

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND**

**OPEN MINUTES**

**JUNE 27, 2019**

**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 2019 FUND COMMISSIONERS**

Ross Angilella, Chair	Camden County	Present
John Kelly, Commissioner	Ocean County	Present - <i>via teleconference</i>
Jeannette Kessler, Commissioner	Atlantic County	Absent
Sander Friedman, Commissioner	Burlington County	Absent
Kimberly Wood, 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	Absent
Laura Scutari, Commissioner	Union County	Present - <i>via teleconference</i>
Teri O'Connor, Commissioner	Monmouth 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
Eugenio Esquivel	Union County	Absent
Christopher Marion	Monmouth County	Present - <i>via teleconference</i>

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services <b>Paul Laracy, Joe Hrubash Nancy A. Ghani</b>
Fund Attorney	<b>Laura Paffenroth, Esq.</b>
Safety Director	JA Montgomery Risk Control <b>Glenn Prince</b>
Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
Auditor	Bowman & Company <b>Jim Miles</b>
Claims Administrator	AmeriHealth Casualty Services <b>Tracy Ware, Cheryl Little, James Bussacco</b>

**ALSO PRESENT:**

Joshua Friedman, Camden County  
Damon Burke, Burlington County  
Gail White, Scirocco Group - *via teleconference*  
Christina Violetti, Hardenbergh Insurance Group- *via teleconference*  
Michelle Leighton, Conner Strong & Buckelew  
Alexander Clemmer, Conner Strong & Buckelew – *via teleconference*  
Brad Stokes, PERMA  
Karen Read, PERMA – *via teleconference*

Rachel Chwastek, PERMA  
Cathy Dodd, PERMA  
Jackie Cardenosa, PERMA – *via teleconference*  
Mary Ann Sander, Conner Strong & Buckelew – *via teleconference*  
Carol Mack, Conner Strong & Buckelew – *via teleconference*

**MINUTES:** Open Minutes as of April 25, 2019 were included in agenda for review; Closed Minutes as of April 25, 2019 were distributed to the Board only.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM APRIL 25, 2019 AS PRESENTED:**

Moved: Commissioner Kelly  
Second: Commissioner Sheehan  
Roll Call Vote: Unanimous

**CORRESPONDENCE:**

NONE

**AUDITOR**

**REPORT:** A draft financial audit for the period ending December 31, 2018 was prepared for review at the meeting. Enclosed separately from the agenda was a copy of the draft audit, which was distributed to all commissioners and professionals.

Fund Auditor reviewed the financial highlights of the report and said there were no recommendations or findings to date and does not expect any changes to the final audit.

Executive Director said it would be appropriate to authorize the fund office to file the draft audit with Department of Banking & Insurance and request an extension to file the final audit upon receipt. Included in the agenda was Resolution 26-19 authorizing this action.

**MOTION TO ADOPT RESOLUTION 26-19 AUTHORIZING THE FUND OFFICE TO FILE THE DRAFT AUDIT AS OF 12/31/18 AND REQUEST AN EXTENSION TO FILE THE FINAL UPON RECEIPT:**

Moved: Chairman Angilella  
Second: Commissioner Wood  
Roll Call Vote: 6 Ayes – 0 Nays

**EXECUTIVE DIRECTOR'S REPORT:**

**FINANCIAL FAST TRACK:** Executive Director referred to the Financial Fast Track as of April 30, 2019 and reported there was a year-to-date change of approximately \$90,000 in discount claim values on reserves and an overall statutory surplus of \$17 million.

**LITIGATION MANAGEMENT:** Fund Attorney submitted a report that a Request for Proposals (RFP) for Litigation Management services was advertised and one response from Citta, Holzapfel & Zabarsky P.A. (incumbent firm) was received. Enclosed in the agenda was Resolution 27-19 ratifying an agreement between the Fund and Citta, Holzapfel & Zabarsky P.A. for Litigation Management Services.

**MOTION TO ADOPT RESOLUTION 27-19 RATIFYING AN AGREEMENT BETWEEN THE FUND AND CITTA, HOLZAPFEL & ZABARSKY P.A. FOR LITIGATION MANAGEMENT SERVICES:**

Moved: Chairman Angilella  
Second: Commissioner Wood  
Roll Call Vote: 6 Ayes – 0 Nays

**EXCESS PROPERTY THIRD PARTY ADMINISTRATOR (TPA):** Executive Director said as previously discussed, effective 1/1/2019 the Excess Property Self Insured Retention (SIR) increased from \$100,000 to \$250,000 - funded at the NJCE level – and claims would be managed by a TPA to adjust Excess Property claims from 1<sup>st</sup> dollar. Fund Attorney reported that an initial RFP was issued in January, but all responses were rejected in order to clarify information in the RFP.

Fund Attorney said a 2<sup>nd</sup> RFP was issued and a total of 5 responses were received; two vendors were not considered as they did not fully address an item(s) in the RFP and the other three vendors were interviewed by an RFP Evaluation Committee on June 25<sup>th</sup>. Fund Attorney submitted a memorandum to Board, which noted the Committee’s recommendation to award an agreement to Scibal Associates, Inc. t/a Qual-Lynx based on tallied score sheets. Contract term is August 1, 2019 thru re-organization in February 2022. Enclosed in the agenda was Resolution 28-19 awarding a contract to Scibal Associates, Inc. t/a Qual-Lynx for Property Claims Administrator Services.

**MOTION TO ADOPT RESOLUTION 28-19 AWARDING A CONTRACT TO SCIBAL ASSOCIATES INC T/A QUAL-LYNX FOR PROPERTY CLAIMS ADMINISTATOR SERVICES:**

Moved: Chairman Angilella  
Second: Commissioner Kelly  
Roll Call Vote: 6 Ayes – 0 Nays

**LEGISLATION UPDATE:** Deputy Executive Director said the Municipal Excess Liability JIF (MEL), NJ League of Municipalities (LOM) and New Jersey Association of Counties (NJAC) have been monitoring Senate Bill no. S-477 (Statute of Limitations), as well as, the amending Bills S3739 and A5392 which extends the statute of limitations in civil actions for sexual abuse claims from two years to virtually unlimited. In late April, the draft amendment Bill S3739 was revised whereas eliminating all public entity immunities including those provided under Title 59. This created even greater implications for public entities, public officials, elected officials and all levels of government employees. The joint effort of the MEL, LOM, NJAC and New Jersey Schools Insurance Group (NJSIG) and with the help of other parties, the sponsor agreed to amend the Bill to bring back “common law” immunities and “case law” immunities for public entities. Deputy Executive reported that while Title 59 immunities were not reinstated this is a better result than having public entities in a “strict liability” situation. The law goes into effect 12/31/19.

Deputy Executive Director reported the MEL and its affiliated JIF - the Residual Claims Fund (RCF) - are working on a comprehensive training and education program as well as formulating a specialized claims handling and defense program to address the added exposure to its membership. The MEL and RCF will likely authorize the release of a request for proposal for specialized claims handling and defense panel firms. In addition, the MEL is working with J.A. Montgomery on the training and education program. The NJCE Board of Fund Commissioners agreed to participate with the MEL and RCF in the training and education program and the specialized claims handling and defense program.

Lastly, Deputy Executive Director reported that in addition to training, the MEL and RCF will provide cash flow options for their membership to address all current claims or new “tail” claims since it is impossible for the Actuary to assess loss funds for this new exposure. The NJCE Board of Fund Commissioners agreed to review a similar cash flow option for its membership at the next meeting.

**2020 RENEWAL – UNDERWRITING DATA COLLECTION:** Executive Director reported the fund office will start the data collection process for the 2020 renewal in order to provide relevant information to underwriters.

As previously discussed, PERMA has entered into a contract with Origami to develop an online underwriting and claims data platform for members to access as a resource. Historical underwriting data and audited payrolls will be uploaded into the platform for members to review. Each Commission/County member has been asked to provide two representatives that will have access to the system. The anticipated launch date is late July allowing members to review underwriting data in time to introduce a budget at the October meeting. Additional information regarding system training and access will be provided when available.

**NEW JERSEY ASSOCIATION OF COUNTIES (NJAC):** As a follow-up to last meeting, the Board supported the Fund’s membership in the NJAC, as well as, attendance at the May 8-10<sup>th</sup> in Atlantic City. Executive Director said attendees found the conference and the seminars beneficial. Executive Director thanked the Board for their consideration and look forward to participating in future NJAC events.

**NEW JERSEY COUNTIES EXCESS JIF LOGO:** As a follow-up to last meeting, the Board supported development of a logo and two options were circulated for feedback: a) Doric Column design and b) NJ State/Leaf design. Executive Director said the NJ/leaf design was unanimously agreed upon and will be finalized by the graphic designer; enclosed please find the logo.

**CLAIMS STATUS SUMMARY:** AmeriHealth Casualty Services requested the 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 received materials from AmeriHealth Casualty Services and/or the Executive Director.

**NJCE COVERAGE COMMITTEE:** Executive Director reported a Coverage Committee meeting has been scheduled for July 9, 2019 at 11:00AM; location will be hosted at the new Connor Strong & Bucklew Camden location with video conference available in other offices. Please contact the fund office if you would like to attend the meeting.

**UNDERWRITING MANAGER REPORT:**

**REPORT:** Underwriting Manager reported the NJCE Risk Management Plan will be amended at the next meeting to reflect two changes that are informational only: 1) name change of Rowan College and 2) clarification of garage-keepers liability. Underwriting Manager reported discussions are ongoing with excess carriers on the 2020 renewal and will provide additional information at the next meeting.

**TREASURER REPORT:**

Included in the agenda was the confirmation of bills lists and the Treasurer’s reports for April 2019.

**VOUCHER PAYMENTS (BILL LIST) –**

Resolution 29-19 May 2019 Bills Confirmation of Payments	\$988,781.58
Resolution 30-19 May 2019 Bills #2 Confirmation of Payments	\$1,250.00
Resolution 31-19 June 2019 Bills Approval of Payments	\$4,299,832.71

**CONFIRMATION OF APRIL 2019 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2011</b>	5,632.19
<b>2012</b>	1,749.01
<b>2013</b>	3,032.84
<b>2014</b>	450.55
<b>2015</b>	339,656.48
<b>2016</b>	0.00
<b>2017</b>	0.00

<b>2018</b>	178.42
<b>2019</b>	0.00
<b>2019</b>	0.00
<b>TOTAL</b>	<b>\$350,699.49</b>

**MOTION TO CONFIRM PAYMENTS OF MAY 2019 BILLS LIST AS RESOLUTION 29-19:**

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

**MOTION TO CONFIRM PAYMENTS OF MAY 2019 BILLS LIST #2 AS RESOLUTION 30-19:**

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

**MOTION TO APPROVE JUNE 2019 BILLS LIST AS RESOLUTION 31-19 AND THE TREASURER'S REPORTS AS PRESENTED:**

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

**SAFETY DIRECTOR:**

**REPORT:** Safety Director submitted a report reflecting the risk control activities, meetings attended and the Safety Director Bulletins that were distributed from April to July 2019. Safety Director reported J.A. Montgomery issues an annual bulletin to members on the NJPEOSH Recording keeping regulations and can provide assistance to members to meet this compliance.

**RESOLUTIONS:**

**RESOLUTION 26-19:** Authorizing the Fund Office to file the Draft Audit as of 12/31/18

**RESOLUTION 27-19** Ratifying Agreement for Litigation Management Services

**RESOLUTION 28-19** Authorizing Award of Contract for Property Claims Administrator Services

**CLAIMS ADMINISTRATOR:**

**REPORT:** AmeriHealth Casualty Services reported the need of a Closed Session to discuss claims status and other matters; enclosed in the agenda was Resolution 32-19 authorizing closed session. Under separate cover, Fund Commissioners received materials from AmeriHealth Casualty Services and/or the Executive Director.

**MOTION TO ADOPT RESOLUTION 32-19 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 # 640-118-168, 640-118-175, 640-118-178, 640-116-217, 640-113-34 and 640-115-141:**

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

As per discussion held during Closed Session permitted via Resolution 32-19 motion to approve the following:

Workers Compensation

- o Settlement/Payment Authority Request for: Claims #640-118-168, 640-118-175, 640-118-178 in the amount of \$123,944
- o Payment Authority Request for: Claim #640-116-217 in the amount of \$88,414.00
- o Payment Authority Request for: Claim #640-115-141 in the amount of \$181,600

**MOTION TO APPROVE THE SETTLEMENT AUTHORITY REQUEST AND PAYMENT AUTHORITY REQUESTS AS PRESENTED:**

Moved: Chairman Angilella  
Second: Commissioner Kelly  
Roll Call: 6 Ayes – 0 Nays

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT**

**MOTION TO OPEN MEETING TO PUBLIC**

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

**MOTION TO CLOSE MEETING TO PUBLIC**

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

**NON- AGENDA ITEMS**

NONE

**MOTION TO ADJOURN:**

Moved: Chairman Angilella  
Second: Commissioner Kessler  
Vote: Unanimous

**MEETING ADJOURNED: 1:34PM**

**NEXT MEETING: September 26, 2019 - 1:00 PM  
Camden County College Regional  
Emergency Training Center  
420 Woodbury-Turnersville Road  
Blackwood, NJ**

Nancy A. Ghani, Assisting Secretary