

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

OPEN MINUTES

DECEMBER 29, 2020

1:00PM - Via Teleconference

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, Secretary	Gloucester County	Present
Janette Kessler, Commissioner	Atlantic County	Present
Dina Rocco, 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	Absent
Carl Block	Ocean County	Present
Raissa Walker	Mercer County	Absent
Christopher Marion	Monmouth County	Present
Eugene Esquivel	Union County	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator PERMA Risk Management Services
Joe Hrubash, Brad Stokes, Nancy A. Ghani

Safety Director JA Montgomery Risk Control
Paul Shives, Glenn Prince

Attorney **Laura Paffenroth**

Treasurer **David McPeak**

Underwriting Manager Conner Strong & Buckelew
Ed Cooney

WC Claims Administrator AmeriHealth Casualty Services
Cheryl Little, Gladys Driggins

Property Claims Administrator Qual-Lynx
Chris Roselli

Litigation Manager **H. David Millard**

ALSO PRESENT – via teleconference:

Gail White, Scirocco Group
Karl McConnell, Camden County College
Sean Obeirne, Alliant Americas
Cathy Dodd, PERMA

Karen Read, PERMA
Rachel Chwastek, PERMA
Robyn Walcoff, PERMA
Jennifer Conicella, PERMA
Mary Anne Sander, Conner Strong & Buckelew
Pauline Kontomanolis, PERMA
Bonnie Ridolfino, Hardenbergh

MINUTES: Open Minutes as of November 19, 2020 were included in agenda for review.

MOTION TO APPROVE OPEN MINUTES FROM NOVEMBER 19, 2020 AS PRESENTED:

Moved: Commissioner Wood
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 has not meet since their last meeting and as such there was no report and no action required at this time.

EXECUTIVE DIRECTOR’S REPORT:

EXCESS INSURANCE MARKETING UPDATE: Executive Director reported the Finance Committee met on December 28th to review the status of the 2021 renewal and any changes from their last meeting. As previously reported, significant increases in excess premiums are being driven by current market conditions, adverse loss experience and exposure increases. Executive Director said the “hard” market, conditions are the worst since the mid-1980s. Executive Director said the current delta is in the \$1.3 million range, however, the Underwriting Manager will continue to negotiate with carriers over the next 24 hours to further reduce the delta for 2021.

Underwriting Manager provided a summary report of negotiations with excess carriers highlighting the following:

- Excess Property – Zurich offered a \$1 million deductible option, but at significant premium increase consistent with the market. A second option with a \$2 million deductible provided favorable pricing and overall savings. The Underwriting Manager recommended the latter option.
- Excess Liability – Reviewed several quotes with carriers including the incumbent BRIT. Munich Re provided best quote option providing the \$10 million limit but with increased retention of \$1.5 million. None of the other insurers could provide the expiring \$10 million limit. Executive Director stated the MEL JIF, whose membership pool is largely NJ municipalities, has a long standing relationship with Munich Re. Munich Re is the leader in excess and reinsurance for public entity pools in the country.
- Excess Workers’ Compensation – Reviewed several quotes and Safety National provided best pricing with only a moderate increase based on loss experience and potential COVID-19 claim activity.
- Ancillary Coverages – These are optional commercially placed coverage purchased by member entities are in the Fund’s budget as a pass through. Underwriting Manager continues to negotiate these coverage on behalf of membership.

Commissioner Kessler inquired if Munich Re would be able to provide similar online training resources as BRIT did. In response, Executive Director said the Fund office would work with the

Underwriting Manager and Safety Director to review to determine if these could be fulfilled by J.A. Montgomery, as well as, review resources Munich Re may have.

2021 BUDGET: Executive Director reported that last month the Fund introduced a proposed 2021 budget based on certain assumptions of renewal negotiations. Executive Director and that the Finance Committee recommended the NJCE adopt the 2021 budget as introduced on November 19, 2020 meeting. Executive Director reiterated that the final marketing will still result in a delta for 2021 but as previously mentioned the Underwriting Manager was still in negotiations. It was agreed that any delta would again be absorbed by NJCE. Included in the agenda was the 2021 budget as introduced on 11/19/20 representing a total increase of \$2,097,291 or an 8.4% increase; also included in the agenda were the 2021 assessments to be certified.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2021 BUDGET.

Moved: Commissioner Wood
Second: Commissioner Shea

DISCUSSION OF BUDGET & ASSESSMENTS.

Seeing no discussion...

MOTION TO CLOSE THE PUBLIC HEARING AND ADOPT THE 2021 BUDGET & CERTIFY THE 2021 ASSESSMENTS:

Moved: Commissioner Kelly
Second: Commissioner Kessler
Roll Call Vote: 9 Ayes – 0 Nays

Executive Director said it would be appropriate to authorize the Underwriting Manager to bind and enter into the required agreements for the 2021 excess and ancillary coverages; a resolution formalizing the action will be included in the 2021 Reorganization agenda.

MOTION TO AUTHORIZE THE UNDERWRITING MANAGER TO BIND AND ENTER INTO THE REQUIRED AGREEMENTS FOR THE 2020 EXCESS AND ANCILLARY COVERAGES:

Moved: Commissioner Wood
Second: Commissioner Kessler
Roll Call Vote: 9 Ayes – 0 Nays

2020 DIVIDEND: Executive Director said in November, a dividend range between \$500,000 to a \$2 million was presented as possible dividend options. At that meeting, the Board adopted a resolution authorizing the release of a \$2 million dividend from various Fund Years and a filing was completed with the State. The Board tabled the action on the distribution of the dividend until the 2021 budget was adopted.

Executive Director said the Finance Committee reviewed the dividend options and recommends the NJCE distribute a dividend of \$1.5 million. Enclosed is the distribution by member; members will have an option to receive a dividend check or apply the dividend to their 2021 assessment. The Fund Office will contact each Fund Commissioner to confirm the selection.

MOTION TO APPROVE RESOLUTION 43-20 AMENDING RESOLUTION 41-20 AUTHORIZING THE RELEASE OF \$1.5 MILLION DIVIDEND IN LIEU OF \$2 MILLION FROM VARIOUS FUND YEARS AND TO FILE THE AMENDED DIVIDEND WITH THE STATE:

Moved: Commissioner Kessler
Second: Commissioner Wood
Roll Call Vote: 9 Ayes – 0 Nays

SETTLEMENT AUTHORITY REQUEST - NJCE CLAIMS REVIEW COMMITTEE – COMMISSIONER SHEEHAN: The Fund Office received a settlement authorization request on 12/23/20, which was circulated to the Claims Review Committee Chairman Sheehan and Fund

Attorney for review. In lieu of a separate Claims Review meeting, we request the full Board discuss the claim during Closed Session. At the appropriate time we will need to enter into Closed Session; included in the agenda is a resolution authorizing closed session.

DUE DILIGENCE: Regulatory Compliance Checklist – as of 12/23/20. Enclosed in the agenda was a checklist that tracks contracts, compliance and other Fund business.

2021 REORGANIZATION FEBRUARY MEETING: The Fund is scheduled to meet again on Friday, February 25, 2021 at 9:30AM via Zoom video/audio to conduct the 2021 Reorganization.

TREASURER REPORT:

Included in the agenda was the December bills lists and the Treasurer’s reports for October 2020.

VOUCHER PAYMENTS (BILL LIST) –
Resolution 44-20 Approval of December 2020 Payments

FUND YEAR	AMOUNT
2019	3,500.00
2020	139,424.91
TOTAL	142,924.91

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

FUND YEAR	AMOUNT
2020	0.00
2019	0.00
2018	1,290.00
2017	572.19
2016	1,246.14
2015	5,973.57
2014	560.62
2013	6,552.48
2012	927.17
2011	542.85
2010	0.00
TOTAL	17,665.02

MOTION TO APPROVE PAYMENTS OF DECEMBER 2020 BILLS LIST AS RESOLUTION 44-20 AND TREASURER REPORTS AS PRESENTED:

Moved: Commissioner Kessler
Second: Commissioner Shea
Vote: Unanimous

UNDERWRITING MANAGER:

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

SAFETY DIRECTOR:

REPORT: Safety Director submitted a summary report of webinar trainings through January 2021.

ATTORNEY:

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

RESOLUTIONS:

Resolution 43-20 Amending Resolution 41-20 Authorizing Dividend Release

CLAIMS ADMINISTRATOR-WORKERS COMPENSATION:

REPORT: AmeriHealth provided a verbal report noting that 17 bills were received for November 2020 representing provider billed amounts of \$53,073, paid amount of \$13,708 and a net savings of \$29,436. There was a 73.5% network utilization rate as of November 2020.

CLAIMS ADMINISTRATOR-PROPERTY CLAIMS:

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

CLOSED SESSION: Acting Chairman Sheehan requested the Board enter into Closed Session as permitted via Resolution 45-20.

MOTION TO ADOPT RESOLUTION 45-20 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 #64GL019150:

Moved: Commissioner Wood
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: Commissioner Kessler
Second: Commissioner Wood
Roll Call: Unanimous

As per discussion held during Closed Session permitted via Resolution 45-20 motion to approve the following:

Liability

Settlement Authority Request for Claim #64GL019150 in the amount of \$160,000.00

MOTION TO APPROVE THE SETTLEMENT AUTHORITY AS PRESENTED:

Moved: Commissioner Nazarro
Second: Commissioner Shea
Roll Call: 7 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Commissioner Wood
Second: Commissioner Kessler
Vote: Unanimous

MEETING ADJOURNED: 1:40PM

**NEXT MEETING: February 25, 2021 – 9:30AM
Via Teleconference**

Nancy A. Ghani, Assisting Secretary