

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

OPEN MINUTES

JUNE 24, 2021

VIA TELECONFERENCE

9:30 AM

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

OPEN PUBLIC MEETING ACT READ INTO RECORD

PLEDGE OF ALLEGIANCE

ROLL CALL BOARD OF 2021 FUND COMMISSIONERS

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

Auditor Bowman & Company
James Miles,

Safety Director JA Montgomery Risk Control
Glenn Prince, Dennis Skalkowski

Underwriting Manager Conner Strong & Buckelew
Edward Cooney, Jonathon Tavares

WC Claims Administrator AmeriHealth Casualty Services
Tracy Ware, Cheryl Little, Gladys Driggins

Property Claims Administrator Qual Lynx
Chris Roselli

ALSO PRESENT:

Mary Anne Sander, **Conner Strong & Buckelew**

Carol Mack, **Conner Strong & Buckelew**

Cathy Dodd, **PERMA**

Karen Read, **PERMA**

Rachel Chwastek, **PERMA**

Robyn Walcoff, **PERMA**
Jason Thorpe, **PERMA**
Pauline Kontomanolis, **PERMA**
Peter Soriero, **Alliant Risk Management Services**
Sean O’Beirne, **Alliant Americas**
Jennifer Beck, **Alliant Americas**
Vicky Sjulander, **Alliant Boynton**
Douglas Borden, **Borden Perlman Salisbury & Kelly**
Christina Violetti, **Hardenbergh Insurance Group**
Gail White, **Scirocco Group**
Robin Racioppi, **IMAC**
Toni DePaola, **Ocean County**
Monette Galello, Claims Resolution Corporation

CORRESPONDENCE: Executive Director said QualCare Alliance Networks submitted correspondence announcing plans to be acquired by Mitchell - Genex - Coventry. Mr. Roselli said current staffing will remain in place and said he expects no changes in service.

SPECIAL PRESENTATION: NONE

EXECUTIVE DIRECTOR’S REPORT:

2021 AMENDED BUDGET: Executive Director reported that last month, the Fund introduced a proposed 2021 amended budget as the NJCE Board agreed that the JIF would charge an additional assessment to the premium portion of the 2021 excess renewal delta which totaled \$609,437. Following the public hearing, the Board adopted the 2021 amended budget and certified the additional assessments.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2021 AMENDED BUDGET.

Moved: Chairman Angilella
Second: Commissioner Buono
Vote: Unanimous

DISCUSSION OF AMENDED BUDGET & ASSESSMENTS.

NONE

MOTION TO CLOSE THE PUBLIC HEARING.

Moved: Commissioner Nazzaro
Second: Commissioner Shea
Vote: Unanimous

MOTION TO ADOPT AMENDED BUDGET & CERTIFY THE ADDITIONAL 2021 ASSESSMENTS.

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

DECEMBER 31, 2020 AUDIT: Fund Auditor submitted a draft financial audit for the period ending December 31, 2020 and provided a summary review of the Financial Statements.

Fund Auditor highlighted the following items:

- The *Comparative Statements of Net Position-Exhibit A1* included a new line item *Excess Insurance Recoverable*, which refers to the anticipated recovery of 2020 COVID-19 claims.

- Audit report reflects financials thru date of issuance and the final report to be presented in September may be updated slightly. The draft audit shows Claims Expenses comprised of Reserves and Incurred But Not Reported (IBNR) as of December 31, 2020. The Actuary's loss reserves report as of March 2021 reflected \$1.2 million in claims that existed as of December 31, 2020, which are not reflected as a liability in the draft report; if reflected the year-end financials would result in a break-even financial position. Fund Auditor noted discussion with management was held and based on historical precedent the Actuary's loss reserves as of December 31, 2020 would be relied upon for this audit.
- The *Notes to Financial Statements – Note #7* reflects each Commission and stand-alone County member have equity and interest in the NJCE JIF based on a percentage of assessments paid as of December 31, 2020.

To supplement the Auditor's discussion on the additional \$1.2 million in claim activity, Executive Director reviewed the Financial Fast Tracks as of March 31st and April 30th and noted reductions in the surplus in the 2016, 2020 and 2021 fund years. Executive Director reported the most significant change is a result of the projected \$10 million that COVID-19 related workers' compensation claims will eventually cost the NJCE. Executive Director reported the NJCE is strengthening its claim and IBNR reserves due to the uncertainty over the recovery from the excess insurer Safety National. Therefore, the strategy is to book \$4 million for COVID claims and IBNR at the NJCE level to relieve the members of this liability. Executive Director reported the MEL JIF is experiencing the same issue with Safety National and a meeting was held with the Insurance Commissioner of NJ Department of Banking & Insurance to put them on notice that the carrier is taking a hard line on providing coverage. Hopefully, the NJCE will be successful in making a full recovery from Safety National so that it can reverse this accrual. In addition to this, the Actuary is strengthening the case reserves and IBNR due to large claims activity in the 2016 fund year.

Fund Auditor concluded review of the audit and reported there were no recommendations or findings. Fund Auditor said the Fund is in excellent financial condition would be submitting a final audit report at the September meeting. 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 28-21 authorizing this action.

MOTION TO ADOPT RESOLUTION 28-21 AUTHORIZING THE FUND OFFICE TO FILE THE DRAFT AUDIT AND REQUEST AN EXTENSION TO FILE THE FINAL AUDIT.

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

PROFESSIONAL SERVICES COMPETITIVE CONTRACTS:

TECHNICAL SERVICES WRITER: Executive Director reported a suggestion coming out of the NJCE Coverage Committee from last year was the need to procure a Technical Writer to draft manuscript policies for retained layers of the program. Executive Director estimated the services for a Technical Writer would not exceed \$25,000. The Board of Fund Commissioners authorized the Fund office to work with the Fund Attorney to procure these services via competitive contract so they are in place for 2022.

NJCE FINANCE COMMITTEE: Executive Director reported the NJCE team - PERMA, J.A. Montgomery and Conner Strong & Buckelew - made a presentation to the Finance Committee on the state of the commercial market and benefits of the insurance commission/joint insurance versus commercial market. The presentation was roughly an hour, generated some good questions and interaction with commissioners and was well received. The Finance Committee has suggested the presentation be made available to all commissioners and key members of their management team. It

was also suggested a recorded version be available, as well as, one or two live webinars either Thursday July 22nd and/or Friday July 23rd to promote interaction and allow for questions. The Board of Fund Commissioners agreed with the suggestion to host up to two interactive webinars.

NJCE CYBER TASK FORCE: Executive Director said the task force met on May 17, 2021 to discuss to discuss cyber-related issues and develop a cyber-risk management program; minutes from the meeting were included for information. Underwriting Manager added that with the assistance of the counties IT staff the main goal is to create the Cyber Risk Management Framework that all counties and affiliates can utilize. An additional meeting will be scheduled for July and a draft cyber-risk management program will be reviewed.

Included in the agenda were copies of a news alert focusing on recent cyber-attacks highlighting the importance of reviewing cyber risk management programs and finding ways to better protect your networks.

NJCE COVERAGE COMMITTEE: Executive Director said a meeting of this committee will be scheduled in July to discuss County-related coverage issues.

NJCE CLAIMS REVIEW COMMITTEE: 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 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:	Acting Chair Sheehan
Second:	Commissioner Marion
Roll Call:	9 Ayes – 0 Nays

PROSPECTIVE MEMBERSHIP: Executive Director reported the County of Essex and Middlesex County Insurance Commission were renewing mid-2021 and were identified as potential members. The County of Essex chose to remain with their commercially placed program and initial discussions are being held with Middlesex County Insurance Commission for potential membership.

NEW MEMBERS: The Burlington County Special Services School District & Burlington County Institute of Technology have agreed to join the Burlington County Insurance Commission for certain lines of insurance effective July 1, 2021. Included in the agenda was an updated member chart reflecting a total of 29 entities.

POLLUTION LIABILITY COVERAGE: Executive Director reported Zurich had 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 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).

LEARNING MANAGEMENT SYSTEM: J.A. Montgomery provided an update on the status of the online Learning Management System (LMS) and reported the system went live on April 1st. Mr. Prince said FirstNet, the LMS vendor, has provided instructional webinars on how to navigate the system as a Training Administrator. Safety Director said members may contact his office if additional Training Administrators are requested.

2022 RENEWAL – UNDERWRITING DATA COLLECTION: Deputy Executive Director reported the Fund office is beginning the data collection process for the 2022 renewal in order to provide relevant information to underwriters. Members and/or risk managers will manage the renewal via Origami, the online platform where members’ exposure data (property, vehicles, etc.) may be accessed and edited, as well as, applications to download and complete for ancillary coverages. In addition, the Payroll Auditor is conducting payroll audits, which will be uploaded by the Fund office into Origami. The 2022 renewal process is mid-July through mid-September, which will allow members to confirm underwriting data in time to introduce a budget at the October meeting.

NJCEL CYBER TASK FORCE: NEW ALERT: Deputy Executive Director said the NJCEL Cyber Task Force issued a news alert focusing on recent cyber-attacks highlighting the importance of reviewing your cyber risk management programs and find ways to better protect your networks. Included in the agenda was the News Alert.

NJ SUSTAINABLE ENERGY JOINT MEETING (NJSEM): Deputy Executive Director reported the NJSEM is offering a webinar on Tuesday, July 20, 2021 at 10:00AM to help educate local government officials on the basics of Electric vehicles (“EVs”), the fast-developing EV market, the State’s strategies to reduce carbon emissions from vehicles, and the role that local government can play. NJ SEM has applied to the DCA for approval of this webinar as a Continuing Education Credit course, for up to 2 CEU credits for MFO/CFO, CPWM, RMC and QPA. More information on the NJSEM may be found at www.njsem.org.

MEMBERSHIP RENEWAL: Deputy 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 were emailed and mailed on 5/25/2021.

2021 GOVERNMENT FINANCE OFFICERS ASSOCIATION OF NJ (GFOA OF NJ): Deputy Executive Director reported J.A. Montgomery has been invited to present at the GFOA of NJ conference at the Golden Nugget in Atlantic City from September 21st to September 24th. GFOA of NJ is a professional association of government finance officers working together to enhance and promote professionalism within the governmental community. Executive Director thanked Commissioner Wood for her assistance in presenting this speaking opportunity.

2021 FINANCIAL DISCLOSURES: The Local Finance Board, at its meeting of April 14, 2021 voted to extend the date upon which the Board would take enforcement action against non-filers of the 2021 FDS until June 30, 2021 from the statutory deadline of April 30, 2021. Deputy Executive Director reported the Fund office will follow up with Commissioners that have not completed their filing.

UNDERWRITING MANAGER REPORT

REPORT: Underwriting Manager noted the upcoming Coverage Committee meeting will include review of the upcoming 2022 renewal and marketplace conditions.

TREASURER REPORT:

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

VOUCHER PAYMENTS (BILL LIST) –

Resolution 29-21 Confirmation of May 2021 Payments	\$180,952.69
Resolution 30-21 Confirmation of May 2021 Supplemental Payments	\$911,746.38
Resolution 31-21 Confirmation of June 2021 Payments	\$2,140,402.80

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

2010	0.00
2011	0.00
2012	326.39
2013	5,978.17
2014	382.32
2015	4,851.53
2016	58.82
2017	4,758.39
2018	2,588.50
2019	0.00
2020	517,014.13
2021	0.00
TOTAL	\$535,958.25

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

2010	0.00
2011	0.00
2012	24.78
2013	3,973.55
2014	1,620.09
2015	4,608.85
2016	15.11
2017	1,177.00
2018	296.00
2019	0.00
2020	112,937.27
2021	0.00
TOTAL	\$124,652.65

MOTION TO APPROVE RESOLUTIONS 29-21, 30-21 AS CONFIRMATION OF MAY PAYMENTS, CONFIRMATION OF MAY SUPPLEMENTAL PAYMENTS AND APPROVAL OF RESOLUTION 31-21 JUNE 2021 PAYMENTS AND THE TREASURER'S REPORTS AS PRESENTED:

Moved: Acting Chair Sheehan
Second: Commissioner Kelly
Roll Call: 9 Ayes – 0 Nays

SAFETY DIRECTOR

REPORT: Safety Director submitted a report reflecting the risk control activities from May to July 2021, as well as, upcoming training events.

Safety Director reported Munich Re 2021 Safety Grant Program would be administered differently in that members should submit proposed purchases first and once approved then Munich Re would directly deal with vendors for those safety-related purchases. Safety Director will issue a memorandum and guidelines for members to use as reference on the new process.

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 \$7,267.22, paid amount of \$4,521.05 and net savings of \$2,128.02 as of May 2021. There was a 100% network utilization rate as of May 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 32-21 authorizing closed session.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Buono
Second: Commissioner Kessler
All in favor: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Chairman Nazzaro
Second: Commissioner Kelly
All in favor: Unanimous

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Commissioner Kelly
Second: Acting Chair Sheehan
All in favor: Unanimous

MEETING ADJOURNED: 10:20 AM

NEXT MEETING: September 23, 2021 - 9:30 AM

Via Teleconference

Brandon Tracy, Assisting Secretary