

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND**

**OPEN MINUTES**

**FEBRUARY 25, 2021**

**VIA TELECONFERENCE**

**9:30 AM**

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

**OPEN PUBLIC MEETING ACT READ INTO RECORD**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL BOARD OF 2020 FUND COMMISSIONERS**

Ross Angilella, Chairman	Camden County	Present
Tim Sheehan, Secretary	Gloucester County	Present
Jeanette Kessler, Commissioner	Atlantic County	Present
Dina Rocco, Commissioner	Burlington County	Absent
Kimberly Wood, Commissioner	Cumberland County	Present
John Kelly, Commissioner	Ocean County	Absent
Edmund Shea, Commissioner	Hudson County	Present
Lillian Nazaro, Commissioner	Mercer County	Absent
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	Present
Raissa Walker	Mercer County	Present
Eugenio Esquivel	Union County	Present
Christopher Marion	Monmouth County	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator

PERMA Risk Management Services  
**Joseph Hrubash, Bradford Stokes, Nancy  
A. Ghani, Brandon Tracy**

Attorney

**Laura Paffenroth, Esq.**

Safety Director

JA Montgomery Risk Control  
**Paul Shives, Glenn Prince, Johnathon Czarnecki**

Underwriting Manager

Conner Strong & Buckelew  
**Edward Cooney, Jonathon Tavares, Crystal Chuck,  
Rachel Perry**

WC Claims Administrator

AmeriHealth Casualty Services  
**Tracy Ware, Cheryl Little, Gladys Driggins, Kerin  
Drumhieser**

Property Claims Administrator

Qual Lynx  
**Chris Roselli**

**ALSO PRESENT:**

Mary Ann Sander, Conner Strong & Buckelew  
Christina Violetti, Hardenbergh Insurance Group  
Gail White, Scirocco Group  
Steve Sacco, PERMA  
Cathy Dodd, PERMA  
Karen Read, PERMA

Rachel Chwastek, PERMA  
 Robyn Walcoff, PERMA  
 Jennifer Conicella, PERMA  
 Jason Thorpe, PERMA  
 Sean O’Beirne, Alliant Americas  
 Jennifer Beck, Alliant Americas  
 Peter Soriero, Allied Risk Management Services  
 Robin Racioppi, IMAC  
 Vicky Sjulander, Alliant Boynton  
 Douglas Borden, Borden Perlman Salisbury & Kelly  
 Monette Galello, Claims Resolution Corporation  
 Kathie Minnie, Old Republic

**MINUTES:** Open Minutes as of December 29, 2020 were included in agenda for review; Closed Minutes as of December 29, 2020 were distributed to the Board only.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM DECEMBER 29, 2020 AS PRESENTED:**

Moved: Commissioner Wood  
 Second: Commissioner Kessler  
 Roll Call Vote: 10 Ayes – 0 Nays

**CORRESPONDENCE:** Executive Director welcomed Commissioner Ashley Buono, Esq. who joined the NJCE JIF Board as Burlington County’s representative as of February 1, 2021.

**SPECIAL PRESENTATION:** None

**MOTION TO ADJOURN SINE DIE MEETING:**

Moved: Commissioner Sheehan  
 Second: Commissioner Wood  
 Vote: Unanimous

**Chairs vacated- Chair to ask Executive Director to run meeting**

**2021 REORGANIZATION:** Executive Director said in accordance with the NCJE Bylaws this meeting will be conducted as the Fund’s annual reorganization meeting. To do so, the NJCE Bylaws require a quorum. Executive Director asked for a roll call of the 2021 Fund Commissioners.

**ROLL CALL BOARD OF 2021 FUND COMMISSIONERS**

Ross Angilella, Chairman	Camden County	Present
Tim Sheehan, Secretary	Gloucester County	Present
Jeanette Kessler, Commissioner	Atlantic County	Present
Ashley Buono, Commissioner	Burlington County	Present
Kimberly Wood, Commissioner	Cumberland County	Present
John Kelly, Commissioner	Ocean County	Absent
Edmund Shea, Commissioner	Hudson County	Present
Lillian Nazaro, Commissioner	Mercer County	Absent
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	Present
Raissa Walker	Mercer County	Present

**EXECUTIVE DIRECTOR'S REPORT:**

**2021 REORGANIZATION**

**2021 CHAIR & SECRETARY NOMINATION:** Commissioners Angilella and Sheehan served as the Chair and Secretary respectively for 2020 and have indicated their availability to serve again for this year. It would be appropriate to conduct nominations for Chair and Secretary as part of the reorganization process and adopt Resolution 1-21, included on page 48 of the agenda, certifying the election. Executive Director will ask the Board of Commissioners if there are any other nominations. Commissioner Wood nominated Commissioner Angilella as Chairman and Commissioner Sheehan as Secretary.

**MOTION TO ELECT COMMISSIONER ROSS ANGILELLA AS CHAIR AND COMMISSIONER TIM SHEEHAN AS SECRETARY AND ADOPT RESOLUTION 1-21:**

Moved: Commissioner Wood  
Second: Commissioner Kessler  
Vote: Unanimous

Fund Attorney said a written oath will be administered after the meeting as Chairman Angilella and Commissioner Sheehan have been elected and appointed to the positions of Chair and Secretary respectively. Oaths to Chairman and Secretary would be filed as part of the minutes

**2021 REORGANIZATION RESOLUTIONS:** Included as part of the consent agenda were the 2021 Reorganization Resolutions. Executive Director asked the Underwriting Manager to confirm Resolution 12-21 has been reviewed for accuracy. Mr. Cooney confirmed the plans accuracy. Ms. Paffenroth said resolution 13-21 addresses how the fund is going to address the public should they want to participate. The public can participate by accessing the meeting through the fund's website or by contacting the fund office and dialing in. Executive Director with Chairman Angilella's approval asked for a motion to approve the following resolutions as part of the consent agenda:

- Resolution 1-21, Certifying the Election of Chairman & Secretary
- Resolution 2-21, Appointing PERMA as Agent for the Fund for Process of Service
- Resolution 3-21, Designating Custodian of Fund Records
- Resolution 4-21, Designating Official Newspapers for the Fund
- Resolution 5-21, Fixing 2021 & 2022 Reorganization Meeting Dates
- Resolution 6-21, Designating Depositories for Fund Assets, Interest Rate, Cash Mgmt. Plan
- Resolution 7-21 Designating Signatures for Fund Bank Accounts
- Resolution 8-21, Indemnifying NJCE Officials/Employees
- Resolution 9-21, Fund Treasurer to Process Contracted Payments/Expenses
- Resolution 10-21, Appointing Fund Treasurer
- Resolution 11-21, Appointing Fund Attorney
- Resolution 12-21, 2021 Risk Management Plan
- Resolution 13-21, Remote Public Meeting Procedures

**MOTION TO APPROVE RESOLUTIONS 2-21 TO 13-21:**

Moved: Chairman Angilella  
Second: Commissioner Block  
Vote: Unanimous

**2021 EXCESS RENEWAL/BUDGET IMPACT:** Executive Director reported the Finance Committee met in November and December to review the 2021 excess renewal and budget impact given the current "hard market" conditions, which are the worst since the mid-1980s. At the expiring retentions, where available, the cost for renewal would have resulted in significantly higher member assessments in excess of 20%. Therefore, it was necessary for NJCE to make a number of changes in the excess program structure in order to control the overall pricing for the 2021 NJCE renewal. The

resulting delta (budget versus actual) for 2021 is in excess of \$2 million. Based on a recommendation of the Finance Committee, the Board of Fund Commissioners agreed to absorb the final delta for 2021 at the December 29, 2020 Budget Adoption meeting. Executive Director said a meeting of the Finance Committee will be scheduled in the coming weeks to discuss strategies on addressing the budget delta.

Underwriting Manager reported the projected overall rate increase was 15-20% due to market conditions. A widespread marketing effort on all lines of coverage was conducted, as well as, a restructuring of the program with increased retentions resulted in a final overall rate increase of 6%. However, this does not contemplate increases in the loss funds to cover the higher retentions on multiple lines of insurance absorbed by the NJCE.

Underwriting Manager submitted a 2021 Market Renewal Summary Report detailing the 2021 coverage changes and highlighted the following:

- Excess Property – renewed with Zurich. Carrier provided slightly broader coverage than other carriers despite the marketplace and poor claims experience.
- Excess Liability – replaced BRIT with Munich Re. Public entity marketplace has cut back on capacity and limits for the past 2 years based on increasing social inflation factors, such as, defense costs. Carrier has been a MEL partner for 35 years and coverage changes are in line with marketplace.
- Excess Workers’ Compensation – renewed with Safety National with NJCE attachment point at \$1,150,000 eliminating the buffer policy. A notable coverage change is the removal of “Same Communicable Disease” endorsement, which historically treated bodily injury by disease as separate occurrences. Safety National and other markets have not surprisingly removed this endorsement affecting public entity and health markets. Underwriting Manager noted there is ongoing dialogue with Safety National on how the 2020 endorsement will be applied with respects to COVID-19 claims. The NJCE will post this as a claims reserve within the financials until matter is confirmed.
- Cyber Liability – The deductibles for cyber liability for 2021 increased for a number of members. The NJCE is absorbing the differential between the 2020 deductibles and the 2021 deductibles for the 2021 fund year.
- POL/EPL – The POL/EPL deductibles increased for a number of member entities. Their respective Insurance Commission are reviewing the feasibility of funding the deductible differential.

Underwriting Manager concluded review by noting the 2021 renewal was accomplished due to the financial stability of the NJCE JIF and long-standing relationships with carriers. Underwriting Manager’s office will issue a detailed bulletin to address the change in coverages and any applicable conditions of the policy. Ms. Paffenroth inquired about Camden County Municipal Utilities Authority and Camden County Health Services workers compensation coverage status. Underwriting Manager said the NJCE does not offer limits for the aforementioned members as they have high self-insured workers compensation retentions, but have excess coverage. Ms. Paffenroth recommended contacting the new Executive Director of Camden County Municipal Utilities Authority to confirm there has not been a change in position.

Ms. Robyn Walcoff of PERMA reviewed a memorandum on 2021 retention changes and the expected impact on claims, payments and/or settlements to be reviewed by the Claims Committee. The memorandum provided a summary of the limits and retentions by coverage as well as recommendations on claims management and changes in claim reporting procedures. Executive Director encouraged any Commissioners or TPAs who have questions regarding the 2021 changes in coverage matter should reach out to either Perma Claims, and ask for Robyn Walcoff or Jennifer Conicella or the fund office.

**EXTRAORDINARY UNSPECIFIABLE SERVICES (EUS):** At the December meeting, the Board previously approved authorization for the Underwriting Manager to bind coverage of the 2021 renewal program. Included in pages 6-7 of the agenda and submitted as part of the Underwriting Manager's report was the Extraordinary Unspecifiable Services (EUS) statement binding the coverages as well as in pages 8-9 of the agenda, Resolution 14-21 authorizing the purchase of insurances to memorialize the action taken at the December meeting.

**MOTION TO ADOPT RESOLUTION 14-21 AUTHORIZING PURCHASE OF EXCESS AND ANCILLARY COVERAGES:**

Moved:	Chairman Angilella
Second:	Commissioner Shea
Vote:	Unanimous

**2021 CLAIMS COMMITTEE CHARTER:** Included in the agenda was the 2021 Claims Committee Charter, which was amended to reflect changes to the 2021 insurance program and broader range of claims to be reviewed by the Claims Committee. The Board of Fund Commissioners accepted the changes to the charter.

**MOTION TO ADOPT THE 2021 CLAIMS COMMITTEE CHARTER**

Moved:	Chairman Angilella
Second:	Commissioner Sheehan
Vote:	Unanimous

**NJCE FINANCIAL FAST TRACK (APPENDIX II):** Executive Director reviewed the Financial Fast Track as of December 31, 2020, which reflected a statutory surplus of \$14,058,330. Executive Director reported the change in surplus since November 2020 is a result of the posting of COVID claim reserves and issuance of the 2020 dividend.

**POLLUTION LIABILITY COVERAGE:** Executive Director reported Zurich has informed the Fund office that this will be the final year of providing pollution liability coverage, as they are moving away from this industry. The Underwriting Manager will be doing a widespread marketing on this line of coverage. Part of the marketing effort will be exploring the feasibility of making a submission to the NJ Environmental Joint Insurance Fund (EJIF). This is a MEL-affiliated program, managed by PERMA and consists of 13 New Jersey Joint Insurance Funds.

Mr. Steve Sacco, EJIF Executive Director, reported the EJIF provides expertise in environmental risk control, training & educational programs. As of September 30, 2020, the EJIF's statutory surplus was \$21.6 million and distributed a \$2.5 million dividend to its members. Mr. Sacco reported the EJIF Actuary and Underwriters will work with NJCE to review options and provide additional information at a later date. Executive Director stated that one of the many strengths of the EJIF program is their extensive engineering services, training and education.

**GRANT PROGRAM AND LEARNING MANAGEMENT SYSTEM:** Executive Director said J.A. Montgomery, during their agenda report, will be providing an update on additional items, such as the new Grant Program with Munich Re, status of the new Learning Management System implementation and transitioning BRIT on line training to J.A. Montgomery.

**PROFESSIONAL CONTRACTS/SERVICES/COMPETITIVE CONTRACTS:** Executive Director said the contracts for services for Auditor, Payroll Auditor and Actuary will expire on or about April, 23, 2021 for the Auditor, and June 25, 2021 for the Payroll Auditor and Actuary. Prior to expiration the Fund office will take appropriate procurement action to secure the respective services so that results will be prepared by the next meeting for the Board to review and take action.

**NJCE CLAIMS REVIEW COMMITTEE:** The Claims Review Committee met prior to this Fund's meeting. 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.

**MOTION TO ACCEPT THE CLAIMS COMMITTEE'S RECOMMENDATION TO APPROVE THE CLAIMS.**

Moved: Chairman Angilella  
Second: Commissioner Sheehan  
Vote: Unanimous

**NJ SENATE BILL 3375:** Executive Director reported on proposed legislation S3775, which if passed would weaken the rights of employers to direct and control medical care as respects workers' compensation. Executive Director noted the MEL has begun to work with John Geaney Esq., NJM, other JIFs and some private entities to develop a strategy to oppose this bill. The Fund office will contact NJ Association of Counties (NJAC) for collaborative efforts, as well as distribute a summary of Mr. Geaney's legislative alert for reference. Executive Director said this legislation comes on the heels of the Department of Labor changing (SUBMUNI MARCH MINUTES) Commissioner Wood suggested to include John Danadio on the memorandum.

**Informational Items**

**COUNTY OF OCEAN:** Executive Director reported effective April 1, 2021, the County of Ocean will become a full member of the NJCE as the 8<sup>th</sup> underlying Insurance Commission as the Ocean County Insurance Commission with multiple entities. Commissioner Block said the county is looking forward to be implemented as a full member.

**2021 MEL, MRHIF AND NJCE JIF EDUCATIONAL SEMINAR:** Deputy Executive Director reported for 10 years, the MEL Joint Insurance Fund (MEL) and Municipal Reinsurance Health Insurance Fund (MRHIF) – and most recently the New Jersey Counties Excess Joint Insurance Fund (NJCE JIF) have sponsored an Educational Seminar on property/casualty and health insurance matters. The session provides members and insurance producers the opportunity to earn as much as 5 Continuing Education Credits with attendance at both sessions.

This seminar will be conducted virtually over 2 half days – the morning of Friday, May 14<sup>th</sup> and Friday, May 21<sup>st</sup> - and an invitation will be emailed in the coming weeks. The seminar agenda includes two ethics courses, and presentations on implicit bias, insurance market conditions, proposals to change the Workers' Compensation law and a discussion of proposed changes to the Affordable Care Act.

**NJCE 10<sup>TH</sup> YEAR ANNIVERSARY:** 2020 marked the 10<sup>th</sup> anniversary of the Fund's inception, which began with two County members and has grown to ten members. Deputy Executive Director said we hope to acknowledge the progress over the last decade with a luncheon at a Central Jersey venue for all Fund Commissioners, Professionals and staff to attend when circumstances allow.

**2021 FINANCIAL DISCLOSURES:** Board members should anticipate the online filing of the Financial Disclosure forms as both a NJCE Commissioner, as well as, any County-related positions that require filing. Based on last year, it is expected the Division of Local Government Services will distribute a notice in March and forms will need to be filed by April 30<sup>th</sup>.

**TREASURER REPORT:**

Included in the agenda was the confirmation of bills lists, approval of payments and the Treasurer's reports for November and December 2020.

**VOUCHER PAYMENTS (BILL LIST) –**

Resolution 15-21 Confirmation of January 2021 Payments	\$138,581.45
Resolution 16-21 Confirmation of January 2021 Dividend Payments	\$1,225,591
Resolution 17-21 Confirmation of January 2021 Suppl. Payments	\$12,113,607.53
Resolution 18-21 February 2021 Bills Approval of Payments	\$323,344.17

**CONFIRMATION OF NOVEMBER 2020 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2010</b>	0.00
<b>2011</b>	0.00
<b>2012</b>	24,440.94
<b>2013</b>	8,207.46
<b>2014</b>	22,732.81
<b>2015</b>	7,240.33
<b>2016</b>	11,101.57
<b>2017</b>	247,697.44
<b>2018</b>	466.50
<b>2019</b>	0.00
<b>2020</b>	0.00
<b>TOTAL</b>	<b>\$321,887.05</b>

**CONFIRMATION OF DECEMBER 2020 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2010</b>	0.00
<b>2011</b>	0.00
<b>2012</b>	0.00
<b>2013</b>	(15,880.50)
<b>2014</b>	577.50
<b>2015</b>	17,422.46
<b>2016</b>	580,001.13
<b>2017</b>	55,256.26
<b>2018</b>	34,287.00
<b>2019</b>	3,768.01
<b>2020</b>	0.00
<b>TOTAL</b>	<b>\$675,431.86</b>

**MOTION TO CONFIRM PAYMENTS OF JANUARY 2021 BILLS LIST AS RESOLUTION 15-21, JANUARY 2021 DIVIDEND PAYMENTS AS RESOLUTION 16-21, JANUARY 2021 SUPPLEMENTAL BILLS LIST AS RESOLUTION 17-21, APPROVE FEBRUARY 2021 BILLS LIST AS RESOLUTION 18-21 AND THE TREASURER'S REPORTS AS PRESENTED:**

Moved: Chairman Angilella  
 Second: Commissioner Kessler  
 Vote: Unanimous

**SAFETY DIRECTOR:**

**REPORT:** Safety Director submitted a report reflecting the risk control activities and the Safety Director Bulletins distributed from November 2020 to February 2021.

Included in the agenda was memorandum on the 2021 Safety Grant Program now offered by Munich Re in which Counties may receive reimbursement up to 50% of the cost of a “non-typical” safety item or service to assist in controlling the frequency and severity of general liability claims. The annual grant available to all members is \$50,000. The Safety director is also transitioning the BRIT on-line training program to a JAM on-line training program.

Safety Director reported the NJCE online Learning Management System (LMS) is currently being developed with an anticipated target and launch date of April 1<sup>st</sup>. All applicable content and online trainings will be uploaded and an instructional webinar on how to navigate the LMS will be provided for members.

**FUND ATTORNEY:**

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

**CLAIMS ADMINISTRATOR-WORKERS COMPENSATION:**

**REPORT:** AmeriHealth submitted a report-showing provider billed amounts of \$117,562.00, paid amount of \$60,619.71 and net savings of \$35,812.46 as of January 2021. There was a 87% network utilization rate as of January 2021.

**CLAIMS ADMINISTRATOR:**

**REPORT:** AmeriHealth Casualty Services had nothing further to report and was not in need of a Closed Session to discuss claims status and other matters; included in the agenda was Resolution 19-21 authorizing closed session.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT**

NONE

**NON- AGENDA ITEMS**

NONE

**MOTION TO ADJOURN:**

Moved:	Chairman Angilella
Second:	Commissioner Sheehan
All in favor:	Unanimous

**MEETING ADJOURNED: 10:20 AM**

**NEXT MEETING: April 22, 2021 - 9:30 AM  
Via Teleconference**

Brandon Tracy, Assisting Secretary