

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**MINUTES OF THE COVERAGE COMMITTEE MEETING
OF MARCH 29, 2021**

An ERMA Coverage Committee Meeting was held on March 29, 2021, all portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953(b). The meeting was conducted under Governor Gavin Newsom's Executive Order N-25-20 wherein public noticing of teleconference locations for each meeting participant is suspended.

COMMITTEE MEMBERS PRESENT: John Gillison, President, PARSAC
Truc Dever, Vice President, VCJPA

COMMITTEE MEMBERS ABSENT: Stuart Schillinger, Treasurer, BCJPIA

OTHERS PRESENT: Kathy Maylin, ERMA Litigation Manager
Mona Hedin, ERMA Analyst/Training Coordinator
Doug Alliston, ERMA Board Counsel

1. CALL TO ORDER/ROLL CALL

The March 29, 2021, the ERMA Coverage Committee Meeting was called to order at 11:07 a.m., by President John Gillison. Roll call was taken, and it was determined a quorum was present.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Truc Dever moved to approve the agenda as posted. Seconded by John Gillison. The motion passed unanimously.

3. PUBLIC COMMENTS

None

4. CONSENT CALENDAR

John Gillison moved to approve the Consent Calendar. Seconded by Truc Dever. The motion passed unanimously.

5. COVERAGE MATTERS

A. Discussion Regarding City of Victorville (PERMA) Appeal of Denial of Coverage

Doug Alliston, Board Counsel, presented the appeal of denial of coverage for the City of Victorville (City), an underlying member of PERMA. He reported PERMA's initial complaint did not include any alleged wrongful employment practices, resulting in the issuance of a coverage denial letter on December 31, 2020. He advised the letter commenced the 90-day period for the City to appeal ERMA's denial of coverage.

Mr. Alliston added a notice from PERMA was received on February 11, 2021, regarding their wish on behalf of the City, to preserve the right to appeal, pending further anticipated development of the complaint. He confirmed that should the Board agree to stay the appeal

period, the City will provide notification within ten business days of receipt of any notice of change in the procedural status, venue, or nature of the complainant's allegations.

The Committee discussed the City's request for a stay of appeal prior to expiration of the 90-day period. It was noted that extensions to appeal periods are not typically afforded, however, in this case, is necessary, as the complaint continues to evolve.

John Gillison moved to stay the City of Victorville's appeal of denial of coverage. Seconded by Truc Dever. The motion passed unanimously.

B. Discussion Regarding Application of Training Compliance Penalties

Kathy Maylin, Litigation Manager, reminded the Committee at the February 11, 2021, Board meeting, wherein Resolution No. 2021-3, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law (Resolution) was approved. She noted the Resolution revised the penalty for non-compliance with training mandates from a 100% increase of the member's SIR to a tiered percentage increase of the member's SIR, as follows:

SIR	Penalty	% of Penalty to SIR
\$25,000	\$6,250	25%
\$50,000	\$12,500	25%
\$75,000	\$18,750	25%
\$100,000	\$25,000	25%
\$250,000	\$37,500	15%
\$500,000	\$50,000	10%

Ms. Maylin confirmed the language referenced in the Memorandum of Coverage (MOC) was also revised to align with the Resolution and noted the updates were effective retroactively to January 1, 2021.

The Committee discussed the perceived ambiguity of the application of the revised penalty structure should a claim be presented during a prior year's coverage period. Discussion ensued regarding the intent of the Board of Directors to allow the tiered penalty structure, irrespective of the claim date of loss. The Committee confirmed the revised structure should apply to any claim presented wherein the member is determined to be out of compliance with training requirements.

Truc Dever moved to recommend presentation to the Board of a revised Resolution Requiring Members to Provide Proof of Compliance with Training Mandated by State law regarding the application of the penalty structure. Seconded by John Gillison. The motion passed unanimously.

6. CLOSING COMMENTS

A. Board of Directors

None

B. Staff

None

7. ADJOURNMENT

The March 29, 2021, ERMA Coverage Committee meeting adjourned at 11:20 a.m. by general consent.

Mona Hedin

Mona Hedin, Board Secretary