

Commission Meeting Minutes  
March 8, 2022  
NC Department of Insurance  
Raleigh, NC

**In Person:**

Sheriff Len Hagaman

**Present Via Zoom Call:**

|               |                   |
|---------------|-------------------|
| Robert Broome | Owen Thomas       |
| Tommy Sutton  | Melody Hairston   |
| Will Polk     | Michelle O'Connor |

**Not Present:**

|               |                   |
|---------------|-------------------|
| Tom Anderson  | Chief James Avens |
| Michael Kelly | Jackie Ireland    |

**Others Attending:**

|                                    |                                  |
|------------------------------------|----------------------------------|
| Latarsha Silver (NC DOI-In Person) | Bryan Heckle (NC DOI-Zoom)       |
| Elizabeth Hale (NCAIA-Zoom)        | Lisa Weatherly (NCAIA-In Person) |

*Please note that this is a summary of the minutes. An exact recording of minutes is housed at the NC Department of Insurance Risk Management division and can be provided at your request.*

**Call to Order and Roll Call**

Meeting was Called to Order at 10:04 by Tommy Sutton.

Roll was called by Latarsha Silver. See above for attendance. Quorum requirements have been met.

**Minutes**

Tommy asked if there was a motion to approve the previous minutes.

Motion of minutes approval was made by Sheriff Len Hagaman. 2<sup>nd</sup> by Robert Broome. There was no discussion or corrections. All voted in favor of the 12.14.2021 & 02.03.2022 minutes.

Minutes approved.

**NC Department of Insurance**

Bryan advised that we've received request from DOJ for information on prior policies regarding the NC School of the Arts and the issues with the sexual abuse and molestation claims. There are a number of professors, employees, and family members being named. We're providing whatever information we can to the DOJ compiling policy limits and loss runs. The main issue is that sex abuse and molestation isn't covered by this policy. We anticipate that there will not be any claims paid out of it. We've already got 2 denial letters from carriers. Even for the employees who did not take part in it but turned a blind eye they have denied claims as well. DOJ has said they will not defend those that took part, but they will be defending some individuals who had a role in supervision.

## **NCAIA**

Liz updated the Commission on the renewed excess liability policies. The 2 requested insurance policies are effective. Ambridge policy was effective February 1, 2022 with a \$2,000,000/\$2,000,000/\$5,000,000. Kinsale was also effective February 1, 2022 with a \$5,000,000 excess aggregate only. Invoices have been sent to State agencies and certificates have gone out. Liz confirmed that we have binders in hand and we're waiting for the policies to come in about 30-45 days.

## **Attorney General's Office**

Melody Hairston provided the following updates on claims: 5 total notifications since our December 2021 meeting; 2 dismissals with prejudice.

*Discussions:*

*Tommy: Any problems that you see or anticipate?*

*Melody: Not particularly. I think that as the year goes on, you know I think we end up with about same number last year as we had the previous year, but as the year goes on, I think what we'll probably pay attention to is are we getting more or is it about the same. That's pretty much the only thing that I'm concerned about, and I wouldn't even call it a concern, but I'm paying attention to those numbers.*

*Tommy: If you see anything come up, just yell and let us know if it's anything the Commission can do or assist. We do appreciate you keeping up with it for us.*

## **NC Association of County Commissioners**

No report provided.

## **NC League of Municipalities**

No report provided.

## **NC Police Chiefs & NC Police Executives Association**

No report provided.

## **NC Sheriffs' Association**

Sheriff Hagaman states there isn't any report at this time.

## **Other Business**

*Discussion:*

*Michelle: Are there other ways this policy can be insured without it being a self-insured retention kind of thing. Is that something the Commission is interested in doing, and if so should we not get it started right now so we'll have entire 12 months or maybe if it takes longer than that? I believe it has to be done legislatively.*

*Bryan: The first step is to pull together the legislative committee and review the statutes and we can sit down and look at some different ways that we can potentially go to a legislature with some wording changes, whether that's adding language that funds a Fund, or some other mechanism that changes statute that protects employees in a different way. Those are some things that the legislative committee can get together to do.*

*Tarsha can coordinate with that group. I'd be happy to be involved with it along with attorneys from DOI & DOJ that can help with that process.*

*Tommy: Since the Commission was started in the legislature, I think that'll be the way to go. Time is now to start on it because it'll probably take a while to either get some authorization through and then get some information, we need to get some reinsurance if it's possible to get reinsurance at that time.*

*Liz and Lisa you would give us some guidance as well. We will be looking to DOJ and other attorneys for assistance on this.*

*Liz: Absolutely. We're here to support with the insurance side of it whatever direction the Commission determines to go in. We're here to help.*

*Tommy: Great. Does anybody have any comments or questions if we're going on this track? Does anybody have a problem looking into it? I think we need to explore all avenues if we can.*

*Michelle: I definitely think we need to explore our avenues, especially since we've had trouble getting policies renewed. There's no guarantee that we'll be offered coverage at the same level that we have been in the past next year. So at least if we start exploring other options, we won't be left in the dark.*

*Tommy: Right. Latarsha, can y'all start to put this in motion to start gathering what we need and see what route we would have to take as far the legislature would be concerned so we can get started on it as soon as possible?*

*Latarsha: Ok.*

#### **Motion to Adjourn**

Michelle O'Connor made the motion to adjourn meeting; Robert Broome 2<sup>nd</sup> the motion.  
Vote for All in favor: Aye.

Meeting stands adjourned @ 10:32.