

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND**

**OPEN MINUTES**

**OCTOBER 27, 2022**

**VIA TELECONFERENCE**

**9:30 AM**

**MEETING OF THE FUND CALLED TO ORDER AT 9:30 A.M. BY ACTING CHAIRMAN 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 Nazzaro, 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
Michael Fiure	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 <b>Joseph Hrubash, Bradford Stokes, Nancy A. Ghani, Brandon Tracy</b>
Attorney	<b>Laura Paffenroth</b>
Safety Director	JA Montgomery Risk Control <b>Glenn Prince</b>
Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney, Jonathan Tavares,</b>
WC Claims Administrator	AmeriHealth Casualty Services <b>Kerin Drumheiser, David Bushong, Gladys Driggins</b>
Property Claims Administrator	Qual Lynx <b>Chris Roselli</b>
	Perma Claims <b>Robyn Walcoff, Jennifer Conicella, Jennifer Davis</b>

**ALSO PRESENT:**

Pauline Kontomanolis, PERMA  
Cathy Dodd, PERMA  
Karen Read, PERMA  
Carol Mack, Conner Strong & Buckelew  
Christina Violetti, Hardenbergh Insurance Group  
Danielle Colaianni, Hardenbergh Insurance Group  
Jennifer Beck, Alliant Americas  
Victoria Sjulander, Alliant Americas  
Gail White, Scirocco Group  
Douglas Borden, CBIZ Borden Perlman  
Peter Soriero, Allied Risk Management Services  
Karl McConnell, Camden County College  
Toni DePaola, Ocean County  
Robin Racioppi, IMAC

**MINUTES:** Open Minutes as of September 22, 2022, were included in agenda for review.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM SEPTEMBER 22, 2022, AS PRESENTED:**

Moved: Commissioner Buono  
Second: Commissioner Shea  
Vote: All in favor

**CORRESPONDENCE: NONE**

**EXECUTIVE DIRECTOR’S REPORT:**

**NJCE CLAIMS REVIEW COMMITTEE:** Executive Director reported the Claims Review Committee October meeting was cancelled and is not scheduled to meet again until November 18<sup>th</sup> at 9am. Closed Session was not necessary; and it was not necessary to enter Closed Session to discuss other matters; included in the agenda was a resolution authorizing closed session. There were no questions.

**FINANCE SUB COMMITTEE:** Commissioners Sheehan, Kessler, Kelly, Shea and O’Connor met via Zoom on Monday, October 17<sup>th</sup> to review the 2023 NJCE preliminary budget, the budget process, and other factors affecting the budget. The Sub Committee also reviewed the 2022 preliminary dividend options and cyber security options. Included in the agenda was the 2023 Budget Review Summary for information, and the Executive Director discussed the commercial marketplace and legislative factors driving the 9.9% increase including a state mandated 9.9% increase in Workers’ Compensation weekly benefit rates, the transfer of permanent disability claims from the pension system to workers’ compensation, and COVID claims. In addition, property premiums are impacted by the frequency of natural disasters in the past decade, liability claims have increased due to erosion to Title 59 immunities and cyber liability premiums have significantly increased due to increased claim activity for public entities in New Jersey and nationally. This is in addition to the 24% rate increase of the State Health Plan that some of our members are experiencing.

Executive Director said the budget introduction will be held at the meeting on **Friday, November 18<sup>th</sup>** and budget adoption on **Thursday, December 15<sup>th</sup>**. The Finance Sub Committee is scheduled to meet again **Monday, November 14<sup>th</sup> at 3pm** via Zoom to review the budget prior to introduction.

**MOTION TO INTRODUCE THE 2023 BUDGET AND HOLD THE FIRST READING OF THE 2023 BUDGET ON NOVEMBER 18, 2022, AT 9:30AM VIA ZOOM AND TO SCHEDULE A MEETING ON DECEMBER 15, 2022, AT 2:00 PM FOR THE PUBLIC HEARING AND ADOPTION OF THE 2023 BUDGET.**

Moved: Commissioner Kessler

Second: Commissioner Shea  
Vote: 8 Ayes – 0 Nays

Finance Sub Committee also reviewed the following:

**2022 DIVIDENDS:** Dividend distribution options were included in the agenda and are based on allowable dividends per State Regulations at the last audit of 12/31/21. The Fund Office was asked to work on additional options and will present all options to the Finance Sub Committee in November. The Finance Sub Committee will make a recommendation on issuance of a 2022 dividend at the November meeting.

**COVID -19:** Ms. Walcott provided a brief update on COVID-19 claim activity to date. As of September 30, 2022, for 2020 fund year, there are a total of 1,859 claims with a total incurred of \$8.7 million and total paid of \$2.5 million, for the 2021 fund year, there are a total of 1,505 claims with total incurred of \$6.1 million and total paid of \$1.5 million. For the 2022 fund year, there are a total of 1,056 claims with a total incurred of \$1.4 million and a total paid of \$367,300.

**SAFETY NATIONAL:** Executive Director provided a brief update on the status of the 2020 Covid discussions noting there continues to be ongoing dialogue with the excess insurer on how the 2020 endorsement will be applied with respects to COVID-19 claims. The MEL is finalizing their settlement negotiations with Safety National on the 2020 COVID claims. We are going to work with the MEL Fund attorney to obtain a similar result on the 2020 NJCE Claims with Safety National in a parallel manner once the MEL's claims are finalized. As a result of the ongoing discussions, the NJCE financials already reflect the anticipated recovery from the excess insurer.

**CYBER SECURITY EXPERT:** The Finance Committee along with the Fund Attorney reviewed, discussed the feasibility of hiring a cyber security expert and agreed to the NJCE entering an extraordinary and unspecifiable services contract with a Cyber Security Expert group prior to the January 1, 2023, renewal. Underwriting Manager is working on obtaining a proposal to present to the Finance Sub Committee on November 14<sup>th</sup>.

**FINANCIAL FAST TRACK:** Included in the agenda was the Financial Fast Track as of August 31, 2022, reflecting a statutory surplus of \$14.4 million despite the issuance of \$5.8 million in historical dividends and a cash balance of \$23.4 million.

**2022 SAFETY GRANT PROGRAM:** J.A. Montgomery met with the Grant Committee on Wednesday, October 26<sup>th</sup> and reviewed the grant submissions, which was sent out as supplemental agenda item. Safety Director reviewed the memo summarizing the submissions and announced eight out of the ten members had submissions this year. Executive Director commended the Safety Director, Underwriting Manager and Grant Committee for their due diligence.

**MOTION TO APPROVE THE 2022 SAFETY GRANT SUBMISSIONS AND  
DISTRIBUTE THE ALLOTTED AMOUNT TO MEMBERS WHOM MADE A  
SUBMISSION.**

Moved: Commissioner Kelly  
Second: Commissioner Kessler  
Vote: 8 Ayes – 0 Nays

**NEW MEMBERSHIP:** Executive Director reported and welcomed the Ocean County Board of Social Services, who has accepted a proposal to become a distinct member in the Ocean County Insurance Commission effective 10/25/22 for all lines of coverage.

**Informational Items**

**2023 RENEWAL WEBINAR:** Deputy Executive Director reported the Underwriting Manager held a webinar on October 12<sup>th</sup> on the current market conditions affecting the 2023 budget. It was well attended with over 40 attendees. A copy of the presentation was sent as a separate item and the recording of the webinar will be posted to njce.org.

**2022 ASSESSMENTS:** As a reminder, the 2<sup>nd</sup> installment is due on November 1<sup>st</sup>. The Treasurer’s address has changed, and all future assessment payments need to be sent to the following address starting with the 2022 2<sup>nd</sup> installment: c/o David McPeak, 22 Glenview Ave Berlin NJ 08009. Deputy Executive Director added if any County sends payments to the Camden County Office, the treasurer will still be able to get them.

**2023 RENEWAL – UNDERWRITING DATA COLLECTION:** Deputy Executive Director said the 2023 renewal process deadline to complete was August 31<sup>st</sup> and thanked member and risk managers for their patience in completing the process. The Fund office is reviewing exposure data for accuracy and completion. As a reminder the majority of ancillary coverage applications may be completed online via Origami. The Payroll Auditor conducted payroll audits which were uploaded by the Fund office into Origami.

**2022 NEW JERSEY STATE LEAGUE OF MUNICIPALITIES (NJSLOM) ANNUAL CONFERENCE:** The 106<sup>th</sup> annual conference is scheduled for November 15<sup>th</sup> through November 17<sup>th</sup> at the Atlantic City Convention Center in Atlantic City. The MEL JIF holds its annual elected official’s seminar on November 16<sup>th</sup>. This year’s program will be “Local Government Risk Management” and we encourage our commissioners to attend. Deputy Executive Director also encouraged members to stop by the booth.

Executive Director added members attending the league are also invited to attend the Annual Reception, Co-sponsored by the MEL, MRHIF and NJCE, which is Wednesday November 16<sup>th</sup> at 6pm in the Bailey’s room. Invitations are not necessary to attend. Deputy Executive Director said an invitation will be distributed following the meeting.

**MEMBERSHIP RENEWAL:** The Commissions of Mercer County, Ocean County, Union County and Hudson County are scheduled to renew their three-year membership with the Fund as of January 1, 2023. Deputy Executive Director reported all renewing members have submitted their membership agreement to renew.

**DUE DILIGENCE (PAGE 15):**

Regulatory Compliance Checklist – as of 10/24/2022. Enclosed is a checklist that tracks contracts, compliance, and other Fund business.

**TREASURER REPORT:**

Included in the agenda was the confirmation of bills lists, approval of payments and the Treasurer’s reports for August 2022.

**VOUCHER PAYMENTS (BILL LIST) –**

.Resolution 34-22 Confirmation of October 2022 Payments \$206,447.90  
.Resolution 35-22 Confirmation of Suppl October 2022 Payments \$30,282.80

**CONFIRMATION OF AUGUST 2022 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2010</b>	0.00
<b>2011</b>	187.25
<b>2012</b>	5,036.70
<b>2013</b>	4,382.43

<b>2014</b>	280.11
<b>2015</b>	12,707.73
<b>2016</b>	0.00
<b>2017</b>	537.50
<b>2018</b>	13,526.16
<b>2019</b>	00.00
<b>2020</b>	1,367.03
<b>2021</b>	626.68
<b>2022</b>	6,855.50
<b>TOTAL</b>	<b>\$45,507.09</b>

**MOTION TO APPROVE RESOLUTIONS 34-22 AND 35-22 AS APPROVAL OF OCTOBER 2022 PAYMENTS AND APPROVAL OF SUPPLEMENTAL OCTOBER PAYMENTS AND THE TREASURER’S REPORTS AS PRESENTED:**

Moved: Commissioner Kelly  
 Second: Commissioner Buono  
 Roll Call Vote: 8 Ayes – 0 Nays

**UNDERWRITING MANAGERS REPORT:**

**REPORT:** Underwriting Manager and his team are well into the 2023 renewal process and reported the 2023 renewal negotiations are progressing well. Underwriting Manager encouraged members and/or risk managers to contact his office for any questions on the 2023 Renewal Webinar.

**SAFETY DIRECTOR:**

**REPORT:** Safety Director submitted a report reflecting the risk control activities and the Safety Director Bulletins distributed from September to November. Also included was the 2022 Expo schedule noting available classes. Mr. Prince encouraged members to reach out for training that does not appear in the catalog to determine how a program can be best customized to fit the need. Commissioner Buono said Burlington County Administrator participated in the First Amendment Audit webinar and found it helpful. Commissioner Buono also encouraged members whose employees work with the public and any contact with the First Amendment Audit to attend one of the upcoming First Amendment Audit webinars.

**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 \$23,009.00, paid amount of \$14,477.00 and net savings of \$6,612.30 as of September 2022. There was a 13.0% network utilization rate as of September 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 33-22 authorizing closed session, but it was not acted on.

**OLD BUSINESS: NONE**

**NEW BUSINESS:**

Ms. Walcoff introduced Jennifer Davis, who joined Perma Claims as a Senior Associate Claims Consultant. Ms. Walcoff said Ms. Davis has over fourteen years of experience in adjusting Workers Compensation claims and will begin attending the Commission and NJCE meetings. Ms Walcoff added Ms. Conicella has been promoted. Chairman Sheehan welcomed Ms. Davis.

**PUBLIC COMMENT**

**MOTION TO OPEN MEETING TO PUBLIC**

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

**MEETING ADJOURNED: 9:55 AM**

**NEXT MEETING: Friday, November 18, 2022 - 9:30 AM  
Via Zoom**

Brandon Tracy, Assisting Secretary