

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND**

**OPEN MINUTES**

**APRIL 27, 2023**

**Forsgate Country Club**

**11:00 AM**

**MEETING OF THE FUND CALLED TO ORDER AT 11:00 A.M. BY ACTING CHAIRMAN SHEEHAN**

**OPEN PUBLIC MEETING ACT READ INTO RECORD**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL BOARD OF 2023 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	Absent
Harold Johnson, Commissioner	Cumberland County	Present
John Kelly, Commissioner	Ocean County	Absent
Edmund Shea, Commissioner	Hudson County	Present
Lillian Nazaro, Commissioner	Mercer County	Absent
Laura Scutari, Commissioner	Union County	Present
Teri O'Connor, Commissioner	Monmouth County	Present

**ALTERNATE FUND COMMISSIONERS**

Anna Marie Wright	Camden County	Present
Michael Fiure	Ocean County	Absent
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, Nancy A. Ghani, Brandon Tracy**

Actuary      **Kyle Mrotek**

Attorney      **Laura Paffenroth, Esq.**

Litigation Manager      **David Millard, Esq.**

Safety Director      JA Montgomery Risk Control  
**Paul Shives, Glenn Prince, Natalie Dougherty**

Underwriting Manager      Conner Strong & Buckelew  
**Edward Cooney**

Claims Services  
PERMA Claims      **Robyn Walcoff, Jennifer Conicella, Jennifer Davis,  
Zareena Majeed, Shai Mcleod**

WC Claims Administrator      AmeriHealth Casualty Services  
**David Bushong, Kerin Drumheiser**

**ALSO PRESENT:**

Fred Semrau, Esq., Dorsey & Semrau, MEL Fund Attorney  
 Mary Ann Sander, Conner Strong & Buckelew  
 Michele Leighton, Conner Strong & Buckelew  
 Spiro Molfetas, Polaris Galaxy Group/Acrisure Agency, Hudson County RMC  
 Christina Violetti, Hardenbergh Insurance Group  
 Pauline Kontomanolis, PERMA  
 Bradford Stokes, PERMA  
 Karen Read, PERMA  
 Crystal Chuck, PERMA  
 Peter Soriero, Allied Risk Management Services  
 Danielle Colaianni, Hardenbergh Insurance Group  
 Toni Depaola, Ocean County

**MINUTES:** Open Minutes as of February 23, 2023 were included in agenda for review.

**MOTION TO APPROVE OPEN MINUTES FROM FEBRUARY 23, 2023, AS PRESENTED:**

Moved:	Commissioner Shea
Second:	Commissioner Kessler
Vote:	Unanimous

**CORRESPONDENCE:** NONE

**EXECUTIVE DIRECTOR’S REPORT:**

Executive Director requested the two action items – Award of several professional contracts and reissuance of the CCRFP - to be approved as a consent motion and was accepted by Chairman Sheehan.

**FINANCE SUB-COMMITTEE:** Executive Director reported the Finance Sub-Committee met on April 21<sup>st</sup> to review the procurement responses for the services of the Actuary, Auditor, Payroll Auditor and Litigation Manager. Executive Director reported the sub-committee’s recommendations for contract awards as follows:

**ACTUARY:** Award Actuarial Advantage for a 1-year contract in the amount of \$24,866.

**AUDITOR:** Award Bowman & Company for a 1-year contract in the amount of \$18,900.

**CHERTOFF GROUP:** Award The Chertoff Group for a 1-year contract in the amount of \$40,000.

**LITIGATION MANAGER:** Award Judge E. David Millard of Citta, Holzapfel & Zabarsky a 1-year contract in the amount of \$295 per hour.

**PAYROLL AUDITOR:** Award Bowman & Company for a 1-year contract in the amount of \$22,820.

Executive Director reported the Finance Sub-Committee also reviewed two responses for the Property Appraisal CCRFP, which were due March 30<sup>th</sup>. Fund Attorney reported the two responders failed to meet certain specifications included in the CCRFP. Included in the agenda was Resolution 27-23 rejecting the submitted proposals. Executive Director said the Fund office will work with the Fund Attorney to re-advertise.

**MOTION TO ACCEPT THE RECOMMENDATIONS OF THE FINANCE SUB-COMMITTEE AND AWARD ACTUARY SERVICES TO THE ACTUARIAL ADVANTAGE VIA RESOLUTION 23-23, AWARD AUDITOR SERVICES TO BOWMAN & COMPANY VIA RESOLUTION 24-23, AWARD CYBER SECURITY SERVICES TO THE CHERTOFF GROUP VIA RESOLUTION 25-23, AWARD LITIGATION MANAGER TO CITTA, HOLZAPFEL & ZABARSKY, AND AWARD PAYROLL AUDITOR TO BOWMAN & COMPANY VIA RESOLUTION 26-23 AND**

**MOTION TO ACCEPT THE RECOMMENDATION OF THE FUND ATTORNEY AND ADOPT RESOLUTION 27-23 REJECTING RESPONSES TO CCRFP AND READVERTISE FOR PROCUREMENT OF THESE SERVICES.**

Moved: Commissioner Johnson  
Second: Commissioner O'Connor  
Roll Call Vote: 6 Ayes – 0 Nays

**QUALIFIED PURCHASING AGENT:** Based on discussions with the Fund Attorney on recent procurement, Executive Director is recommending the appointment of a Qualified Purchasing Agent to manage and assist with the procurement of various services. Executive Director has discussed with the Chairperson, Secretary and Fund Attorney and all agree to appoint Anna Marie Wright of Camden County. Executive Director said Ms. Wright is familiar with the Fund and has served as Camden County's designated QPA for over 15 years and special Commissioner for Camden County Insurance Commission. The Board of Commissioners agreed with this recommendation, and the Fund Attorney will prepare the applicable resolution and circulate for signature.

**MOTION TO ADOPT RESOLUTION 31-23 DESIGNATING ANNA MARIE WRIGHT AS THE QUALIFIED PURCHASING AGENT FOR THE FUND IN THE AMOUNT OF \$6,000 ANNUALLY.**

Moved: Commissioner Shea  
Second: Commissioner Johnson  
Vote: 6 Ayes – 0 Nays

**FINANCIAL FAST TRACK & FINANCIAL OUTLOOK:** Included in the agenda were the Financial Fast Tracks as of December 31, 2022, and February 28, 2023. Executive Director said the statutory surplus as of February 28<sup>th</sup> was \$14.3 million despite the difficult year following certain legislative actions, court decisions, the continued hard insurance market, and the issuance of \$850,000 in dividends. Executive Director reviewed a memorandum on the 2022-year-end results, which was included in the agenda, noting the various factors that affected the 2023 renewal and how the Fund will be impacted going forward. Executive Director highlighted significant factors affecting the Fund's financials such as the Incurred But Not Reported figures and surplus or deficits for Fund Years 2010-2023. Despite the struggles in some areas our investment income increased to \$153,000 while other JIFs have experienced unrealized losses waiting for their securities to mature.

Executive Director provided more specific details on the factors:

**Workers' Compensation:** Employee accident costs increased even though the NJCE has a very sound safety program. The State increased the weekly benefit by 9.9% and New Jersey now has the highest premium rates in the country. Judges are also permitting injured workers to reopen their cases years and even decades after their accidents. The state compounded this problem by changing the pension system that until 2021 paid most of the non-medical cost of some workers permanently disabled on the job. Under the new rules, worker's compensation is now the primary payer. New Jersey adopted a law that requires Workers' Compensation judges to presume that COVID is work related for emergency workers. As a result, New Jersey experienced the second highest workers' compensation cost for COVID in the country.

**Liability:** The cost of liability claims increased substantially because of the 2021 NJ Supreme Court decision in Gonzalez v Jersey City. Judges are now reluctant to dismiss before trial cases without merit, increasing defense costs and the risk of a run-a-way jury award. A recent amendment in the sexual molestation statute of limitations will increase total liability costs.

**Property:** Property premiums (Fire, flood, etc.) are increasing at double digit rates because of the higher frequency of natural disasters worldwide. Here in New Jersey, we experienced Irene in 2011, Sandy in 2012, and Ida in 2021. Property insurance premiums are also increasing because of an 11% jump in property values caused by supply chain issues and labor shortages. As a result, the property marketplace is also requiring updated property appraisals. Cyber Premiums doubled over the past few years. Organizations without strong cyber risk controls are finding it difficult to purchase any coverage.

**Investment Earnings:** The Federal Reserve's increase in interest rates will generate additional investment income going forward. While all insurers including JIFs are required to book an investment loss this year, this is a temporary adjustment because the NJCE invests its assets in conservative short term fixed securities. The NJCE surplus in 2022 was reduced by \$153,894 due to unrealized losses. The NJCE only sells securities on their due dates. Therefore, this "loss" will become a profit in the next few years as our investments are replaced with short term fixed securities that will yield higher interest.

Executive Director said the NJCE is addressing through a multitude of angles and said risk management is the only long-term answer to rising costs. This should begin with the governing body playing an active role. Safety and claims management should be a monthly topic on the governing body's agenda. Members should also work with your risk management consultant to take advantage of the many resources provided by the NJCE. Executive Director encouraged members to reach out for any questions or concerns.

#### **CLAIMS UPDATE:**

**HURRICANE IDA:** Zareena Majeed of PERMA Claims reported that FEMA is requesting member-related coverage documents and schedules of insurance to settle outstanding FEMA grants.

**SAFETY NATIONAL:** Executive Director reported the negotiations with Safety National on 2020 COVID Claims are being finalized and requested to discuss the settlement in Closed Session to provide additional detail, which the Executive Committee approved.

**COVID-19 WORKING GROUP:** Jennifer Conicella of PERMA Claims reported that a Covid-19 working group of MEL and NJCE professionals is being formed with the goal to pool Covid-19 information and experiences each entity has had in litigating these claims across the State to help both programs successfully manage the settlements. Ms. Conicella said despite Covid-19 moving from pandemic to endemic the Thomas Canzanella Act will remain in place, which aims to protect first responders by giving them a remedy for cancer and many other occupational diseases caused by service as first responders.

**NJCE JIF TPA SUMMIT:** Ms. Conicella reported a summit was last held in early 2022. PERMA Claims will plan for an updated summit in early 2024 as we anticipate several policy changes this coming renewal.

#### **NJCE COMMITTEES:**

**CYBER TASK FORCE:** Executive Director said a meeting of this task force will be scheduled to introduce The Chertoff Group, discuss joining the Cyber JIF as part of the Fund's 2024 marketing effort and any other cyber-related matters. If any Fund Commissioner and/or a designated representative is interested in serving on the task force, please contact the office. Executive Director said those Commissioners that currently serve are Commissioner Sheehan and Commissioner Marion.

**COVERAGE COMMITTEE:** This committee typically meets once or twice a year to discuss county-related coverage issues. Executive Director said a meeting of this committee will be scheduled to review the final draft policies, which were submitted to the Underwriting Manager. Underwriting Manager said the goal of the meeting is to define the structure of the policies and distribute the policy documents for final review. The Commissioners that currently serve are Commissioner Sheehan, Commissioner O'Connor, Commissioner Marion, Commissioner Shea, Commissioner Kelly, and Commissioner Kessler.

**SAFETY COMMITTEE:** Last month, the Safety Committee held a meeting on March 13<sup>th</sup> and the minutes were included in the agenda. Executive Director said the Committee is scheduled to meet again on Monday June 12<sup>th</sup> at 10:00am. Safety Director said the most cited PEOSH citations and other related safety matters will be discussed.

**LEARNING MANAGEMENT SYSTEM:** This online platform was introduced in 2021 to provide online training (Live and On-Demand) to members and has since been used by over 10,000 members. Safety Director said the new LMS (BIS) is expected to launch May 1<sup>st</sup> and more details to follow but encouraged members to reach out to himself or Natalie Dougherty for any questions.

**MEMBERSHIP RENEWAL:** Executive Director said the Counties of Burlington, Cumberland and Atlantic are scheduled to renew their three-year membership with the Fund as of January 1, 2024. Renewal documents will be sent to each respective County following the meeting.

**CERTIFICIAL:** As previously discussed, Executive Director said this program was the next initiative to be introduced to create efficiencies and streamline the certificate issuance including the annual renewal process by using real-time data to ensure our members have continuous, compliant insurance certificates. Members will also receive a live feed of coverages through the Underwriting Managers office. Underwriting Manager reported the NJCE JIF data is being migrated to the Certifical program.

#### **Informational Items**

*Deputy Executive Director reported on the following:*

**WORKERS COMPENSATION COVERAGE:** The Camden County College requested a quote for Workers Compensation coverage in April 2022 and has since accepted a revised proposal. As a member of the Camden County Insurance Commission their coverage will be extended to include Workers' Compensation coverage effective July 1st.

**2023 MEL, MRHIF & NJCE EDUCATIONAL SEMINAR:** The 12<sup>th</sup> Annual Educational Seminar will be held virtually again this year. The first session took place Friday, April 21<sup>st</sup> with over 250 participants and the second session is set to take place Friday, April 28<sup>th</sup>, 9:00 AM to 12:00 PM. The seminar qualifies for Continuing Education Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents.

**2023 BEST PRACTICES SEMINAR:** PERMA Claims is presently working on coordinating details for our 2023 NJCE Best Practice Workshop and have set a tentative date and time for October 5<sup>th</sup> at 1pm. Ms. Davis said PERMA is also looking for volunteers interested in being part of the Committee for this Workshop and added if you would like to participate, please email Robyn Walcoff ([RWalcoff@permainc.com](mailto:RWalcoff@permainc.com)) and Jennifer Davis ([JDavis@permainc.com](mailto:JDavis@permainc.com)).

**DUE DILIGENCE:**

Regulatory Compliance Checklist – as of 4/25/2023. Included in the agenda was a checklist that tracks contracts, compliance and other Fund business.

**2023 FINANCIAL DISCLOSURES:** The Local Finance Board had initially delayed filing due to legislation A4889/S3363 amending a requirement of the filing, but has since issued notification, 2023-08, 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 30<sup>th</sup> and the Local Finance Board has issued fines in the past. To date, the 10 JIF Commissioners have filed.

**2023 NEW JERSEY ASSOCIATION OF COUNTIES CONFERENCE:** The 72nd Annual Conference is scheduled to be held from May 3<sup>rd</sup> to May 5<sup>th</sup> at Caesar’s in Atlantic City. The New Jersey Counties Excess Joint Insurance Fund will have an exhibit at booth 208 in the Conference and the Underwriting Manager will present on the State of Cybersecurity for Public Entities and Effective Cyber Risk Management Approaches.

**NJCE CLAIMS REVIEW COMMITTEE:** The Claims Review Committee was not able to meet prior to the Fund’s meeting and requested to discuss the claims in Closed Session, which was the Board of Commissioners agreed to.

**UNDERWRITING MANAGERS REPORT:**

**REPORT:** Underwriting Manager encouraged Commissioners interested in being involved in the Coverage Committee to reach out and reiterated the topics to be discussed at the upcoming Coverage Committee meeting.

**TREASURER REPORT:**

Included in the agenda was the confirmation of bills lists, approval of payments and the Treasurer’s reports for March and April 2023.

**VOUCHER PAYMENTS (BILL LIST) –**

Resolution 28-23 Approval of March 2023 Payments	\$157,580.57
Resolution 29-23 Approval of April 2023 Payments	\$1,396,047.50

**CONFIRMATION OF JANUARY 2023 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2010</b>	0.00
<b>2011</b>	4,890.96
<b>2012</b>	2,276.10
<b>2013</b>	9,372.03
<b>2014</b>	369.95
<b>2015</b>	2,618.45
<b>2016</b>	867.22
<b>2017</b>	22,843.65
<b>2018</b>	7,409.21
<b>2019</b>	1,203.72
<b>2020</b>	787.73
<b>2021</b>	260,575.80
<b>2022</b>	105,207.88
<b>2023</b>	0.00
<b>TOTAL</b>	<b>\$418,422.65</b>

**CONFIRMATION OF FEBRUARY 2023 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>2010</b>	0.00
<b>2011</b>	2,570.86
<b>2012</b>	114.76
<b>2013</b>	8,762.81
<b>2014</b>	396.35
<b>2015</b>	6,080.40
<b>2016</b>	0.00
<b>2017</b>	7,778.60
<b>2018</b>	29,683.15
<b>2019</b>	37,747.23
<b>2020</b>	582.00
<b>2021</b>	26,692.65
<b>2022</b>	134,596.77
<b>2023</b>	0.00
<b>TOTAL</b>	<b>\$255,005.58</b>

**MOTION TO CONFIRM PAYMENTS OF MARCH 2023 BILLS LIST AND APRIL 2023 BILLS LIST, AS RESOLUTION 28-23 AND RESOLUTION 29-23**

Moved: Commissioner Johnson  
 Second: Commissioner Kessler  
 Vote: 6 Ayes – 0 Nays

**SAFETY DIRECTOR:**

**REPORT:** Safety Director submitted a report reflecting the risk control activities and the Safety Director Bulletins distributed from February 2023 to April 2023. Also included was the 2023 Expo schedule noting available classes. If any County member is interested in hosting an expo they can reach out to Mr. Prince. Mr. Prince announced J.A. Montgomery has begun hosting the entry level CDL train the trainer classes around the State. The class is based off the Federal program mandating all CDL holders participate in this class prior to taking the skills test.

**FUND ATTORNEY:**

**REPORT:** Fund Attorney had nothing additional to report.

**CLAIMS ADMINISTRATOR-WORKERS COMPENSATION:**

**REPORT:** AmeriHealth submitted a report-showing provider billed amounts of \$583,693 paid amount of \$122,722.00 and net savings of \$357,252.53 as of March 2023. There was an 98% network utilization rate as of March 2023.

**CLAIMS ADMINISTRATOR:**

**REPORT:** Claims Administrator reported there was nothing for open and Executive Director reported the need of a Closed Session to discuss litigation matters to be reviewed by Board of Fund Commissioners; included in the agenda was Resolution 30-23 authorizing closed session. Under a separate cover, Fund Commissioners received materials from the Fund Office.

**MOTION TO APPROVE RESOLUTION 30-23 REQUESTING TO ENTER CLOSED SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY LITIGATION MATTERS:**

Moved: Commissioner Kessler  
 Second: Commissioner Shea

Vote: Unanimous

*All others vacated the main room and entered the lobby except for Fund Commissioners, Fund Attorney and select Professionals.*

**MOTION TO RETURN TO OPEN SESSION**

Moved: Commissioner Johnson  
Second: Commissioner Kessler  
Vote: Unanimous

Chairman Sheehan requested the following action.

**MOTION TO AUTHORIZE AND APPROVE THE SETTLEMENT NEGOTIATION WITH SAFETY NATIONAL AS RESPECTS THE COVID-19 CLAIMS INCURRED DURING FUND YEAR 2020 AS PRESENTED IN EXECUTIVE SESSION AND APPROVE THAT COVID-19 CLAIMS PAYMENTS RELATING TO REOPENERS WILL BE SHARED AS FOLLOWS: 70% TO SAFETY NATIONAL AND 30% TO THE FUND**

Moved: Commissioner Johnson  
Second: Commissioner Kessler  
Roll Call Vote: 6 Ayes, 0 Nays

Property SARs

**MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #64CA023088 IN THE AMOUNT OF \$125,000.00;**

Motion: Commissioner Kessler  
Second: Chairman Johnson  
Roll Call Vote: 6 Ayes, 0 Nays

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #64GL018523 IN THE AMOUNT OF \$250,000.00**

Motion: Commissioner Kessler  
Second: Chairman Johnson  
Roll Call Vote: 6 Ayes, 0 Nays

General Liability SARs

**MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #64GL011283 IN THE AMOUNT OF \$250,000.00;**

Motion: Commissioner Kessler  
Second: Chairman Johnson  
Roll Call Vote: 6 Ayes, 0 Nays

**OLD BUSINESS:** NONE

**NEW BUSINESS:** NONE

**PUBLIC COMMENT:** NONE

**MOTION TO OPEN THE MEETING TO THE PUBLIC:**

Motion: Commissioner Kessler  
Second: Chairman Johnson  
Vote: Unanimous

**MOTION TO CLOSE THE MEETING TO THE PUBLIC:**

Motion: Commissioner Kessler  
Second: Chairman Johnson  
Vote: Unanimous



**NON- AGENDA ITEMS:** NONE

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 12:00 PM**

**NEXT MEETING: June 22, 2023 - 11:00 AM**  
**Via Zoom Video/Audio**

Brandon Tracy, Assisting Secretary