

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND  
OPEN MINUTES  
NOVEMBER 15, 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 - <i>via teleconference</i>
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 - <i>via teleconference</i>
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	Absent

**ALTERNATE FUND COMMISSIONERS**

Anna Marie Wright	Camden County	Present
Carl Block	Ocean County	Present - <i>via teleconference</i>
Raissa Walker	Mercer County	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services <b>Paul Laracy</b> <b>Joe Hrubash</b> - <i>via teleconference</i> <b>Nancy A. Ghani</b> - <i>via teleconference</i> <b>Rachel Chwastek</b>
Attorney	<b>Laura Paffenroth, Esq.</b>
Safety Director	JA Montgomery Risk Control <b>Glenn Prince</b> - <i>via teleconference</i>
Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney, Alex DeLuccia</b>
Claims Administrator	AmeriHealth Casualty Services <b>Tracy Ware, Mark Marrone, Cheryle Little</b>
Litigation Manager	<b>Hon. E. David Millard</b> - <i>via teleconference</i>
Treasurer	<b>David McPeak</b>

**ALSO PRESENT:**

Brad Stokes, PERMA - *via teleconference*  
Cathy Dodd, PERMA- *via teleconference*  
Robyn Walcoff, - *via teleconference*  
Gail White, Scirocco Group – *via teleconference*

Robin Racioppi - *via teleconference*  
Jackie Cardenosa - - *via teleconference*  
Bonnie Ridolfino, Hardenbergh – *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 last month, the Fund introduced a proposed 2019 budget representing a total of \$22,997,729 or a 7.1% increase. The main factors driving the increase was the addition of property claim loss funding since the property self-insured retention (SIR) will increase from \$100,000 to \$250,000; the NJCE is taking responsibility for property claims up to \$250K or \$500k less the \$100,000 underlying retention.

Included in the agenda was a budget for adoption representing a total of \$22,708,952 or a 5.7% increase based on confirmation of property and audited payroll figures as of 11/8/18. Executive Director said recent exposure data validation resulted in an update to the budget and copies of an updated budget as of 11/15/18 were distributed representing a total of \$22,315,997 or a 3.9% increase based on the following:

**Claims Loss Funds (lines 1-5)** – Fund Actuary projected 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 Manger was able to negotiate with Zurich, the Fund's Excess Property carrier, a lower than previously indicated rate increase.

**Expenses, Fees & Contingency (lines 22-36)** - 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. 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)** - 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 OPEN THE PUBLIC HEARING ON THE 2019 BUDGET:**

Moved:	Chairman Angilella
Second:	Commissioner Sheehan
Vote:	Unanimous

*Seeing no comment or discussion...*

**MOTION TO CLOSE THE PUBLIC HEARING ON THE 2019 BUDGET, ADOPTED THE 2019 BUDGET AS AMENDED AND CERTIFY THE ASSESSMENTS:**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Vote: 8 Ayes – 0 Nays

In addition, Executive Director said it would be appropriate to authorize the Underwriting Manager to bind and enter into the required agreements for the 2019 excess and ancillary coverages; a resolution formalizing the action will be included in the 2019 Reorganization agenda.

**DIVIDEND:** 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, a range of dividends for consideration. At the last meeting, the Board tabled making a final distribution amount so that individual Commission/County members could review further.

To date, the following members have indicated their dividend preference:

Camden - \$500,000  
Burlington - \$500,000  
Cumberland - \$500,000  
Gloucester - \$750,000  
Union - \$750,000  
Hudson - \$1,000,000  
Ocean  
Mercer

Executive Director requested feedback on the decision before the Board. Commissioner Collins said he would support a dividend of \$500,000 based on the responses to date; Chairman Angilella suggested a vote be tallied prior to moving on to other dividend amounts for consideration.

**MOTION TO ADOPT RESOLUTION 46-18 AUTHORIZING A TOTAL REFUND OF \$500,000 COMING FROM THE 2011 FUND YEAR, THE 2013 FUND YEAR AND THE 2014 FUND YEAR:**

Moved: Chairman Angilella  
Second: Commissioner Mecouch  
Roll Call Vote: 5 Ayes – 3 Nays  
Commissioner Shea, Sheehan and Kessler

**MEMBERSHIP:** At the April meeting, resolutions were adopted reaffirming memberships to the Counties of Monmouth and Essex on or before December 31, 2018. Executive Director said the Fund office has received notification that the County of Monmouth anticipates confirming membership shortly after December 31<sup>st</sup> and the County of Essex within the first half of 2019. As such, included in the agenda were resolutions reaffirming membership.

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

## INFORMATIONAL

**NJCE CLAIMS REVIEW COMMITTEE:** As discussed last month, enclosed in the agenda was a working draft of the Claims Review Committee charter 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. Executive Director said it is anticipate the committee to begin meeting in January 2019.

**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. Executive Director said 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. Executive Director said discussions are progressing and we will continue to update the Board on our progress.

**FINANCIAL FAST TRACK:** Included in the agenda was the Financial Fast Track as of September 30, 2018, which reflected a statutory surplus of \$14.4 million.

### **UNDERWRITING MANAGER**

**REPORT:** Underwriting Manager provided a brief report on the 2019 renewal program and noted the pollution and property are the remaining coverages to be confirmed for 2019 renewal.

### **TREASURER REPORT:**

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

#### **VOUCHER PAYMENTS (BILL LIST) –**

Resolution 47-18 November 2018 Bills Approval of Payments      \$300,563.01

#### **CONFIRMATION OF SEPTEMBER 2018 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2010</b>	0.00
<b>2011</b>	4,293.00
<b>2012</b>	4,282.92
<b>2013</b>	1,531.66
<b>2014</b>	1,572.00
<b>2015</b>	243.75
<b>2016</b>	0.00
<b>2017</b>	292.50
<b>2018</b>	0.00
<b>TOTAL</b>	<b>\$12,215.83</b>

#### **MOTION TO APPROVE NOVEMBER 2018 BILLS LIST RESOLUTION 47-18 AND TREASURER'S REPORTS AS PRESENTED:**

Moved:            Chairman Angilella  
Second:          Commissioner Kelly  
Roll Call:        8 Ayes – 0 Nays

**SAFETY DIRECTOR:**

**REPORT:** Safety Director submitted a report reflecting the risk control activities from October to December 2018. Safety Director reminded members to submit any applicable 2018 reimbursements as respects to the BRIT Safety Grant and noted the same reimbursement program would be available in 2019.

**FUND ATTORNEY:**

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

**RESOLUTIONS:**

**RESOLUTION 46-18:** Resolution authorizing refund from the 2011 Fund Year, 2013 Fund Year and 2014 Fund Year.

*Action on this Resolution was taken earlier during its discussion.*

**RESOLUTION 47-18:** Resolution amending Resolution #17 adopted February 23, 2017 offering membership to the County of Monmouth revising effective date of membership.

Moved: Chairman Angilella  
Second: Commissioner Kelly  
Roll Call: 8 Ayes – 0 Nays

**RESOLUTION 48-18:** Resolution amending Resolution #27 adopted April 26, 2018 offering membership to the County of Essex revising effective date of membership.

Moved: Chairman Angilella  
Second: Commissioner Kelly  
Roll Call: 8 Ayes – 0 Nays

**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 49-18 authorizing closed session. Under separate cover, Fund Commissioners received materials from AmeriHealth Casualty Services and/or the Executive Director.

**MOTION TO ADOPT RESOLUTION 49-18 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 NUMBERS CLAIM #640-115-189, #640-111-100, #640-115-0000093, #64GL016898, #64CA012805:**

Moved: Chairman Angilella  
Second: Commissioner Kelly  
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 49-18, motion to approve the following:

Workers' Compensation

Settlement Authority Request for: Claim #640-111-100 for \$53,982.00

Settlement Authority Request for Claim #640-115-0000093 in the amount of \$59,335.98

Liability

Settlement Authority Request for: Claim #64GL016898 for \$150,000

Settlement Authority Request for: Claim #64CA012805 for \$250,000

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

Moved: Chairman Angilella  
Second: Commissioner Kelly  
Roll Call: 8 Ayes – 0 Nays

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT**

**MOTION TO OPEN MEETING TO PUBLIC**

Moved: Chairman Angilella  
Second: Commissioner Kelly  
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: 1:32PM**

**NEXT MEETING: February 28, 2019 - 1:00 PM  
Camden County College Regional  
Emergency Training Center  
420 Woodbury-Turnersville Road  
Blackwood, NJ**

Nancy A. Ghani, Assisting Secretary

for

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**JOHN KELLY, SECRETARY**