

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

OPEN MINUTES

DECEMBER 16, 2021

VIA TELECONFERENCE

9:30 AM

**MEETING OF THE FUND CALLED TO ORDER AT 9:30 AM. BY ACTING CHAIRWOMAN
KESSLER**

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	Present
John Kelly, Secretary	Ocean County	Absent
Edmund Shea, Commissioner	Hudson County	Present
Lillian Nazzaro, Commissioner	Mercer County	Present
Laura Scutari, Commissioner	Union County	Present
Teri O'Connor, Commissioner	Monmouth County	Present

ALTERNATE FUND COMMISSIONERS

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

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

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, Joseph Lisciandri

ALSO PRESENT:

Steven Williams, **Camden County**
Mary Anne Sander, **Conner Strong & Buckelew**
Cathy Dodd, **PERMA**
Jennifer Conicella, **PERMA**
Robyn Walcoff, **PERMA**
Douglas Borden, **Borden Perlman**

David Bushong, **AmeriHealth**
Ceil Murphy, **Camden County College**
Aricka Simms, **Borden Perlman**
Christina Violetti, **Hardenbergh Insurance Group**
Gail White, **Scirocco Group**
Cheryl Little, **AmeriHealth**
Gladys Driggins, **AmeriHealth**
Robin Racioppi, **IMAC**
Jenna Baumgartner, **Old Republic**

MINUTES: Open Minutes as of November 18, 2021 were included in agenda for review; there were no closed minutes.

MOTION TO APPROVE OPEN MINUTES FROM NOVEMBER 18, 2021 AS PRESENTED:

Moved: Commissioner Sheehan
Second: Commissioner Buono
Roll Call Vote: 9 Ayes – 0 Nays (1 Abstention – Commissioner Nazzaro)

CORRESPONDENCE: Executive Director said correspondence, which was included in the agenda, announced Cheryl Little, of AmeriHealth, is retiring as of 12/31/21. Mr. David Bushong, who has 36 years of experience in the industry, will be replacing Ms. Little. Fund Attorney thanked and commended Ms. Little for her dedication throughout the years.

EXECUTIVE DIRECTOR’S REPORT:

FINANCIAL FAST TRACK: Executive Director said the October financial fast track was included in the Finance Committee report of the agenda and reflected a statutory surplus of \$13.3 million. Executive Director reviewed the Surplus (Deficits) By Fund Year section of the fast track noting tough years in 2021 due to Hurricane Ida Claims and 2016 due to significant claims loss, the remainder of the years reflected a tough investment period.

2022 BUDGET & EXCESS RENEWAL: Executive Director reported the Finance Committee met on December 13th to review the status of the 2021 renewal and any changes to the 2022 budget from their last meeting. Underwriting Manager is finalizing the marketing and negotiation of the NJCE excess insurance renewal and provided an update to the Finance Committee, as well as, the full Board of Fund Commissioners. Acting Chairwoman Kessler inquired about the Budget development with the marketing still in flux and asked if significant changes are expected once the renewal is complete. Executive Director said the Budget should reflect the projections and noted if the final program comes in lower than the budget introduced we will have a surplus and if it comes in higher than anticipated than action can be taken later to address the delta.

Executive Director reported last month, the Fund introduced a proposed 2022 budget based on certain assumptions of renewal negotiations representing a total increase of \$3,447,381 or a 12.3% increase. The Finance Committee is recommending the adoption of the enclosed amended budget representing a total increase of \$3,342,387 or an 11.9% increase over the 2021 Assessed Budget. Also included in the agenda were the 2022 assessments.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2022 BUDGET

Moved: Commissioner O’Connor
Second: Commissioner Shea
Vote: Unanimous

DISCUSSION OF BUDGET & ASSESSMENTS.

Moved: Commissioner Nazzaro
Second: Commissioner O’Connor

Roll Call Vote: 10 Ayes – 0 Nays

MOTION TO CLOSE THE PUBLIC HEARING

Moved: Commissioner O'Connor

Second: Commissioner Shea

Vote: Unanimous

MOTION TO ADOPT BUDGET & CERTIFY THE 2022 ASSESSMENTS.

Moved: Commissioner Nazzaro

Second: Acting Chairwoman Kessler

Roll Call Vote: 10 Ayes – 0 Nays

In addition, Executive Director said it would be appropriate to empower the Finance Committee to authorize the Underwriting Manager to bind and enter into the required agreements for the 2022 excess insurance and ancillary coverages; a resolution formalizing the action will be included in the 2022 Reorganization agenda. Executive Director reported the Finance Committee will meet one more time with the Executive Director and Underwriting Manager to review the final marketing results, decide on final program structure, and program insurers.

MOTION TO EMPOWER THE FINANCE COMMITTEE TO AUTHORIZE THE UNDERWRITING MANAGER TO BIND AND ENTER INTO THE REQUIRED AGREEMENTS FOR THE 2022 EXCESS AND ANCILLARY COVERAGES.

Moved: Commissioner Shea

Second: Commissioner Block

Roll Call Vote: 10 Ayes – 0 Nays

Commissioner Kim Wood of Cumberland County joined the call at 10:15 a.m.

DIVIDEND: Executive Director said, last month, the Board of Commissioners, based on the recommendation of the Finance Committee authorized the release of a \$750,000 dividend. A filing was made on 11/30/2021 and we are awaiting a response from the regulatory agencies; if no response is received after 30 days of the filing date then the dividends will be distributed as requested. The member Insurance Commissions will receive their dividend as a check; County members may opt for a check or apply the dividend as a credit to offset the 2022 assessment. The member Insurance Commissions will have the option to issue checks to their membership or use as an offset to their 2022 member assessment. The dividend amount/allocation provided last month was based on a \$500,000 dividend in error. Resolution 45-21, which was included in the agenda, corrects the refund amounts/allocation that were listed in Resolution 41-21.

MOTION TO ADOPT RESOLUTION 45-21 CORRECTING THE REFUND AMOUNTS LISTED IN RESOLUTION 41-21.

Moved: Chairwoman Kessler

Second: Commissioner Sheehan

Roll Call Vote: 11 Ayes – 0 Nays

WORKERS' COMPENSATION/PENSION OFFSETS FOR ACCIDENTAL DISABILITY CLAIMS: Executive Director said, in February, the NJ Department of Labor adopted a temporary rule reversing a 2006 rule that made the pension plan the primary payer of compensation for accidental disability retirements for "on-the-job" injuries. Included in the agenda was Resolution 46-21 to urge that rule change not be retroactive and further, asking legislatures to adopt amendments to cap the law so that property & casualty insurance costs are outside the cap for the next three years.

MOTION TO ADOPT RESOLUTION 46-21 PROPOSING AMENDMENTS TO PROPOSED CHANGES TO REGULATIONS CONCERNING

WORKERS' COMPENSATION/PENSION OFFSETS FOR ACCIDENTAL DISABILITY CLAIMS

Moved: Commissioner Wood
Second: Commissioner Buono
Roll Call Vote: 11 Ayes – 0 Nays

NEW MEMBERSHIP: Executive Director reported Ocean County Board of Health has accepted membership in the Ocean County Insurance Commission effective 12/31/21. This new addition will bring the Fund’s total membership to 32 member entities.

NJCE CLAIMS REVIEW COMMITTEE – COMMISSIONER SHEEHAN: The Claims Review Committee did not meet at 9:00 a.m. prior to the Fund’s meeting to review claims in detail so there were no recommendations to the full Board on action to take. There was not a need to enter into Closed Session to discuss the committee’s recommendations and to address any questions on a particular claim(s). Included in the agenda was a resolution authorizing closed session, but it was not acted on.

Informational Items

Ms. Ghani reported on the following items:

DUE DILIGENCE (Page 12):

Regulatory Compliance Checklist – as of 12/13/2021. Included in the agenda was a checklist that tracks contracts, compliance and other Fund business.

PROFESSIONAL SERVICES/COMPETITIVE CONTRACTS:

UNDERWRITING MANAGER, EXECUTIVE DIRECTOR, SAFETY DIRECTOR & EXCESS PROPERTY ADMINISTRATOR: Ms. Ghani said the following services are set to expire in February 2022 and was being provided for informational purposes only.

2022 REORGANIZATION FEBRUARY MEETING: Ms. Ghani said the Fund is scheduled to meet again on Thursday, February 24, 2022 at 9:30am via Zoom to conduct the 2022 Reorganization of the Fund.

UNDERWRITING MANAGER REPORT

REPORT: Underwriting Manager had nothing further to report.

TREASURER REPORT:

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

VOUCHER PAYMENTS (BILL LIST) –

.Resolution 47-21 Approval of December- 2021 Payments

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

2010	0.00
2011	0.00
2012	0.00
2013	28,822.69
2014	4,184.02
2015	147,450.61
2016	189.01
2017	1,672.00

2018	2,690.24
2019	0.00
2020	4,972.00
2021	2,379.60
TOTAL	\$192,360.17

MOTION TO APPROVE RESOLUTION 47-21 DECEMBER 2021 PAYMENTS AND THE TREASURER’S REPORTS AS PRESENTED:

Moved: Commissioner Shea
 Second: Commissioner Wood
 Roll Call Vote: 11 Ayes – 0 Nays

SAFETY DIRECTOR

REPORT: Safety Director submitted a report reflecting the risk control activities from November to December 2021, as well as, upcoming training events. Also included, was the 2021 Munich Re grant submissions review.

Safety Director reported the Grant Committee met on December 13th and reviewed seven submissions and noted the entire grant money provided was distributed. Safety Director encouraged Members to consider submitting any questions or safety grants for next year.

MOTION TO APPROVE THE GRANT COMMITTEE’S RECOMMENDATION TO AWARD THE GRANT MONEY FOR THE APPROVED SUBMISSIONS:

Moved: Commissioner Wood
 Second: Commissioner Block
 Roll Call Vote: 11 Ayes – 0 Nays

FUND ATTORNEY:

REPORT: Fund Attorney said she will be issuing RFPs for the beginning of the year and will need volunteers to review the proposals. Fund Attorney requested for any Commissioners, interested in volunteering, to submit their notice via email.

CLAIMS ADMINISTRATOR - WORKERS COMPENSATION

REPORT: AmeriHealth submitted a report-showing provider billed amounts of \$111,690.00, paid amount of \$10,078.00 and net savings of \$78,749.30 as of November 2021. There was a 91.6% network utilization rate as of November 2021.

CLAIMS ADMINISTRATOR:

REPORT: There was not a need for Closed Session; included in the agenda was Resolution 48-21 authorizing closed session.

Mr. Roselli, of Qual-Lynx, reported Hurricane Ida affected three counties and his team along with Perma claims are working with an independent adjusting firm and construction consultants to determine the damage. Currently the rough order of magnitude estimate is around \$8 million. Mr. Roselli explained this estimation is a top-down estimation and typically higher than expected amount needed to settle the claims.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Shea
Second: Commissioner Nazzaro
All in favor: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner Shea
Second: Commissioner Nazzaro
All in favor: Unanimous

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Commissioner Shea
Second: Commissioner Nazzaro
Roll Call Vote: 11 Ayes – 0 Nays

MEETING ADJOURNED: 10:20 AM

**NEXT MEETING: February 24, 2022 – 9:30 AM
Via Teleconference**

Brandon Tracy, Assisting Secretary