

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

OPEN MINUTES

APRIL 28, 2022

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 2022 FUND COMMISSIONERS

Ross Angilella, Chairman	Camden County	Absent
Tim Sheehan, Secretary	Gloucester County	Present
Janette Kessler, Commissioner	Atlantic County	Present
Ashley Buono, Commissioner	Burlington County	Present
Vacancy, Commissioner	Cumberland County	
John Kelly, Commissioner	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	Present

ALTERNATE FUND COMMISSIONERS

Anna Marie Wright	Camden County	Absent
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
Safety Director	JA Montgomery Risk Control Paul Shives, Glenn Prince
Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Jonathon Tavares, Rachel Perry
WC Claims Administrator	AmeriHealth Casualty Services Kerin Drumhieser, Gladys Driggins, David Bushong
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
Danielle Colaianni, Hardenbergh Insurance Group
Gail White, Scirocco Group
Karen Read, PERMA
Robyn Walcoff, PERMA

Jennifer Conicella, PERMA
Aricka Simms, CBIZ Borden Perlman
Jennifer Beck, Alliant Americas
Peter Soriero, Allied Risk Management Services
Toni DePaola, Ocean County
Robin Racioppi, IMAC
Cecilia Murphy, Camden County College
Steve Williams, County of Camden

MINUTES: Open Minutes as of February 24, 2022, were included in agenda for review.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM FEBRUARY 24, 2022,
AS PRESENTED:**

Moved: Commissioner Kelly
Second: Commissioner Shea
Vote: 8 Ayes – 0 Nays (Commissioner Nazzaro Abstained)

CORRESPONDENCE: NONE

EXECUTIVE DIRECTOR’S REPORT:

NJCE CLAIMS REVIEW COMMITTEE: The Claims Review Committee met prior to this Fund’s meeting. Closed Session was not needed, so it was not necessary to enter Closed Session to discuss the committee’s recommendations and other matters; included in the agenda was a resolution authorizing closed session.

There were no questions and Closed Session was not needed, so it was appropriate to accept the Committee’s recommendations.

**MOTION TO ACCEPT THE CLAIMS COMMITTEE’S
RECOMMENDATION TO APPROVE THE CLAIMS**

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

FINANCE SUB-COMMITTEE: Executive Director reported the committee met on April 26, 2022, to review the procurement responses for the services of the Actuary, Auditor, Payroll Auditor and Litigation Manager. All positions received one response except for Actuary, which received two responses from The Actuarial Advantage Inc (*incumbent*) and SG Risk LLC. The Fund office provided an analysis comparing the scope and hours of each firm; a memorandum was distributed, and the Finance committee recommended an award be made to The Actuarial Advantage.

The Board of Fund Commissioners accepted the Finance Committee’s recommendations for contract awards as follows:

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.

**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 AND ADOPT RESOLUTION 20-22 AWARDING
PAYROLL AUDITOR TO BOWMAN & COMPANY**

Moved: Commissioner Kelly
Second: Commissioner Shea

Roll Call Vote: 9 Ayes – 0 Nays

Actuary – Award The Actuarial Advantage a 1-year contract.

MOTION TO ACCEPT THE RECOMMENDATIONS OF THE FINANCE SUB-COMMITTEE AND ADOPT RESOLUTION 21-22 AWARDING ACTUARY CONTRACT TO THE ACTUARIAL ADVANTAGE, LLC

Moved: Commissioner Kelly

Second: Commissioner Shea

Roll Call Vote: 9 Ayes – 0 Nays

Lastly, we currently have a Fund Commissioner vacancy on our Finance Committee and are requesting interested volunteers contact our office to serve on this committee. Commissioner O'Connor volunteered to serve on the Finance Committee to fill the vacancy of Commissioner Wood's recent retirement. Acting Chairman Sheehan asked for a motion to approve Commissioner O'Connor's nominee to serve on the Finance Committee.

MOTION TO ACCEPT THE RECOMMENDATIONS OF THE EXECUTIVE DIRECTOR AND NOMINATE COMMISSIONER O'CONNOR TO FILL THE VACANCY SPOT ON THE FINANCE SUB COMMITTEE

Moved: Commissioner Kessler

Second: Commissioner Buono

Roll Call Vote: 9 Ayes – 0 Nays

FINANCIAL FAST TRACK: Included in the agenda was the Financial Fast Track as of December 31, 2021, and the Financial Fast Track as of February 28, 2022. Executive Director reported the statutory surplus as of February 28th is \$14.3 million.

NJCE COMMITTEES:

CYBER TASK FORCE: The task force met Friday, March 11, 2022, to discuss cyber-related issues such as the State of Cyber, Member Communications, Employee Cyber Training, and the formation of a Cyber JIF. Included in the agenda were the minutes from the meeting.

Executive Director reported the MEL JIF formed a special committee to review the feasibility of creating a Cyber JIF to manage the rising exposure of cyber incidents. Executive Director said membership would consist of local JIFs and additional review is needed to determine if the NJCE JIF and/or its members may participate.

The Executive Director also asked any Fund Commissioner and/or a designated representative is interested in serving on the task force, please contact the office. The Executive Director noted that Commissioners that currently serve are Commissioner Sheehan, Commissioner Block and Commissioner Marion.

COVERAGE COMMITTEE: The Committee met Thursday, March 17, 2022, to discuss the status of the Manuscript Policies, Pollution/Sewer Backup update, State of Cyber and the possibility of implementing an appraisal program. Included in the agenda were the minutes from meeting.

Underwriting Manager reported the Fund's initiative to draft manuscript policies will improve pricing, flexibility, and the management of claims with the NJCE JIF program as well as also allow the Fund to access the reinsurance market.

The committee discussed new technologies to obtain property appraisal data. Executive Director noted the MEL JIF is reviewing a pilot program with a vendor that provides this service, which

may be beneficial and assist with obtaining accurate property valuations. The Board of Fund Commissioners granted authority to the Fund office to pursue quotes for a vendor to provide property appraisals.

Also, included in the agenda is information about the reinsurance market for informational purposes. The committee will likely meet several times this year to discuss county-related coverage issues and the transition to a reinsurance structure.

MOTION TO REQUEST AUTHORITY TO PURSUE QUOTES FOR A VENDOR TO PROVIDE PROPERTY APPRAISALS FOR REVIEW AND RECOMMENDATION BY THE COVERAGE COMMITTEE AND APPROVAL BY THE BOARD OF FUND COMMISSIONERS

Moved: Commissioner Kessler
Second: Commissioner Buono
Vote: Unanimous

SAFETY COMMITTEE: A draft copy of the Safety Committee Charter was presented for the Boards review in February. Submitted as part of the agenda was the final Safety Charter being presented for approval. Safety Director reported Commissioner Kessler expressed interest to Chair the committee and encouraged all member entities designate a representative to serve. The first meeting of the Safety Committee will be scheduled for June 20th and other meetings will be scheduled quarterly throughout the year.

MOTION TO ADOPT THE 2022 SAFETY & EDUCATION COMMITTEE CHARTER

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

PROSPECTIVE MEMBERSHIP: Executive Director reported the Fund Office is working to provide Camden County College a requested quote for Workers Compensation coverage. No action is required at this time.

MEMBERSHIP RENEWAL: Executive Director reported the Counties of Union County, Hudson County, Ocean County and Mercer County are scheduled to renew their three-year membership with the Fund as of January 1, 2023. Renewal documents will be sent to each respective County following the meeting.

POLLUTION LIABILITY/SEWER BACKUP: The Executive Director indicated, as previously discussed, the 2022 renewal of the pollution liability coverage resulted in an exclusion for sewer backup claims. The Fund office was asked to pursue quotations for this coverage to offer to our member utility authorities (Atlantic, Camden, Cumberland, and Gloucester). A summary of results was presented to the representatives of the Utility Authorities, which included a proposal from Ironshore to cover first party remediation and third-party liability, new conditions only. Due to the hard market conditions the best proposal was at a \$1 million per incident limit subject to a \$1 million policy aggregate with a \$500,000 per incident retention. There are also options to buy a higher aggregate limit at \$2 million, \$3 million, and \$4 million.

Executive Director reported due to the size of the Insurer retention, the Actuary provided loss funding at the NJCE level and Insurance Commission level so we can offer our members a proposal at various deductible options. Proposals involving the NJCE JIF and/or the Insurance Commissioners would require prior approval from their respective Board of Commissioners

A final decision has not been made by the four utility authorities. They have asked for clarification on loss fund allocation based upon review of specific exposures information for each entity and what affect that may have on pricing.

Executive Director reported action at this point is to seek authority for NJCE to offer the coverage for one year at either \$250 x \$250 or \$400 x \$100. Should the members authorities decide to purchase coverage then the additional assessment will be charged directly back to the respective authorities. The Board of Fund Commissioners approved a request to provide coverage subject to acceptance by the member utility authorities for the balance of 2022.

MOTION TO REQUEST APPROVAL TO PROVIDE COVERAGE IF ACCEPTED TO MEMBER UTILITY AUTHORITIES COVERAGE FOR THE BALANCE OF THE FUND YEAR

Moved: Commissioner O'Connor
Second: Commissioner Kelly
Roll Call Vote: 9 Ayes – 0 Nays

HURRICANE IDA AND COVID-19 CLAIMS UPDATE: Ms. Walcoff reported there have been 4,000 reported claims with \$3.2 million paid and \$9.5 million incurred to date. Ms. Walcoff stated the Fund office is working closely with the carrier to obtain a recovery and expects to report more information at future meetings.

Ms. Walcoff reported several NJCE members were affected by Hurricane Ida and to date claim activity is \$5 million incurred and approximately \$630,000 paid to date. Ms. Walcoff noted Zurich, the Fund's excess property carrier, has appointed Mike Trump to assist with management of those claims.

Informational Items

2022 MEL, MRHIF & NJCE EDUCATIONAL SEMINAR: The 11th Annual Educational Seminar will be held virtually over two sessions on Friday, April 29th and Friday, May 6th, 9:00 AM to Noon. The seminar qualifies for Continuing Education Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. Deputy Executive Director reported Jacquelyn Suarez, Director NJ Division of Local Governmental Services, will be the Keynote speaker for the April 29th Seminar and will be discussing The Local Government Ethics Law. Interested participants may contact the Fund office to register.

NJCE JIF RENEWAL TIMELINE: At the February meeting there was a through discussion on the 2022 premium delta. The Board of Commissioners, understanding the current hard market conditions, asked what can be done to have a more affirmative premium indications in time for budget introduction but no later than budget adoption to avoid post budget renewal reconciliations. It is felt that starting the renewal process earlier will help with this. Included in the agenda was a suggested timeline for the NJCE which assumes an earlier start to the renewal process and with specific target dates.

DUE DILIGENCE:

Regulatory Compliance Checklist – as of 4/26/2022. Included in the agenda was a checklist that tracks contracts, compliance, and other Fund business.

2022 FINANCIAL DISCLOSURES: The Local Finance Board issued notification, 2022-06, that the online system is open for Financial Disclosure filings. Commissioners should file as a JIF Commissioner, as well as any County and/or Municipal related positions that require filing. Please note the deadline to file is April 30th.

NJAC 2022 MAY CONFERENCE: Deputy Executive Director reported Representatives from PERMA will be attending and exhibiting at the NJAC 2022 May 4-6 conference in Atlantic City at Caesar's.

TREASURER REPORT:

Included in the agenda was the confirmation of bills lists, approval of payments and the Treasurer's reports for January and February 2022.

VOUCHER PAYMENTS (BILL LIST) –

Resolution 22-22 Confirmation of March 2022 Payments	\$1,211,922.48
Resolution 23-22 April 2022 Bills Approval of Payments	\$184,591.91

CONFIRMATION OF JANUARY 2022 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2010	0.00
2011	0.00
2012	49.56
2013	5,285.91
2014	51,421.38
2015	10,857.85
2016	5,590.60
2017	1,672.00
2018	585.27
2019	0.00
2020	32,599.07
2021	23,758.93
2022	0.00
TOTAL	\$131,820.57

CONFIRMATION OF FEBRUARY 2022 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2010	0.00
2011	0.00
2012	358.51
2013	2,760.45
2014	125.00
2015	6,827.92
2016	3,991.45
2017	1,884.00
2018	204.00
2019	0.00
2020	820.82
2021	25,873.75
2022	0.00
TOTAL	\$718,809.98

MOTION TO CONFIRM PAYMENTS OF APRIL 2022 BILLS LIST AS RESOLUTION 22-22 AND THE TREASURER'S REPORTS AS PRESENTED:

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

UNDERWRITING MANAGERS REPORT:

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

SAFETY DIRECTOR:

REPORT: Safety Director submitted a report reflecting the risk control activities and the Safety Director Bulletins distributed from February 2022 to May 2022. Also included was the 2022 Expo schedule noting available classes. If any County member is interested in hosting an expo they can reach out to Mr. Prince.

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 \$29,088.00, paid amount of \$18,547.00 and net savings of \$8,169.28 as of March 2022. There was a 76% network utilization rate as of March 2022.

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 19-22 authorizing closed session, but it was not acted on.

OLD BUSINESS: NONE

NEW BUSINESS: NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

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

MOTION TO CLOSE MEETING TO PUBLIC

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

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Commissioner O'Connor
Second: Commissioner Kessler
All in favor: Unanimous

MEETING ADJOURNED: 10:36 AM

**NEXT MEETING: June 23, 2022 - 9:30 AM
Via Teleconference**

Brandon Tracy, Assisting Secretary