

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

OPEN MINUTES

APRIL 22, 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 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, Secretary	Ocean County	Present
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	Absent
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
Actuary	The Actuarial Advantage Kyle Mrotek
Attorney	Laura Paffenroth, Esq.
Safety Director	JA Montgomery Risk Control Glenn Prince
Treasurer	David McPeak
Underwriting Manager	Conner Strong & Buckelew Edward Cooney
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**
Carol Mack, **Conner Strong & Buckelew**
Christina Violetti, **Hardenbergh Insurance Group**
Gail White, **Scirocco Group**
Cathy Dodd, **PERMA**
Karen Read, **PERMA**
Rachel Chwastek, **PERMA**
Robyn Walcoff, **PERMA**
Jennifer Conicella, **PERMA**
Sean O’Beirne, **Alliant Americas**
Robin Racioppi, **IMAC**
Vicky Sjulander, **Alliant Boynton**
Douglas Borden, **Borden Perlman Salisbury & Kelly**
Robert Greitz, **County of Ocean**

MINUTES: Open Minutes as of February 25, 2021 were included in agenda for review.

MOTION TO APPROVE OPEN MINUTES FROM FEBRUARY 25, 2021 AS PRESENTED:

Moved:	Commissioner Wood
Second:	Commissioner Kessler
Vote:	Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR’S REPORT:

FINANCIAL FAST TRACK: Included in the agenda on pages **4-5** were the revised Financial Fast Track as of December 31, 2020. Also, included in the agenda on pages **6 - 7** was the Financial Fast Track as of February 28, 2021. The statutory surplus is \$15.3 million. The 12/31/20 Financial Fast Track was amended to reflect an anticipated recoverable amount from Safety National, the excess workers compensation insurer, for 2020 Covid-19 workers compensation claims.

COVID-19: Ms. Robyn Walcoff of PERMA provided an update on COVID-19 claim activity noting that as of March 31, 2021 for 2020 there were a total of 1,751 claims and 279 for 2021; total paid for both years was \$1.7 million. Ms. Walcoff reported a review of claims development will be conducted to evaluate if reserves on open claims may be reduced and/or closed.

Executive Director reported there is ongoing dialogue with Safety National on how the 2020 endorsement will be applied with respects to COVID-19 claims. Executive Director reported Safety National removed this endorsement for 2021 so each COVID-19 claim will be considered a single occurrence; however, the NJCE JIF is committed to applying one retention to its Commission and County members for any 2021 COVID-19 claims and seeking reimbursement from the carrier.

FINANCE SUB-COMMITTEE: Committee met on April 9, 2021 to discuss on the 2021 NJCE budget delta of \$2,535,244 and review procurement responses for various JIF professional services. Executive Director provided an overview of the meeting discussion; included in the agenda were the minutes for information on **pages 8-13**.

The committee is recommending the following:

2021 BUDGET DELTA

Executive Director reported the budget delta was first addressed in late 2019 due to the hard insurance market and replacement of excess liability insurer; the NJCE absorbed the difference of \$1 million for 2020, which has already improved as of 12/31/20. Executive Director reported the 2021 renewal at expiring retentions would have resulted in significantly higher member premiums in excess of 25% increase and a number of changes in the excess program structure were done to control that pricing. Executive Director reported the NJCE adopted a 2021 budget with an 8% increase; however, the final results of the marketing and program restructuring efforts resulted in a delta of \$2,535,215 or 11.67% increase. Executive Director reported the budget delta is comprised of approximately \$600K in excess premium and the balance related to short fall in the loss funds.

Executive Director reported the fund is currently financially stable and there was no emergent need to take action; however, the Finance sub-committee met to review options to address the delta for 2021 fund year.

Finance sub-committee recommended the option of C1 to declare an additional assessment for the premium portion of delta of \$609,437; this will be billed in mid-September as a 3rd separate installment and due on November 1st. Included with the agenda was an exhibit of premium delta by member. No action to be taken at this time on the balance of the delta of \$1,925,777, which represents the short fall in the loss funds. Executive Director reported PERMA in conjunction with the Finance sub-committee will monitor and re-evaluate the development of the balance of the delta on an annual basis. Executive Director reported, that based on prior history, the reserves and claims may improve over time, which would ultimately reduce the balance of the delta. Executive Director reported surplus may be gained as older years mature and the Finance sub-committee could consider an inter-fund transfer of that surplus to offset deficit years to close out the remaining delta. The Board of Fund Commissioners accepted the recommendation of the Finance sub-committee to declare an additional assessment in the total amount of \$609,437.

MOTION TO ACCEPT THE RECOMMENDATION OF THE FINANCE SUB COMMITTEE AND DECLARE ADDITIONAL ASSESSMENTS FOR A TOTAL AMOUNT OF \$609,437:

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

PROFESSIONAL SERVICES/PROCUREMENT

Executive Director reported the Finance sub-committee reviewed responses to professional services, which were procured with the guidance of the Fund Attorney. Fund Attorney said Bowman & Company and The Actuarial Advantage were able to obtain the required pay-to-play documents.

Finance sub-committee made the following recommendations:

- Litigation Manager - Award Judge E. David Millard of Citta, Holzapfel & Zabarsky a 1 year contract.
- Auditor – Award Bowman & Company for a 1-year contract.
- Payroll Auditor - Award Bowman & Company for a 1-year contract.
- Actuary – Award The Actuarial Advantage for a 1-year contract.

The Board of Fund Commissioners accepted the recommendations of the Finance sub-committee as noted.

MOTION TO ACCEPT THE RECOMMENDATIONS OF THE FINANCE SUB-COMMITTEE AND AWARD LITIGATION MANAGER TO CITTA, HOLZAPFEL & ZABARSKY AND AWARD AUDITOR SERVICES TO BOWMAN & COMPANY:

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

MOTION TO ACCEPT THE RECOMMENDATIONS OF THE FINANCE SUB-COMMITTEE AND ADOPT RESOLUTION 20-21 AWARDED PAYROLL AUDITOR TO BOWMAN & COMPANY AND ADOPT RESOLUTION 21-21 AWARDED ACTUARY TO THE ACTUARIAL ADVANTAGE:

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

2021 PLAN OF RISK MANAGEMENT AMENDMENT: Based on the recommendation of the Fund Underwriting Manager, the cyber coverage limits should be removed from the Plan of Risk Management. The Plan of Risk Management is posted to the NJCE JIF website and could serve as an incentive for cyber hacker attacks by identifying coverage limits. Included in the agenda on pages **18-23** was Resolution 22-21 amending the 2021 Plan of Risk Management

MOTION TO ADOPT RESOLUTION 22-21 AMENDING THE 2021 PLAN OF RISK MANAGEMENT REMOVING CYBER COVERAGE LIMITS:

Moved: Chairman Angilella
Second: Commissioner Kelly
Vote: Unanimous

PROSPECTIVE MEMBERSHIP: The Counties of Essex and Middlesex County Insurance Commission are renewing mid-2021 and have been identified as potential members for the NJCE program. Executive Director provided a verbal report on membership efforts noting informal discussions were held with the potential members. Commissioner Kelly offered to discuss with the potential members Ocean County's reasons for joining the Joint Insurance Fund. Included in the agenda on **pages 24-25** were resolutions to offer membership to both the Counties of Essex and the Middlesex County Insurance Commission.

MOTION TO ADOPT RESOLUTION 23-21 OFFERING MEMBERSHIP TO ESSEX COUNTY:

Moved: Chairman Angilella
Second: Commissioner Kelly
Vote: Unanimous

MOTION TO ADOPT RESOLUTION 24-21 OFFERING MEMBERSHIP TO MIDDLESEX COUNTY INSURANCE COMMISSION:

Moved: Chairman Angilella
Second: Commissioner Wood
Vote: Unanimous

MEMBERSHIP RENEWAL: Executive Director reported the Commissions of Camden County, Gloucester County and the County of Monmouth are scheduled to renew their three-year membership with the Fund as of January 1, 2022. Renewal documents will be sent to each respective County following the meeting.

NJ SENATE BILL 3375: Executive Director provided an update 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 reported there has been considerable opposition to this bill and said more information will be provided at future meetings.

POLLUTION LIABILITY COVERAGE: As last reported, Zurich had informed the Fund office that this would be the final year of providing pollution liability coverage, as they are moving away from this industry. The Underwriting Manager will conduct widespread marketing efforts on this line of coverage, which includes the feasibility of making a submission to the NJ Environmental Joint Insurance Fund (EJIF). Executive Director reported any additional information will be reported at future meetings.

NJCE CYBER TASK FORCE: A meeting of this task force will be scheduled in May to discuss cyber-related issues. Executive Director asked if any Fund Commissioner and/or a designated representative are interested in serving on the task force please contact the office. Commissioners that currently serve are Commissioner Sheehan and Commissioner Block.

NJCE CLAIMS REVIEW COMMITTEE: Commissioner Sheehan said the Claims Review Committee met at 9:00AM prior to this Fund's meeting. Closed Session was not necessary, so it would not be appropriate to enter into Closed Session to discuss the committee's recommendations and other matters; included in the agenda on **page 70** was a resolution authorizing closed session.

There were no questions and Closed Session was not necessary then it would be appropriate to accept the Committee's recommendations.

MOTION TO ACCEPT THE CLAIMS COMMITTEE'S RECOMMENDATION TO APPROVE THE CLAIMS:

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

MARIJUANA LEGISLATION AND EFFECTS ON THE WORKPLACE & MANDATORY VACCINATIONS: Included in the agenda were memorandums drafted by the MEL Fund Attorney Fred Semrau, Esq. for our municipal clients. Executive Director reported these were included for informational purposes as they are also pertinent to NJCE membership

2021 GRANT PROGRAM AND LEARNING MANAGEMENT SYSTEM: Executive Director said J.A. Montgomery will provide an update on the 2021 grant program with Munich Re, as well as, the status of the online Learning Management System initiative.

Informational Items

Deputy Executive Director reported on the following items.

DIVIDEND: Deputy Executive Director reported this Board authorized the release of a \$1.5 million dividend, which was distributed in late January.

DECEMBER 31, 2020 AUDIT: Deputy Executive Director reported following today's appointment, the Fund office will work with the Auditor to provide necessary report to complete the 2020 Audit. As in the past, a draft report is expected to be presented at the June meeting and the final at the September meeting.

2021 NEW JERSEY ASSOCIATION OF COUNTIES CONFERENCE: The 71st Annual Conference is scheduled to be held from October 11th – October 14th at Caesar's in Atlantic City. NJAC will also be celebrating its 100 year anniversary.

2021 MEL, MRHIF AND NJCE JIF EDUCATIONAL SEMINAR: 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 provided members and insurance producers the opportunity to earn as much as 5 Continuing Education Credits.

Deputy Executive Director reported this seminar will be conducted virtually over 2 half days – the morning of Friday, May 14th and Friday, May 21st. Included in the agenda on **page 38** were the directions to register. The 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.

2021 Financial Disclosures: Deputy Executive Director reported Commissioners 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. It is expected the Division of Local Government Services will distribute a notice with filing instructions. As of 4/14/21, the Local Finance Board voted to extend the enforcement date to take action against non-filers until June 30, 2021 from the statutory deadline of April 30, 2021.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager provided a brief report on benefits of JIF membership versus commercial market especially during a hard market. Underwriting Manager reported while there may have been higher renewal costs for 2021, the NJCE and other JIFs are outpacing the commercial market in terms of comparing premium dollars. Underwriting Manager said an analysis report would be presented at the June meeting; Executive Director said Commissioner Wood suggested this analysis at the Finance sub-committee meeting.

TREASURER REPORT:

Included in the agenda was the confirmation of bills lists, approval of payments and the Treasurer’s reports for January and February 2021.

VOUCHER PAYMENTS (BILL LIST) –

Resolution 25-21 Confirmation of March 2021 Payments	\$315,475.37
Resolution 26-21 Approval of April 2021 Payments	\$171,621.76

CONFIRMATION OF JANUARY 2021 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2010	0.00
2011	0.00
2012	349.60
2013	11,141.61
2014	303.88
2015	53,461.79
2016	31,813.09
2017	12,555.00
2018	3,017.00
2019	4,506.29
2020	164,398.71
2021	0.00
TOTAL	\$281,546.97

CONFIRMATION OF FEBRUARY 2021 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2010	0.00
2011	0.00
2012	22.59
2013	5,250.80
2014	733.08

2015	13,492.97
2016	15.83
2017	256,579.14
2018	1,036.00
2019	00.00
2020	0.00
2021	0.00
TOTAL	\$277,130.41

MOTION TO APPROVE RESOLUTIONS 25-21 AND 26-21 AS CONFIRMATION OF MARCH PAYMENTS AND APPROVAL OF APRIL 2021 PAYMENTS AND THE TREASURER’S REPORTS AS PRESENTED:

Moved: Commissioner Kelly
 Second: Commissioner Sheehan
 Vote: Unanimous

SAFETY DIRECTOR:

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

Included in the agenda was a 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 in the final stages of implementation; each Commission and County has been asked to designate an LMS Training Administrator(s) and an instructional webinar on how to navigate the LMS will be provided for members. Safety Director reported the 2021 safety grant program with Munich Re is modeled similar to the expiring program with two noted changes: 1) funding pool increased to \$50,000 to share among members that submit and 2) is applicable to efforts related to general liability, auto liability and law enforcement liability.

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 \$22,262.10, paid amount of \$11,968.04 and net savings of \$7,731.06 as of March 2021. There was a 65% network utilization rate as of March 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 27-21 authorizing closed session.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE
PUBLIC COMMENT
NONE

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:20 AM

NEXT MEETING: June 24, 2021 - 9:30 AM
Via Teleconference

Brandon Tracy, Assisting Secretary