

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

**OPEN MINUTES
OCTOBER 22, 2020**

Via Teleconference

9:30 AM

MEETING OF THE FUND CALLED TO ORDER AT 9:30 A.M. BY ACTING CHAIRMAN SHEEHAN

OPEN PUBLIC MEETING ACT READ INTO RECORD

PLEDGE OF ALLEGIANCE

ROLL CALL BOARD OF 2020 FUND COMMISSIONERS

Ross Angilella, Chair	Camden County	Absent
Timothy Sheehan, Commissioner	Gloucester County	Present
Jannette Kessler, Commissioner	Atlantic County	Present
Sander Friedman, Commissioner	Burlington County	Present
Kimberly Wood, Commissioner	Cumberland County	Present
John Kelly, Commissioner	Ocean County	Present
Edmund Shea, Commissioner	Hudson County	Present
Lillian Nazzaro, Commissioner	Mercer County	Present
Laura Scutari, Commissioner	Union County	Present
Teri O'Connor, Commissioner	Monmouth County	Absent

ALTERNATE FUND COMMISSIONERS

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

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator PERMA Risk Management Services
Joe Hrubash, Nancy A. Ghani
Brandon Tracy

Safety Director JA Montgomery Risk Control
Glenn Prince

Attorney **Laura Paffenroth**

Treasurer **David McPeak**

Underwriting Manager Conner Strong & Buckelew
Ed Cooney

Claims Administrator AmeriHealth Casualty Services
Tracy Ware

ALSO PRESENT – via teleconference:

Brad Stokes, PERMA
Cathy Dodd, PERMA
Karen Read, PERMA
Rachel Chwastek, PERMA
Robyn Walcoff, PERMA
Jennifer Conicella, PERMA
Robin Racioppi, North American Insurance Management
Chris Roselli, Qual Lynx

Diana Pursell, Borden Perlman
Christina Violetti, Hardenbergh Insurance Group
Carol Mack, Conner Strong & Buckelew
Christine Baroudi, Conner Strong & Buckelew
Gail White, Scirocco Group
Cecelia Murphy, Camden County College

MINUTES: Open Minutes as of September 23, 2020 were included in agenda for review.

MOTION TO APPROVE OPEN MINUTES FROM SEPTEMBER 23, 2020 AS PRESENTED:

Moved: Commissioner Kessler
Second: Commissioner Shea
Roll Call vote: 9 Ayes – 0 Nays

CORRESPONDENCE:

NONE

NJCE CLAIMS REVIEW COMMITTEE – COMMISSIONER SHEEHAN: Committee Chairman Sheehan reported the Claims Review Committee met prior to the Fund’s meeting to review claims in detail. The Board of Fund Commissioners accepted the recommendations of the Claims Review Committee to approve payment or settlement authority requests. Closed Session was not required for this action.

EXECUTIVE DIRECTOR’S REPORT:

FINANCE COMMITTEE: Executive Director reported the Finance Committee comprised of Commissioners Sheehan, Kelly, Wood, and Shea met via teleconference on October 16th to review the preliminary 2021 Budget, 2020 Dividend, and a Learning Management System contract status update. Included in the agenda was a copy of the minutes *pages 7 - 9* from the Finance Committee meeting.

2021 BUDGET: The Executive Director reviewed the major components of the preliminary 2021 budget noting that the 2021 loss funds from the actuary and 2021 professional fees will be relatively flat. Executive Director discussed two major drivers for 2021 potential budget increases:

- (1) Projected significant increases in excess premiums from 10% to 25% based on current market conditions, adverse loss experience on the property line and exposure increases. Executive Director said market conditions are a “hard” market, and the worst since the mid-1980’s.
- (2) Projected increase in the upper excess liability layer (\$5 or \$10 million excess \$10 million) due to the sudden change in market conditions in December 2019 that resulted in this line item going over budget by \$1 million after the 2020 budget adoption. Executive Director said this change occurred when the carrier whom previously handled the excess layer no longer provided it, and the NJCE program was restructured to fill out the limits leaving a delta of \$1million over budget. The Finance Committee met December 19, 2019 to recommend absorbing the \$1 million delta for 2020 to the Commissioners. The Board of Commissioners agreed not to amend the 2020 budget and chose to absorb the difference of \$1 million for 2020, and confirmed this decision at the 2020 reorganization meeting in February.

Executive Director said the Finance Committee recommended a delay in the 2021 budget process by one month with the introduction in November and adoption in December. Executive Director said since the NJCE historically does not hold a board of commissioners meeting in December, we would have to schedule a special meeting for budget adoption. This will allow the underwriting manager more time to do a widespread marketing of all excess and ancillary insurance to improve on the underwriting manager’s not-to-exceed premium projections. In addition, it allows more time to

explore options to increase NJCE retentions for excess liability and/or excess workers compensation to achieve additional savings off insurance premiums.

Executive Director said the next scheduled meeting is November 19th and suggested Friday December 18th or Monday December 21st to schedule a special meeting for budget adoption based on commissioners' availability. The Board of Fund Commissioners accepted the recommendation to delay 2021-budget introduction to November 19, 2020 and to schedule a special meeting on December 18, 2020 at 9:30AM for 2021 budget adoption.

2020 DIVIDEND: Finance Committee also reviewed dividend options based on allowable dividends per State Regulations at the last audit of 12/31/19. Executive Director said the Finance Committee will make a recommendation on issuance of a dividend at the November meeting. As in the past members will have an option to receive a dividend check or apply the dividend to their 2021 assessment.

Acting Chairman Sheehan thanked the Executive Director for his budget presentation at the Finance committee meeting.

LEARNING MANAGEMENT SYSTEM: Executive Director said last month J.A. Montgomery was authorized to pursue a 3rd party arrangement directly with a vendor to provide a Learning Management System dedicated to NJCE JIF members. Finance Committee reviewed and recommended proposal for these services being offered by FirstNet. Included *on Pages 3-6* of the agenda was a copy of the proposal. The Committee recommended that the JAM contract with FirstNet for this service at the proposed pricing of \$67,500 for Year 1, and \$56,500 for Year 2. Executive Director said it is expected that there would be a minimum of 90 days to implement this new program.

MOTION TO DELAY THE INTRODUCTION OF THE 2021 BUDGET AND HOLD THE FIRST READING OF THE 2021 BUDGET ON NOVEMBER 19, 2020 AT 9:30AM VIA ZOOM FOR THE PUBLIC HEARING AND TO SCHEDULE A SPECIAL MEETING ON DECEMBER 18, 2020 AT 9:30AM FOR THE ADOPTION OF THE 2021 BUDGET.

Motion: Commissioner Wood
Second: Commissioner Shea
Roll Call: 9 Ayes – 0 Nays

MOTION TO AUTHORIZE THE AGREEMENT BETWEEN J.A. MONTGOMERY AND FIRSTNET AS SUBMITTED FOR THE NJCE LEARNING MANAGEMENT SYSTEM AND AUTHORIZE JIF ATTORNEY TO DRAFT APPLICABLE AMENDMENT TO JAM CONTRACT.

Motion: Commissioner Nazzaro
Second: Commissioner Shea
Roll Call: 9 Ayes – 0 Nays

FINANCIAL FAST TRACK: Included on *pages 10-11* of the agenda was the Financial Fast Track as of August 31, 2020 reflecting a statutory surplus of \$18 million. Executive Director highlighted the issuance of \$3.6 million dividends on line 7, and the NJCE's profit of \$21.6 million on *line 6*.

Information/Status Update

MEMBERSHIP RENEWAL: Deputy Executive Director said the Atlantic, Burlington and Cumberland County Insurance Commissions are scheduled to renew their 3-year membership with the Fund as of January 1, 2021. To date, all have adopted resolutions to renew.

9TH ANNUAL BEST PRACTICES WORKSHOP – OCTOBER 29, 2020 VIRTUAL EDITION: Deputy Executive Director said the 9th annual Joint Insurance Claims Committees Risk Management Workshop is scheduled for Thursday, October 29, 2020 via Webinar from 10:00AM to 12:30PM.

This year’s topics will include COVID-19 and its impact on County Workers’ Compensation and Liability Claims. In addition, the workshop will review benefits, successes, and future initiatives of the NJCE in our 10th year as well as the renewal and recommendations, and BRIT Safety Grant successes and future initiatives. An invitation was emailed on Tuesday, October 13th. Please contact the Fund office if you did not receive an invitation and would like to attend.

DUE DILIGENCE (PAGE 12):

Regulatory Compliance Checklist – as of 10/19/2020. Included in the agenda was a checklist that tracks contracts, compliance and other Fund business.

TREASURER REPORT:

Included in the agenda was the confirmation of bills lists and the Treasurer’s reports for August 2020.

VOUCHER PAYMENTS (BILL LIST) –

Resolution 39-20 Approval of October 2020 Payments

CONFIRMATION OF AUGUST 2020 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2011	1,900.00
2012	1,014.50
2013	29,058.46
2014	727.61
2015	3,905.57
2016	1,830.09
2017	487.50
2018	2,469.74
2019	156.40
2020	0.00
TOTAL	\$41,549.87

MOTION TO APPROVE PAYMENTS OF OCTOBER 2020 BILLS LIST AS RESOLUTION 39-20:

Moved: Commissioner Wood
 Second: Commissioner Shea
 Roll Cal Vote: 9 Ayes – 0 Nays

UNDERWRITING MANAGER:

REPORT: Underwriting Manager summarized the current marketplace noting the Property market is hardening, but will continue negotiation efforts to secure stable rates, as well as, explore alternative program structures such as increased retentions.

SAFETY DIRECTOR:

REPORT: Safety Director submitted a report reflecting the risk control activities and the Safety Director Bulletins distributed from September 2020 through November 2020. Safety Director said the webinar schedule from October through November 30th is available on www.njce.org, and was included in the agenda with instructions on how to access the webinars.

Safety Director reported the BRIT Safety Committee would be meeting in coming weeks to review submissions made of applicable safety/loss control purchases applicable for 50% reimbursement. The Grant was extended to October 30th. To date there have been five additional submissions. Safety Director said the DEA sponsors a yearly program - National Take Back Day for prescription drugs – on Saturday October 24, 2020. This program encourages individuals to dispose of their unused or expired prescription medication at a local drop off site.

Executive Director complimented J.A. Montgomery on the transition from in-person training sessions to a webinar interactive training. Executive Director added the introduction of the streaming videos has significantly increased the counties membership participation in these programs.

ATTORNEY’S REPORT: Fund Attorney said there was nothing additional to report.

RESOLUTIONS:

NONE

CLAIMS ADMINISTRATOR-WORKERS COMPENSATION:

REPORT: NJCE Claims Administrator reported on the savings report included in the agenda. Ms. Ware noted there was a 30.8% savings and a 53.3% network utilization rate for the month of August. Ms. Ware, on behalf of AmeriHealth, thanked the Commissioners for giving AmeriHealth the opportunity to continue handling NJCEL claims. It was also noted the Claims Administrators were not in need of a Closed Session to discuss claims status and other matters; enclosed in the agenda was Resolution 38-20 authorizing closed session, but it was not acted on.

CLAIMS ADMINISTRATOR-WORKERS COMPENSATION:

REPORT: The Property Claims Administrator said there was nothing to report for the month.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved:	Commissioner Kessler
Second:	Commissioner Wood
Vote:	Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner Wood
Second: Commissioner Marion
Vote: Unanimous

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Commissioner Marion
Second: Commissioner Wood
Vote: Unanimous

MEETING ADJOURNED: 10:07 AM

NEXT MEETING: November 19, 2020 – 9:30AM
Via Teleconference

Brandon Tracy, Assisting Secretary