perspective, dealing with State Agencies, and the way this would play out. It would be my preference that we do everything we can to get Kinsale to backdate to 2/1/2022 so we don't have to deal with additional invoicing for the extension. If you recall, it used to be 7/1 and we had a lot of trouble getting numbers and position counts. We extended to 10/1 and now it's 2/1 and those dates work better than the June or July dates.

Liz Hale – So your first choice is bind the Kinsale Policy 2/1/2021 (backdate) for an annual term. Your second choice is to bind the Kinsale Policy 6/22/2021 for an annual term.

Bryan Heckle – Liz were there any other options?

Liz Hale – every other market declined

Tommy Sutton – Do we need a motion to accept or not accept. If we accept, do we roll back the date to 2/1/2020.

Bryan Heckle - it will be a motion to accept coverage with primary intention to backdate to 2/1/2021 and if not possible to have an effective date of 6/22/2021 as an annual term. Or not buy coverage at all.

Tommy Sutton – Will someone make that motion?

Michael Kelly – I'll make the motion as Bryan said.

Owen Thomas – second

Tommy Sutton – any more discussion or questions

Michael Kelly – Do we need to have as part of the motion that if they won't back-date we will go with the annual term starting 6/22/2021?

Bryan Heckle – Yes that is the second part of the motion I suggested.

Tommy Sutton – if they won't go back to 2/1/2021 then we will ask for an annual premium. Is there any further discussion? Are the various agencies going to understand the second billing on this?

Bryan Heckle – Probably not. We will put together a letter to go with the invoice to explain the extra billing. Comparatively speaking it should be relatively minor. The state does have a lot of money to throw around so maybe they will be able to chip in some.

Michael Kelly – What happens if you can't collect the money?

Bryan Heckle – We go to the AG's office to force payment. We would get them involved after 90 days. I don't know that we have ever had to go to the AG's office for collections.

Melody Hairston – if they won't go for either option, what is the plan? Do we say no, or do we come back and discuss in another meeting?

Liz Hale – I don't expect that to be a problem.

Melody Hairston – Ok, thanks.

Bryan Heckle – I will take a roll call vote

- Jackie Ireland (not in attendance)
- Robert Broome –Here - aye
- Michael Kelly – aye
- Tom Anderson – (not in attendance)
- James Avens – Aye (thumbs up)
- Len Hagaman – aye
- Owen Thomas – aye
- Michele O'Connor (not in attendance)
- Tommy Sutton – (dropped off call)
- Melody Hairston – yes
- Will Polk - yes

Bryan Heckle – We have a quorum, that's 7 so we're good. I'll work with Liz to draft a letter once we have the binder and invoice from RPS. I'll talk to the State Budget Office to see if the State can pay this. That's it for today. Does anyone have any questions or issues for discussion?

Tommy Sutton – I'm back.

Bryan Heckle – we have 7 affirmative and no nays. I'll get with Liz once she has finished the negotiation with Kinsale. I don't think we have anything else to discuss.

Tommy Sutton – Any other business? Next meeting at IIANC?

Liz Hale – We have the Board Room reserved in our building.

Bryan Heckle – Do you have the date?

Tommy Sutton – 9/14/2021

Bryan Heckle – Is that the middle of the NC PRIMA conference? Does anybody know?

Michael Kelly – Yes that is the PRIMA conference

Bryan Heckle – Yes that's what I thought. I will look at the dates. We can push it to the 16th or push it off to the next week. I'd like to have it in person so I can introduce Margie's replacement. I will have her in place by then. I will look at the dates and get notice out to everyone.

Tommy Sutton – if that's it, then motion to adjourn. I would like to thank everybody for coming.