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STRATEGIC PLANNING SESSION AGENDA

Wednesday, December 9, 2020

Session One: 9:30am

Break: 12:00pm

Session Two: 1:00pm

Break: 2:30pm

Sessions Three: 3:00pm

Zoom Videoconference

Please Contact Katie Sullivan for Videoconference Information

All portions of this meeting will be conducted by teleconferencing in accordance with the State of California Executive Order N-29-20.

Members of the public may observe and listen to the meeting telephonically. No physical location will be available from which members of the public may observe the meeting and offer public comment. Public comments may be submitted in advance of the meeting by emailing Katie Sullivan at katie.sullivan@sedgwick.com no later than 5 p.m. on Wednesday, November 18, 2020. If a member of the public would like to address the Board of Directors during the meeting, the person may email Ms. Sullivan during the meeting and, if timely received, Ms. Sullivan will read or summarize the email to the Board members.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Ms. Sullivan at (916) 244-1164 or katie.sullivan@sedgwick.com (email). Requests must be made as early as possible and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Pooled Liability Assurance Network (PLAN) JPA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

Page	1.	SESSION ONE – 9:30am
3		A. Claims Trends
4		B. Experience Modification

* Reference materials enclosed with staff report.

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5 | 2. SESSION TWO – 1:00pm
A. Law Enforcement Liability |
| 6 | 3. SESSION THREE – 3:00pm
A. Open Discussion |

NOTICES:

- The next Board of Directors Meeting will be held on December 10, 2020, at 9:30am via Zoom Videoconference.

December 9, 2020

Agenda Item 1.A.

SESSION ONE

SUBJECT: Claims Trends

BACKGROUND AND HISTORY:

The PLAN JPA Liability Program tracks claim data on all matters administered by the Third-Party Administrator. Data points such as the numbers of claims, claim values, and claim cycle time are matters of interest. Those factors, as well as Allocated Loss Adjustment Expense (ALAE), such as fees paid to outside attorneys, experts, and investigators used to defend claims, provide useful information on overall litigation trends and impacts, as well as future reserving on pooled liability matters.

PLAN JPA's Litigation Managers William Portello and Susan DeNardo, in conjunction with TPA Claim Supervisor Cynthia Gordon, will provide an overview of claims trends and developments, as well as information on claims issues and handling.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

December 9, 2020

Agenda Item 1.B.

SESSION ONE

SUBJECT: Experience Modification

BACKGROUND AND HISTORY:

At the February 21, 2020 Strategic Planning Session, member contributions were discussed including ex-mod methodology, reinsurance/excess and administration allocations. The Board directed staff to review the contribution methodology and provide recommendation for changes.

The current ex-mod methodology (which has been in place at least since 2002/03) is:

- Loss experience and payroll from 5 years: for example, when calculating contributions for 2018/19 year, losses and payroll from 2012/13 through 2016/17 were used in the calculation.
- Losses are limited to \$250,000 per occurrence.
- Creditability is given to payroll, limited to a minimum of 20% and maximum of 90%.

Excess Costs are allocated based on the population of each member. Administration costs are allocated 20%/80% to Property and General Liability. Those costs are further allocated by 33% fixed (equally among members) and 67% variable (combination of reported claims and paid losses).

The current method also caps any members total annual contribution at +/- 30% change.

Becky Richards, Bickmore Actuarial, and Ritesh Sharma, PLAN JPA Finance Manager will provide will present this information.

RECOMMENDATION:

Staff recommends the Board of Directors consider approving the proposed change to the contribution calculation and ex-mod methodology at the Board of Directors meeting on December 10, 2020.

REFERENCE MATERIALS ATTACHED:

None

December 9, 2020

Agenda Item 2.A.

SESSION TWO

SUBJECT: Law Enforcement Liability

BACKGROUND AND HISTORY:

Within PLAN JPA, a number of members provide law enforcement services within their respective jurisdictions. Recent societal trends have made litigation involving police agencies more complex, and with higher risks of exposure, particularly in cases involving allegations of the use of excessive force. Data trends with respect to the makeup of pools of prospective jurors, as well as recent jury verdicts and settlements, all provide valuable information in evaluating potential exposure, as well as effectively managing litigation involving police agencies.

The Litigation Managers, in conjunction with attorney Nathan Oyster, will present information on current trends and practical issues with respect to claims against law enforcement, as well as the implications for PLAN JPA.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

December 9, 2020

Agenda Item 3.A.

SESSION THREE

SUBJECT: Open Discussion

BACKGROUND AND HISTORY:

This session is reserved for PLAN JPA members to speak directly with staff to ask questions and provide feedback. Breakout rooms will be available for the following:

- Administration
- Finance
- Litigation Management
- Risk Control

Topics may be submitted to staff prior to the meeting. Please contact Katie Sullivan, Assistant General Manager, at katie.sullivan@sedgwick.com.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None