

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND**

**OPEN MINUTES**

**SEPTEMBER 22, 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 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
Michael Fiure	Ocean County	Present
Raissa Walker	Mercer County	Absent
Eugenio Esquivel	Union County	Present
Christopher Marion	Monmouth County	Present

*Commissioner Carl Block retired from Ocean County as of September 2022. Commissioner Fiure has been appointed as the new Alternate Fund Commissioner for Ocean County.*

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services <b>Joseph Hrubash, Bradford Stokes, Nancy A. Ghani, Brandon Tracy</b>
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Attorney	<b>Laura Paffenroth</b>
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Auditor	Bowman & Company <b>Kaleigh Sawyers</b>
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Safety Director	JA Montgomery Risk Control <b>Glenn Prince</b>
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Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney, Jonathon Tavares,</b>
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WC Claims Administrator	AmeriHealth Casualty Services <b>Kerin Drumhieser, DaLynn Peterson</b>
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Property Claims Administrator	Qual Lynx <b>Chris Roselli</b>
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Perma Claims  
**Robyn Walcoff, Jennifer Conicella**

Treasurer

**David McPeak**

**ALSO PRESENT:**

Christina Violetti, Hardenbergh Insurance Group  
Danielle Colaianni, Hardenbergh Insurance Group  
Jennifer Beck,  
Gail White, Scirocco Group  
Victoria Sjulander,  
Karen Read, PERMA  
Aricka Simms, CBIZ Borden Perlman  
Peter Soriero, Allied Risk Management Services  
Toni DePaola, Ocean County  
Sean O’Beirne  
Robin Racioppi, IMAC  
Cecilia Murphy, Camden County College

**MINUTES:** Open Minutes as of June 23, 2022, were included in agenda for review.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM JUNE 23, 2022, AS PRESENTED:**

Moved: Commissioner Kelly  
Second: Commissioner Shea  
Vote: 7 Ayes – 0 Nays

**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. Executive Director commended the AmeriHealth team and Judge Millar for their detailed presentation on the claims presented during the claims committee meeting.

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 Shea  
Second: Commissioner Kessler  
Roll Call Vote: 7 Ayes – 0 Nays

**DECEMBER 31, 2021 AUDIT:** The draft audit was previously reviewed at the June meeting and filed with DOBI & DCA on 6/23/22 along with an extension request to file the final report. The Fund Auditor has prepared the final financial audit; copies for review have been distributed separately from this agenda. Fund Auditor reported there were no recommendations or findings.

Included in the agenda was **Resolution 29-22** approving the year-end financials. Executive Director said Fund Commissioners will be asked to execute an affidavit indicating they have read the General Comments Section of the Audit Report. The Fund office will file the final report and supporting resolution with the State following the meeting.

**MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION 29-22 AND EXECUTE AN AFFIDAVIT INDICATING THAT FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.**

Moved: Commissioner Kelly  
Second: Commissioner Shea  
Roll Call Vote: 7 Ayes – 0 Nays

**FINANCIAL FAST TRACK:** Executive Director reported the Financial Fast Track as of July 31<sup>st</sup> and June 30<sup>th</sup> included in the agenda reflected a statutory surplus of \$15.3 and \$15.2 million respectively and a cash balance of \$20.6 million despite issuing \$5.8 million in dividends.

**2023 RENEWAL – UNDERWRITING DATA COLLECTION:** Executive Director said the 2023 renewal process began the end of June with a deadline to complete by August 31<sup>st</sup>. The Fund office is following up with members and/or risk managers to have the exposure data completed. As a reminder most ancillary coverage applications may be completed via Broker Buddha. In addition, the Payroll Auditor conducted payroll audits which are being uploaded by the Fund office into Origami.

**2023 BUDGET:** As in the past two years, due to the uncertainty of the market Executive Director expects to introduce pre-budget expectations to the Finance Committee in October, introduce the budget in November and adopt in December. Executive Director said a final post certification of budget numbers will be provided to all members. Also, a meeting in January may be scheduled to review any changes to the budgeted numbers.

We are requesting to move the November meeting from Thursday November 17<sup>th</sup> at 9:30am to either Friday, November 18<sup>th</sup>, Monday November 21<sup>st</sup>, or Tuesday, November 22<sup>nd</sup> at 9:30am and schedule a December meeting to adopt the budget for either Wednesday December 14<sup>th</sup> at 9am or 1pm or Thursday, December 15<sup>th</sup> at 1pm. The Board of Fund Commissioners agreed to Friday, November 18<sup>th</sup> and Thursday, December 15<sup>th</sup> at 2pm.

**MOTION TO MOVE THE NOVEMBER 17<sup>TH</sup> MEETING TO NOVEMBER 18<sup>TH</sup> AT 2022 AND SCHEDULE A DECEMBER MEETING FOR DECEMBER 15<sup>TH</sup> AT 2PM.**

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

**2023 PRE-RENEWAL UPDATE:** Mr. Cooney, Underwriting Manager provided a summary report on the current market conditions noting it is settling at a hard market with higher rates. Underwriting Manager reported the overall NJCE JIF renewal negotiations are strong and anticipates a renewal rate in the high single digits or better. Underwriting Manager said retention strategies and program options will be reviewed for Pollution and Cyber Liability coverages both of which have had challenges in their respective markets. Underwriting Manager concluded by stating a pre-renewal presentation will be submitted in the coming weeks.

**2022 SAFETY GRANT PROGRAM:** Mr. Prince of J.A. Montgomery reported members' submissions on use of grant money were provided to the carrier and is awaiting confirmation. A meeting of Safety Committee will be scheduled to confirm the distribution of those funds.

**NJCE COMMITTEES:**

**SAFETY COMMITTEE:** The first meeting of the Safety Committee was held June 20<sup>th</sup> at 10 AM. Safety Director reported the committee reviewed the distributed safety bulletins, the Safety Grant and discussed loss control issues affecting County operations. The Committee will meet next September 19<sup>th</sup> and December 12<sup>th</sup>. Committee Chairperson Kessler reported the topics were relevant and looks forward to building upon the first meeting.

**NJCE COVERAGE COMMITTEE:** The committee met on September 14, 2022, at 3pm via Zoom, to discuss the status of the manuscript policies, new appraisal method and any County-related coverage issues. Included in the agenda were the minutes of the meeting

**FINANCE COMMITTEE:** A meeting is being scheduled in October to review the 2023 budget, appraisal program, and renewal market update. Included in the agenda was the renewal timeline.

**CYBER TASK FORCE:** Underwriting Manager reached out to members following the March Cyber Task Force to determine their level of cyber security training. Based on the feedback many of the members are using KnowBe4 and SANS while some members are getting random cyber classes via their learning management systems.

Underwriting Manager held a Webinar on Monday August 15<sup>th</sup> on the 2023 Cyber Renewal, which focused on detailing the issues, claims and critical controls to get in place for the upcoming renewal. It was well attended by members IT Personnel and a recording of the webinar can be found on the NJCE website [njce.org/cyber-risk-control/](https://njce.org/cyber-risk-control/) as well as the presentation.

**SAFETY COMMITTEE:** The Committee met September 19<sup>th</sup> at 10:00 AM via Zoom. Included in the agenda was the September agenda and minutes from their previous meeting. Safety Director encouraged members to attend the next Safety Committee scheduled for December 12, 2022.

**CHERTOFF GROUP:** Executive Director reported the Municipal Excess Liability JIF hired the Chertoff Group, a cyber security expert, to review minimum risk control standards and make recommendations on how we can make the MEL's membership more marketable with insurers. Conner Strong & Buckelew has connected them with their other public entity clients struggling to achieve a minimum-security level ahead of tough cyber renewals, and they have helped those clients meet the requirements in short order. We believe the NJCE having an association with the firm will give us a better chance to place coverage. We are recommending this be reviewed with the Finance Committee along with the Fund Attorney to discuss the feasibility of the NJCE entering an extraordinary and unspecifiable services contract with Chertoff Group prior to the January 1, 2023, renewal.

**COVID-19:** PERMA Claims Director, Ms. Walcoff reported claim activity has slowed in the current year; however, any new claims are being evaluated to determine compensability.

**SAFETY NATIONAL:** Ms. Walcoff reported the Fund office continues to work closely with the carrier to determine a recovery from 2020 COVID-19 claims for both the MEL and NJCE JIFs.

**HURRICANE IDA UPDATE:** Ms. Walcoff reported the Excess Property Claims Administrator has been working with the Excess Property carrier to address and closed out Hurricane Ida claims.

**LEARNING MANAGEMENT SYSTEM:** FirstNet notified J.A. Montgomery that they will no longer be able to provide services needed and in June, the NJCE JIF Board authorized J.A. Montgomery to contract directly with BIS Safety Software to provide the LMS services going forward. J.A. Montgomery will administer the training for NJCE JIF members. This direct contract arrangement was reviewed and recommended by the Fund Attorney with an expected launch date of January 2023.

**SEWER BACKUP COVERAGE:** Executive Director said the member utility authorities are no longer seeking this coverage. The Underwriting Manager will continue to work on obtaining this coverage for 2023.

### **Informational Items**

**2022 ASSESSMENTS:** The 2<sup>nd</sup> installment NJCE bill was issued on 9/15 with a November 1<sup>st</sup> due date. Deputy Executive Director noted, 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.

**11<sup>TH</sup> ANNUAL BEST PRACTICES WORKSHOP – 2023 VIRTUAL EDITION:** Following the conclusion of last year's Best Practices Workshop it was agreed it would be best to push the time between sessions. Deputy Executive Director said a virtually interactive webinar will be hosted again in Spring 2023.

**2022 NEW JERSEY STATE LEAGUE OF MUNICIPALITIES (NJSLOM) ANNUAL CONFERENCE:** Deputy Executive Director said 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.

**NJCE 10<sup>TH</sup> YEAR ANNIVERSARY:** 2020 marked the 10<sup>th</sup> anniversary of the Fund's inception, which Began with two County members and has grown to ten members and 19 affiliated entities. In February 2020, the Board agreed to celebrate the milestone with a luncheon hosted at a Central Jersey venue for all Fund Commissioners, Professionals, and staff to attend. Deputy Executive Director said Perma is looking into venues to host the luncheon and JIF meeting on April 27, 2023.

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

### **DUE DILIGENCE:**

Regulatory Compliance Checklist – as of 9/19/22. 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 May thru July 2022.

### **VOUCHER PAYMENTS (BILL LIST) –**

.Resolution 30-22 Confirmation of July 2022 Payments	\$1,122,944.78
.Resolution 31-22 Confirmation of August 2022 Payments	\$153,389.71
.Resolution 32-22 Approval of September 2022 Payments	\$1,142,209.13

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

<b>2010</b>	0.00
<b>2011</b>	0.00
<b>2012</b>	42.34
<b>2013</b>	5,953.83
<b>2014</b>	119.64
<b>2015</b>	13,269.49
<b>2016</b>	3,185.45
<b>2017</b>	255,752.75
<b>2018</b>	1,298.01
<b>2019</b>	00.00
<b>2020</b>	201,422.58
<b>2021</b>	10,388.50
<b>2022</b>	11,519.74
<b>TOTAL</b>	<b>\$502,952.33</b>

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

<b>2010</b>	0.00
<b>2011</b>	0.00
<b>2012</b>	479.35
<b>2013</b>	21,350.22
<b>2014</b>	281.44
<b>2015</b>	15,669.55
<b>2016</b>	156,715.30
<b>2017</b>	2,803.71
<b>2018</b>	610.01
<b>2019</b>	0.00
<b>2020</b>	0.00
<b>2021</b>	0.00
<b>2022</b>	3,866.31
<b>TOTAL</b>	<b>\$201,775.89</b>

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

<b>2010</b>	0.00
<b>2011</b>	1500.00
<b>2012</b>	0.00
<b>2013</b>	12.93
<b>2014</b>	32.91
<b>2015</b>	283,119.22

<b>2016</b>	84.00
<b>2017</b>	825,717.44
<b>2018</b>	3,243.46
<b>2019</b>	0.00
<b>2020</b>	0.00
<b>2021</b>	0.00
<b>2022</b>	71,045.93
<b>TOTAL</b>	<b>\$1,184,755.89</b>

**MOTION TO APPROVE RESOLUTIONS 30-22 AND 31-22 AS CONFIRMATION OF JULY, AUGUST PAYMENTS AND RESOLUTION 32-22 APPROVAL OF SEPTEMBER 2022 PAYMENTS AND THE TREASURER’S REPORTS AS PRESENTED:**

Moved: Commissioner Shea  
 Second: Commissioner Kessler  
 Roll Call Vote: 7 Ayes – 0 Nays

**UNDERWRITING MANAGERS REPORT:**

**REPORT:** Underwriting Manager had nothing further to report.

**SAFETY DIRECTOR:**

**REPORT:** Safety Director submitted a report reflecting the risk control activities and the Safety Director Bulletins distributed from June 2022 to October 2022. Also included was the 2022 Expo schedule noting available classes.

**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 \$47,830.00, paid amount of \$17,748.00 and net savings of \$23,313.55 as of August 2022. There was a 71.0% network utilization rate as of August 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:**

Executive Director inquired about the Board of Fund Commissioner’s interest in returning to in person meetings. The Board of Fund Commissioners agreed to continue to meet via Zoom.

**PUBLIC COMMENT**

**MOTION TO OPEN MEETING TO PUBLIC**

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

**MOTION TO CLOSE MEETING TO PUBLIC**

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

**NON- AGENDA ITEMS: NONE**

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 10:03 AM**

**NEXT MEETING: October 28, 2022 - 9:30 AM  
Via Zoom**

Brandon Tracy, Assisting Secretary