

**POOLED LIABILITY ASSURANCE NETWORK JOINT  
POWERS AUTHORITY  
(PLAN JPA)**

**MINUTES OF THE CLAIMS COMMITTEE  
MEETING OF NOVEMBER 18, 2021**

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A regular meeting of the Claims Committee was held on November 18, 2021, via videoconference.

**MEMBERS PRESENT:** Donald Larkin, Chair, Morgan Hill  
Ann Ritzma, Hillsborough  
Michael Guina, Burlingame  
Marc Zafferano, San Bruno  
Rebecca Mendenhall, San Carlos

**MEMBERS ABSENT:** Robert Schultz, Los Gatos

**OTHERS PRESENT:** Jon Paulsen, PLAN JPA General Manager  
Katie Sullivan, PLAN JPA Assistant General Manager  
Susan DeNardo, PLAN JPA Litigation Manager  
Greg Rubens, Board Counsel (*Arrived during Item 4.A*)

**1. CALL TO ORDER:**

The Regular Meeting of the PLAN JPA Claims Committee meeting was called to order at 1:28 p.m.

**2. INTRODUCTIONS:**

A roll call was taken and it was determined there was a quorum present.

**3. APPROVAL OF THE AGENDA AS POSTED (OR AMENDED):**

*Donald Larkin moved to approve the agenda as posted. Ann Ritzma seconded the motion. A roll call vote was taken and the motion passed unanimously by Donald Larkin, Ann Ritzma, Michael Guina, Marc Zafferano, and Rebecca Mendenhall.*

**4. PUBLIC COMMENTS:**

None.

**5. AB361 UPDATE**

**A. Update on AB361 and Virtual Committee Meetings**

PLAN JPA staff consulted with Board Counsel regarding recently passed legislation, AB361, pertaining to teleconference and virtual meetings. Under AB361, local agency boards may conduct meetings by teleconference subject to modified rules during a State-proclaimed state of emergency when either 1) social distancing measures are required or recommended by state or local officials, or 2) the governing board determines meeting in person would present imminent risks to the health or safety of attendees.

Reauthorization of the AB361 resolution must occur at each meeting or at least once a month.

*Ann Ritzma moved to reauthorize Resolution No. 2021-03: AB361. Rebecca Mendenhall seconded the motion. A roll call vote was taken and the motion passed unanimously by Donald Larkin, Ann Ritzma, Michael Guina, Marc Zafferano, and Rebecca Mendenhall.*

**6. CONSENT CALENDAR:**

*Ann Ritzma moved to approve the following items: A) Minutes from the October 28, 2021, Claims Committee Meeting. Michael Guina seconded the motion. A roll call vote was taken and the motion passed unanimously by Donald Larkin, Ann Ritzma, Michael Guina, Marc Zafferano, and Rebecca Mendenhall.*

**7. CLAIMS MATTERS:**

**A. Consideration of Proposed Changes to the Sedgwick (TPA) Claims Handling Guidelines**

On June 11, 2020, the Board of Directors adopted the Sedgwick (TPA) Claims Handling Guidelines and Best Practices. These guidelines clearly define reporting requirements and how the Third-Party Administrator (TPA) should be procedurally handling claims and interacting with the members.

Susan DeNardo, PLAN JPA Litigation Manager, reminded the Committee they updated the policy on March 25, 2021, with the Board of Directors approving the updates at their June 18, 2021, meeting. Ms. DeNardo reviewed the proposed changes with the Committee,

including the additional of the new team lead, current insurer's names and policy numbers, and further definition for reporting claims management.

*Ann Ritzma moved to approve the Sedgwick (TPA) Claims Handling Guidelines and Best Practices as presented. Michael Guina seconded the motion. A roll call vote was taken and the motion passed unanimously by Donald Larkin, Ann Ritzma, Michael Guina, Marc Zafferano, and Rebecca Mendenhall.*

**B. Review of the Claims Audit Report from Farley Consulting**

Tim Farley, Farley Consulting Services, conducted an audit of PLAN JPA's general liability and property claims in August 25-29, 2021. A total of 50 liability files were audited including 34 litigated files. The audit was conducted in compliance of PLAN JPA's policy and to assure PLAN JPA that its claims are effectively adjusted.

Ms. DeNardo reviewed the following results summary from Mr. Farley's report:

- Sedgwick is adequately staffed to handle PLAN JPA claims. All five examiners currently have caseloads below the recommended maximum of 150.
- Sedgwick is conducting thorough investigation on PLAN JPA claims.
- Five files raised questions about reserving levels. Sedgwick TPA's Supervisor explained reserve methodology to auditor.
- Audit questions regarding member reporting claims to Sedgwick in a timely manner.
- Pursuit of subrogation is done and appropriate in all instances reviewed.
- Communication to excess insurers is timely.
- Housekeeping in the majority of the files were good.
- Status updates from defense counsel are consistently timely.
- No litigation management deficiencies are identified.

After a brief discussion, the Committee recommend staff add a note of timely reporting of claims to the orientation for new members.

Ms. DeNardo informed the Committee no voting is required as the Board of Directors will review and formally receive the audit.

**C. Update Regarding Sedgwick Third Party Administrator Management of Restitution and Small Claims Court**

Sedgwick's TPA has is contracted to provide claims administration services to PLAN JPA. These services include the adjustment, management and oversight of claims arising out of PLAN JPA's self-insured general liability, automobile, and property programs.

Ms. DeNardo noted the required tasks for the TPA are identified in Exhibit A of the Agreement for Services, which includes a flat annual rate. She informed the Committee Sedgwick TPA is seeking to further define the scope of their work with respect to members seeking restitution.

After a short discussion, the Committee agreed it would be best to bring this topic forward to the full Board of Directors for discussion and direction.

**8. CLOSED SESSION:**

A. The Committee convened to closed session, pursuant to Government Code section 54956.95(a) at 2:01 p.m. to discuss the following claims:

- Hanhong Chen and Yan Tang v. City of Milpitas

B. Pursuant to Government Code Section 54957.1, the Committee reconvened to open session at 2:14 p.m. The following actions were taken under closed session:

*No reportable action was taken during closed session.*

**9. CLOSING COMMENTS:**

**A. Claims Committee**

None

**B. Staff**

None.

**10. ADJOURNMENT**

The Regular Meeting of the PLAN JPA Claims Committee was adjourned at 2:19 p.m.



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Katie Sullivan, Assistant General Manager