

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND  
OPEN MINUTES  
OCTOBER 25, 2018  
CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD, NJ  
1:00 PM**

**MEETING OF THE FUND CALLED TO ORDER AT 1:00 P.M. BY CHAIRMAN  
ANGILELLA**

**OPEN PUBLIC MEETING ACT READ INTO RECORD**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL BOARD OF 2018 FUND COMMISSIONERS**

Ross Angilella, Chairman	Camden County	Present
John Kelly, Secretary	Ocean County	Present - <i>via teleconference</i>
Janette Kessler, Commissioner	Atlantic County	Present
Kendall Collins, Commissioner	Burlington County	Present - <i>via teleconference</i>
Ken Mecouch, Commissioner	Cumberland County	Present - <i>via teleconference</i>
Tim Sheehan, Commissioner	Gloucester County	Present
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference</i>
Michael Yuska, Commissioner	Union County	Present - <i>via teleconference</i>

**ALTERNATE FUND COMMISSIONERS**

Anna Marie Wright	Camden County	Present
Carl Block	Ocean County	Absent
Raissa Walker	Mercer County	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services <b>Paul Laracy, Joe Hrubash, Nancy A. Ghani</b>
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Attorney	<b>Laura Paffenroth, Esq.</b>
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Safety Director	JA Montgomery Risk Control <b>Glenn Prince</b>
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Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
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Claims Administrator	AmeriHealth Casualty Services <b>Tracy Ware, Cheryl Little Mark Morrone</b>
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**ALSO PRESENT:**

Louis DiAngelo, Camden County  
Brad Stokes, PERMA  
Cathy Dodd, PERMA  
Karen Read – PERMA – *via teleconference*  
Gail White, Scirocco Group – *via teleconference*  
Alex DeLuccia, Conner Strong & Buckelew – *via teleconference*  
Bonnie Ridolfino, Hardenbergh – *via teleconference*  
Carol Mack, Conner Strong & Buckelew – *via teleconference*  
Doug Borden, Borden Perlman Salisbury & Kelly – *via teleconference*

**MINUTES:** Open and Closed Minutes of October 25, 2018.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM OCTOBER 25, 2018 AS PRESENTED:**

Moved: Chairman Angilella  
Second: Commissioner Kelly  
Roll Call Vote: Unanimous

**CORRESPONDENCE:**

NONE

**EXECUTIVE DIRECTOR'S REPORT:**

**2019 BUDGET:** Executive Director said a sub-committee comprised of Commissioners Kelly, Shea and Sheehan met via teleconference on October 16<sup>th</sup> to review the preliminary 2019 Budget. The proposed Budget is \$22,997,729 representing a 7.1% increase over last year and a summary review was provided on the budget as follows:

**Claims Loss Funds (lines 1-5)** – Fund Actuary is projecting a 12% increase to the loss funds for 2019. Except for minor exposure changes, this increase is caused entirely by NJCE taking responsibility for property claims up to \$250K or \$500k less the \$100,000 underlying retention. As previously discussed and per the Board's direction, the property self-insured retention (SIR) will increase from \$100,000 to \$250,000 and will be funded at the NJCE level instead of adding this additional exposure to the underlying Commission and stand-alone County members.

**Excess Premiums (lines 9-14)** – Underwriting Manager reported Zurich, the Fund's Excess Property carrier, has indicated a 5% rate increase based on property losses and consistently high loss ratios over the past three years. Underwriting Manager reported favorable renewals with incumbent carriers for casualty and workers' compensation coverage. Underwriting Manager said pollution is undergoing a marketing effort since the carrier has noted coverage for mold will likely be decreased. While members of the Fund have seen minimal, if any, claims related to mold, Underwriting Manager said the marketplace is experiencing the opposite and would like to secure appropriate coverage for this exposure. Underwriting Manager will continue to actively negotiate rates to ensure long-term stability and report further at the next meeting.

**Expenses, Fees & Contingency (lines 22-36)** – Executive Director said the overall 2% increase on professional fees are budgeted to reflect cost of living wage; however, as a reminder, the Board confirms appointments and compensation at the annual February Reorganization meeting. Executive Director reported line items #33 *Underwriting Data Consolidation* and #34 *Payroll Audit* were introduced during the 2017 budget process reflect a progressive initiative to obtain consistent and ratable data through payroll audits, property appraisals and an underwriting data system. Property Appraisals will most likely be a 2020 initiative.

**Ancillary Coverages (lines 43-49)** – Executive Director said the NJCE acts as a pass through for optional Ancillary coverages, which are purchased individually by each County and their autonomous agencies. Underwriting Manager is also actively negotiating these coverages for renewal.

**MOTION TO INTRODUCE ON FIRST READING THE 2019 BUDGET AND TO SCHEDULE A PUBLIC HEARING ON NOVEMBER 15, 2018 AT 1:00PM AT THE CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD, NJ:**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Roll Call Vote: Unanimous

**DIVIDEND:** Executive Director reported the sub-committee also reviewed available dividend options and requested that a range be presented for today's discussion and action. The sub-committee recommended options where all members would realize a dividend. Executive Director said the Fund has distributed dividends over the past three years in the amounts of \$200,000 in 2017, \$150,000 in 2016 and \$150,000 in 2015. Enclosed in the agenda was a worksheet on the allowable dividends per State Regulations at the last audit of 12/31/17, as well as, the range of dividends was reviewed for consideration. The Board of Fund Commissioners agreed to table any action to authorize the release of a dividend until the next meeting so that NJCE members could discuss with their respective boards what dividend option would be most beneficial. Since this action was tabled, resolution 42-18 was not acted upon.

**PROFESSIONAL CONTRACTS – ACTUARY:** The Fund's contract with The Actuarial Advantage will expire on November 16, 2018. The Fund office will issue a Request for Price Quotes and report the responses received at the next available meeting.

**NJCE CLAIMS REVIEW COMMITTEE:** A working draft of the Claims Review Committee charter was submitted for consideration and subject to final review by the Fund Attorney and adoption by the Board. Once finalized, a minimum of three Fund Commissioners will be asked to volunteer to serve on the committee. It is anticipated that the Committee will begin meeting in January 2019.

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP:** The 7<sup>th</sup> annual Joint Insurance Claims Committees Best Practice Workshop is scheduled for Wednesday, October 31, 2018 at the Conner Strong & Buckelew office in Marlton, NJ. This year's topics include an overview of controlled insurance programs, body worn cameras in law enforcement and topics related to the opioid epidemic.

**EXCESS PROPERTY THIRD PARTY ADMINISTRATOR (TPA):** As previously discussed, the Excess Property SIR is increasing from \$100,000 to \$250,000 and will be funded at the NJCE level. The Fund office is working with the Fund Attorney to issue a Request for Proposals for a TPA to manage and adjust Excess Property claims from 1<sup>st</sup> dollar.

**ONLINE UNDERWRITING & CLAIMS RISK MANAGEMENT INFORMATION SYSTEM:** Based on prior authorization from the Board, PERMA has met with representatives from Origami to discuss an online underwriting and claims data platform for members' to access as a resource. Discussions are progressing and we will continue to update the Board on our progress.

**AUDIT FILING:** The final 2017 Year End Audit has been filed with both Departments of Insurance and Community Affairs and the Synopsis of Audit was published in the Fund's official newspaper.

**FINANCIAL FAST TRACK:** Executive Director said the Financial Fast Track as of August 31, 2018 reflected a statutory surplus of \$13.9 million

#### **UNDERWRITING MANAGER**

**REPORT:** Underwriting Manager said there was nothing additional to report.

#### **TREASURER REPORT:**

Included in the agenda were the confirmation of bills lists, approval of current month bills and the Treasurer's reports for August.

**VOUCHER PAYMENTS (BILL LIST) –**

Resolution 43-18 October 2018 Bills Approval of Payments

\$127,046.31

**CONFIRMATION OF AUGUST 2018 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2010</b>	350.00
<b>2011</b>	3036.00
<b>2012</b>	18,768.25
<b>2013</b>	2,615.14
<b>2014</b>	3,374.14
<b>2015</b>	390.00
<b>2016</b>	0.00
<b>2017</b>	0.00
<b>2018</b>	0.00
<b>TOTAL</b>	<b>\$28,533.53</b>

**MOTION TO APPROVE OCTOBER 2018 BILLS LIST RESOLUTION 43-18 AND TREASURER’S REPORTS AS PRESENTED:**

Moved: Chairman Angilella  
Second: Commissioner Sheehan  
Roll Call: 9 Ayes – 0 Nays

**SAFETY DIRECTOR:**

**REPORT:** Safety Director submitted a report reflecting the risk control activities from September to October 2018 and Safety Director Bulletins distributed during that time. Safety Director noted that the MEL Media Library was enhanced to remove outdated items that do not reflect current regulations, titles were added on emerging risk control topics, as well as a law enforcement series *In the Line of Duty*. In addition, a total of 90 instructor-led courses were held during September/October.

**FUND ATTORNEY:**

**REPORT:** Fund Attorney said there was nothing additional to report.

**RESOLUTIONS:**

**RESOLUTION 42-18:** Resolution authorizing refund from the 2011 Fund Year, 2013 Fund Year and 2014 Fund Year.

*This action was tabled and as such this resolution was not acted upon.*

**CLAIMS ADMINISTRATOR:**

**REPORT:** AmeriHealth Casualty Services is in need of a Closed Session to discuss claims status and other matters; enclosed in the agenda was Resolution 44-18 authorizing closed session. Under separate cover, Fund Commissioners received materials from AmeriHealth Casualty Services and/or the Executive Director.

**MOTION TO ADOPT RESOLUTION 42-18 AUTHORIZING THE NEED TO ENTER INTO CLOSED SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS POTENTIAL LITIGATION ON CLAIM NUMBER #640-116-129 AND CLAIM #640-113-43:**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Roll Call: Unanimous

*All others vacated the room and/or left the teleconference with the exception of Fund Commissioners, Fund Attorney and Professionals.*

**MOTION TO RETURN TO OPEN SESSION:**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Roll Call: Unanimous

As per discussion held during Closed Session permitted via Resolution 44-18, motion to approve the following:

Workers' Compensation

Settlement Authority Request for: Claim #640-116-129 for \$9,235.00  
Settlement Authority Request for Claim #640-113-43 in the amount of \$104,527.00

**MOTION TO APPROVE THE SETTLEMENT AUTHORITY REQUEST AS PRESENTED:**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Roll Call: 9 Ayes – 0 Nays

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT**

**MOTION TO OPEN MEETING TO PUBLIC**

Moved: Chairman Angilella  
Second: Commissioner Sheehan  
Roll Call: Unanimous

**MOTION TO CLOSE MEETING TO PUBLIC**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Roll Call: Unanimous

**NON- AGENDA ITEMS**

NONE

**MOTION TO ADJOURN:**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Vote: Unanimous

**MEETING ADJOURNED: 1:23PM**

**NEXT MEETING: November 15, 2018 - 1:00 PM  
Camden County College Regional  
Emergency Training Center  
420 Woodbury-Turnersville Road  
Blackwood, NJ**

Nancy A. Ghani, Assisting Secretary  
for

**JOHN KELLY, SECRETARY**