

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

OPEN MINUTES

NOVEMBER 18, 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	Present
Laura Scutari, Commissioner	Union County	Absent
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

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator PERMA Risk Management Services
Joseph Hrubash, Bradford Stokes, Nancy A. Ghani

Attorney **Laura Paffenroth**

Safety Director JA Montgomery Risk Control
Paul Shives, Glenn Prince

Treasurer **David McPeak**

Underwriting Manager Conner Strong & Buckelew
Edward Cooney, Jonathan Tavares

WC Claims Administrator AmeriHealth Casualty Services
Kerin Drumheiser, David Bushong

Property Claims Administrator Qual Lynx
Chris Roselli

Perma Claims
Robyn Walcoff, Jennifer Conicella, Jennifer Davis

ALSO PRESENT:

Cathy Dodd, PERMA
Karen Read, PERMA
Carole Mack, Conner Strong & Buckelew
Mary Anne Sander, Conner Strong & Buckelew
Christina Violetti, Hardenbergh Insurance Group
Sean Obeirne, Alliant Americas
Jennifer Beck, Alliant Americas
Victoria Sjulander, Alliant Americas
Douglas Borden, CBIZ Borden Perlman
Peter Soriero, Allied Risk Management Services
Karl McConnell, Camden County College
Toni DePaola, Ocean County

MINUTES: Open Minutes as of October 19, 2022, were included in agenda for review.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM OCTOBER 19, 2022, AS PRESENTED:

Moved:	Commissioner Kelly
Second:	Commissioner Kessler
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 18th at 9am. Closed Session 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.

FINANCIAL FAST TRACK: Included in the agenda was the Financial Fast Track as of August 31, 2022. Executive Director reported the report reflected a statutory surplus of \$15.2 million, despite the issuance of \$5.8 million in dividends over the years and a total cash balance of \$20,384,593.

FINANCE SUB-COMMITTEE: Executive Director said the Finance Sub-Committee met on November 14, 2022, to review the 2023 proposed Budget, 2022 dividend options and for further discussion on the cyber security expert request for proposal.

Executive Director summarized the Finance Sub-Committee discussion as follows:

2023 BUDGET: Underwriting Manager reported on some changes in the excess property and flood markets noting that the market is quickly and severely shifting due to the numerous disasters including Hurricane Ida, Hurricane Ian, and Hurricane Nicole, resulting in less capacity at higher costs. Based on updated industry projections all property insurers may be looking for 25% to 30% rate increases, increased retentions and increases in co-insurance contributions as early as January 1. The Underwriting Manager continues to hold active discussions with all insurers including our incumbent markets but more intense discussions with property insurers. Currently, the proposed budget reflects a property increase of 10% at the current program structure. The Underwriting Manager does not have confirmation that the Fund will be affected by the anticipated rate increases; however, he will continue to monitor the market as the NJCE 2023 excess program renewal is finalized.

Executive Director referred to the 2023 proposed Budget of **\$36,022,934** which represents an increase of **\$3,250,926** or **9.9%** over the 2022 Assessed Budget. There were no changes to the budget since the initial review in October and the budget reflects the various external factors affecting the loss funds, our premiums are increasing more than normal due to the hard market, a delta and ancillary coverages increases are as expected. The Board of Fund Commissioners accepted the recommendation of the Finance Sub-Committee and introduced the 2023 Budget as presented and scheduled a public hearing on December 15, 2022, at 2:00PM.

MOTION TO INTRODUCE ON FIRST READING OF THE 2023 BUDGET IN THE AMOUNT OF \$36,022,934 AND TO SCHEDULE A PUBLIC HEARING ON THURSDAY, DECEMBER 15, 2022, AT 2:00 PM VIA ZOOM

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

2023 ASSESSMENTS: Executive Director reported the assessments are still being developed as some of the member exposure updates were provided or amended later than expected. Assessments will be available at the December meeting and will be certified along with adoption of the 2023 budget. Executive Director added Perma is beginning the process of developing the local commission budgets.

2022 DIVIDEND OPTIONS: Executive Director reported in October, the Finance Sub-Committee agreed to hold off on a dividend decision until the budget increase for 2023 was more definitive. Executive Director said PERMA was asked to provide dividend options that would benefit all members based on the allowable dividends per State Regulations and based on audited financials as of 12/31/21; included as part of the agenda were four options the Finance Sub-Committee reviewed. Finance Sub-Committee agreed to delay a decision on the 2022 dividend until Budget adoption due to the uncertainty of the property marketplace and as a result the potential change to the 2023 budget. Executive Director said a dividend recommendation would be made at the December meeting. The Board of Commissioners agreed to this recommendation.

CYBER SECURITY EXPERT: In October, the Board authorized the Underwriting Manager, in conjunction with the Fund Attorney, to procure Cyber Security Expert Services via Extraordinary Unspecifiable Services contract, since the bid proposal was expected to be below the bid threshold. Executive Director reported the Underwriting Manager is continuing to work with the Cyber Security Expert and expects to have a final proposal at the next Finance Sub Committee meeting in December. Underwriting Manager added the current proposal is expected to fall below the threshold and added the expected benefits with this collaboration are updating the current cyber security framework, addressing cyber security risk and identifying cyber security grants that the Fund can take advantage of.

DECEMBER MEETING: The Finance Sub-Committee has scheduled an additional meeting prior to the December 15th Fund meeting on Monday, December 12th to review the budget and decide on a 2022 dividend.

SAFETY NATIONAL: Executive Director reported he met with the MEL Fund Attorney Fred Semrau, Esq. and the NJCE Fund Attorney on Monday, November 14th to discuss the NJCE's strategy for settlement negotiations with Safety National for 2020 COVID claims. Ms. Walcoff reported her team is applying what they learned from the MEL settlement and how it can be applied to the NJCE. Executive Director said one critical aspect is the assistance from the TPAs from the various Insurance Commissions

and Counties. Based on the discussion, Fund Attorney reported the recommendation is the Fund engage Mr. Semrau via Professional Services to assist in settlement negotiations with Safety National Insurance Company at \$198/hr. The Board of Fund Commissioners agreed with the recommendation that the expectation of Mr. Semrau’s services be under \$17,500 via professional services.

MOTION TO PROCURE FRED SEMRAU ESQ. TO ASSIST NJCE IN SETTLEMENT NEGOTIATIONS WITH SAFETY NATIONAL INSURANCE COMPANY.

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

TECHNICAL SERVICES WRITER: Underwriting Manager reported he has been working with Stradley Ronon to create draft policies for the NJCE.

Informational Items

2022 NEW JERSEY STATE LEAGUE OF MUNICIPALITIES (NJSLOM) ANNUAL CONFERENCE: Deputy Executive Director reported the 106th annual conference was held from November 16th through November 18th at the Atlantic City Convention Center in Atlantic City. The MEL JIF hosted two elected official’s sessions that focused on Local Government Risk Management.

DECEMBER MEETING: The Fund is scheduled to meet again on Thursday, December 15, 2022, at 2:00 p.m. via Zoom to adopt the 2023 budget and finalize the 2022 dividend distribution

DUE DILIGENCE:

Regulatory Compliance Checklist – as of 11/15/2022. Included in the agenda was 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 38-22 Approval of November 2022 Payments \$148,603.30

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

2010	0.00
2011	450.00
2012	508.32
2013	8,060.63
2014	966.44
2015	4,554.95
2016	85.52
2017	326.00
2018	21,419.88
2019	5,480.15
2020	1,144.01
2021	0.00
2022	216,792.70
TOTAL	\$259,788.6

**MOTION TO APPROVE RESOLUTIOS 38-22 AS APPROVAL OF NOVEMBER 2022
PAYMENTS AND THE TREASURER’S REPORTS AS PRESENTED:**

Moved: Commissioner Shea
Second: Commissioner Kessler
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 October to December. 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.

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 \$42,967.00, paid amount of \$16,793.00 and net savings of \$20,284.85 as of October 2022. There was a 75.0% network utilization rate as of October 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 39-22 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 Kessler
Second: Commissioner Shea
All in favor: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner Kessler
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: Thursday, December 15, 2022 - 9:30 AM
Via Zoom**

Brandon Tracy, Assisting Secretary