

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – APRIL 28, 2014
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:30 AM**

Meeting was called to order by Chairman Mair. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Andrew A. Mair	Present
Elizabeth A. Scannella	Present
Raissa Walker	Present (<i>arrived 10:43 AM</i>)

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
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Claims Service	Inservco Insurance Services, Inc. Debra Stout Nancy Fowlkes Matthew Baron
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	Conner Strong & Buckelew Robyn Walcoff
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Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
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Attorney	Arthur J. Sypek, Jr. Paul Adezio
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Treasurer

Safety Director	J.A. Montgomery Risk Control Glenn Prince
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ALSO PRESENT:

Phillip S. Miller, Mercer County Improvement Authority
Cathy Dodd, PERMA Risk Management Services

In response to Mr. Mair's inquiry regarding the Trentonian, Ms. Dodd advised the notice was published in the Trentonian; however, she had not received their monthly invoice yet.

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF MARCH 24, 2014

Commissioner Scannella advised she did review the minutes and they were fine. Commissioner Scannella indicated she would make a motion to accept the minutes.

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF MARCH 24, 2014

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	2 Ayes, 0 Nays

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on April 23, 2014 with Barry Sloane of his office. Mr. Prince advised he would elaborate further during the CEL Safety Director's report.

CLAIMS COMMITTEE: Ms. Walcoff reported the Claims Committee met on April 23, 2014 and there would be five PARS to present during closed session. Ms. Walcoff advised a revised Claims Committee Charter and resolution would be presented during the Executive Director's report to include a "Representative from County Counsel's Office" instead of listing a specific person. Chairman Mair introduced Paul Adezio, Deputy County Counsel, and advised he would be replacing Sarah Crowley. Chairman Mair then asked the others to introduce themselves to Mr. Adezio.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had three action items for his report along with some informational items.

2014 RISK MANAGEMENT PLAN: Executive Director reported at the last meeting Resolution 18-14, the 2014 Risk Management Plan, was presented for approval. Executive Director advised Commissioner Scannella requested additional wording to be added to section 6 (d). Executive Director referred to a copy of the amended page which was included in the agenda and noted the additional wording was in red. Executive Director indicated there was also a change to section 6 (c). Executive Director noted the correct wording was "In order to control workers' compensation medical costs, the Insurance Commission has engaged a managed care organization component through a contract with the claims service company whose procedures are integrated into the Insurance Commission's claims process". The reference to CSG was deleted and the intent was only to clarify the managed care component was through a contract with the TPA.

MOTION TO APPROVE RESOLUTION 18-14, 2014 RISK MANAGEMENT PLAN

Moved: Commissioner Scannella
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of March 15, 2014 to April 20, 2014. There were ten (10) certificate of insurances issued during this period. Commissioner Scannella advised she did review the report and it agreed with her records.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Scannella
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

NJ EXCESS COUNTIES INSURANCE FUND: Executive Director reported the CEL met on March 27, 2014 and held a public hearing to adopt and amended budget for 2014. Executive Director advised a summary report of that meeting was included in the agenda. Executive Director also advised the CEL met on April 24, 2014 and the CEL Executive Director discussed and reviewed information on a potential new member, Ocean County. Executive Director reported the CEL did vote to offer membership to Ocean County as of June 1, 2014.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the Financial Fast Track for the NJ CEL for the month of February. As of February 28, 2014 the CEL had a surplus of \$3,922,310. Executive Director also pointed out the strength of the CEL was reflected in the IBNR figure of over \$6 million. Executive Director explained this amount represented unassigned reserves for any one claim. Executive Director advised the June agenda would also include a financial fast track for the Mercer County Insurance Fund Commission.

EPL PAK PREMIER: Executive Director referred to a copy of AIG's EPL Pak Premier which was included in the agenda. Executive Director advised the program provided training, loss control and risk management tools designed to help their clients manage employment practices risk. Executive Director indicated there was no charge for the training and was available to those that purchased the policy. Executive Director suggested accessing AIG's website at www.eplriskmanager.com and if anyone had any questions to contact Ms. Dodd or Ms. Walcoff. Mr. Borden recommended Commissioner Scannella also share this information with the County's HR Department. In response to some inquiries, Ms. Walcoff advised the website provided generic answers and the information was only available to their policyholders using their policy number and not to the public. In response to Mr. Sypek's inquiry regarding OPRA, Executive Director advised he would reach out to AIG to obtain clarification and would report back.

Chairman Mair advised the Office of the State Comptroller recently issued a report on the transparency of websites. Executive Director indicated he did receive the e-mail from Chairman Mair earlier in the morning but did not have an opportunity to review it yet. Executive Director noted the website for the Commission was set up based on the criteria provided by the State

previously and that he believed the notice was the same one previously issued and that our website was in compliance. Mr. Borden requested Chairman Mair also send him a copy of report.

EPL RISK MANAGER LUNCH & LEARN: Executive Director advised Conner Strong & Buckelew hosted a Lunch and Learn Session presented by AIG on March 27, 2014. Executive Director noted the class was well attended and there were discussions on the items which we just spoke about.

FINANCIAL DISCLOSURE FORM: Executive Director reported the Department of Community Affairs released a statement regarding the filing of the 2014 Financial Disclosure Form. Executive Director advised the State was revising its on-line filing procedure again and would announce an extension of the filing deadline. A copy of the statement was included in the agenda. In response to Chairman Mair's inquiry, Ms. Dodd advised last year the Commissioners did file a separate form. Chairman Mair advised they would then need a PIN number and Executive Director advised his office would look into that.

Chairman Mair noted that Commissioner Walker was now present.

2014 SEARCH AND SEIZURE IN SERVICE: Executive Director referred to information on a 2014 Search and Seizure In-Service Training Program which was included in the agenda. Executive Director advised the program was presented by Guy Ryan, Esq. at the Richard Stockton College on June 11th and the cost of the training program was \$119 per person. Executive Director noted the program was designed for a law enforcement officer to review the recent law changes in NJ. Executive Director reported Mr. Prince did some additional research and had some alternative resources which would cost the members less money. Mr. Prince explained he worked with two retired police chiefs who could do a presentation in a group setting for a flat rate of approximately \$325/350 per session. Mr. Prince advised he would provide more information at the next meeting. Executive Director noted the next Commission meeting was scheduled in June.

DOBI COMMISSIONER KOBYSLOWSKI SPEECH: Executive Director referred to a copy of an invitation which was included in the agenda. Executive Director advised the MELJIF was sponsoring a speech by Kenneth E. Kobylowski, Commissioner of Banking and Insurance for the State of New Jersey. Executive Director advised the speech was scheduled for Tuesday, April 29th at 12:30 at the Crown Plaza.

2014 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES: Executive Director reported the CEL Underwriting Manager distributed an e-mail on April 3, 2014 providing the login information and instructions to access the Conner Strong & Buckelew website to view the insurance policies and endorsements. Executive Director noted if anyone experienced any difficulties accessing the site they should contact Cathy Dodd. In response to Mr. Borden's inquiry, Executive Director advised the property policy should be issued shortly.

EMPLOYEE DISHONESTY CRIME POLICY: Executive Director advised the Employee Dishonesty Crime Policy was issued with Selective Insurance for the period of March 24, 2014 to January 1, 2015. Executive Director advised the premium of \$1,815 for this policy appeared on the April bill list and would be paid out of the Miscellaneous and Expense Account.

2014 PROPERTY & CASUALTY ASSESMENTS: Executive Director reported the second Property & Casualty Assessment payment was due on May 15, 2014.

MCIFC WEBSITE: Executive Director advised the Commission's website continues to be updated on an as needed basis with Commission documents. Executive Director noted the website vendor incorporated the recommendations made by the County's webmaster, Ms. Swetal Shah. In response to Commissioner Scannella's inquiry regarding the OPRA request, My Sypek advised he thought the OPRA button worked but would access the website to make sure there was a direct link.

CLAIMS COMMITTEE CHARTER: Executive Director a revised Claims Charter was distributed at the meeting which was amended to include a "Representative from County Counsel's Office" instead of listing a specific person. Executive Director asked if anyone had any questions and requested a motion to approve resolution 27-14 which amended Resolution 15-14.

MOTION TO APPROVE RESOLUTION 27-14, REVISION OF THE CLAIMS COMMITTEE CHARTER

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

MERCER COUNTY IMPROVEMENT AUTHORITY/ARENA: Executive Director advised the Improvement Authority and Arena were expected to become members as of July 1st. Executive Director indicated Mr. Miller was in attendance and he was working on the resolutions for approval to join the Commission. Executive Director advised he was working with Mr. Proctor on the budgets and thought unless there were any unusual loss activity the budget presented when the Commission started should hold. Executive Director indicated since there was no May meeting, at the June meeting we would need to approve their membership. Executive Director and Chairman Mair advised there would be continuing discussions with the schools; however they were committed until 2016 and 2017.

2015 RENEWAL APPLICATIONS AND UPDATE EXPOSURE INFORMATION: Executive Director reported the CEL Underwriting Manager was in the early stages of working on the 2015 renewals. The Underwriting Manager's office would be sending out the renewal applications and contacting the members to obtain updated exposure information

2014 MEETING SCHEDULE: Executive Director reported the Commission would not meet in May and the next scheduled meeting was on June 23, 2014. Executive Director referred to a copy of Resolution 23-14 which was included in the agenda which authorized the Commission Treasurer to process any contracted payments and expenses during any month which the Commission did not meet.

MOTION TO APPROVE RESOLUTION 23-14 AUTHORIZING COMMISSION TREASURER TO PROCESS CONTRACTED PAYMENTS AND EXPENSES

Moved:	Commissioner Scannella
Second:	Chairman Mair

Vote: 3 Ayes, 0 Nays

Executive Director advised that concluded his report unless anyone had any questions.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Chairman Mair advised the May Bill List, Resolution 24-14, in the amount of \$35,173.19 was included in the agenda.

MOTION TO APPROVE RESOLUTION 24 -14 IN THE AMOUNT OF \$35,173.19

Moved: Commissioner Scannella
Second: Chairman Mair
Vote: 3 Ayes, 0 Nays

ATTORNEY: My Sypek advised he reviewed the agenda items and the resolutions. My Sypek reported Mr. Adezio would be the main contact for the Commission; however they would both attend the Commission meetings depending on their schedules.

CLAIMS SERVICE:

Executive Director advised Resolution 25-14, Disclosure of Liability Claims Check Register was included in the agenda along with the report. Executive Director advised even though there were no checks issued yet a motion should be made to confirm there was no liability payments made this month.

MOTION TO APPROVE RESOLUTION 25- 14 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER

Moved: Commissioner Scannella
Second: Chairman Mair
Vote: 3 Ayes, 0 Nays

CEL SAFETY DIRECTOR: Mr. Prince reviewed the March – May Risk Control Activity Report which was included in the agenda. Mr. Prince also noted last month his department was requested to conduct two separate accident investigations. Mr. Prince advised on April 23rd, Mr. Barry Sloane met with County representatives for the accident investigations. Mr. Prince advised the reports were not ready for the meeting but he would forward the reports to the Commissioners for their review.

RISK MANAGER CONSULTANT: Mr. Borden reported the review and critique of the policies that were submitted was conducted and sent to Mr. Hrubash for his review. Mr. Borden advised he would like to table that discussion until the next meeting so Mr. Hrubash had an opportunity to respond. Mr. Borden indicated he had two other items to discuss, the floodway and the Assunpink dam. Mr. Borden advised the primary layer of the liability included coverage for the dam, however, the excess policy did not. Mr. Hrubash reviewed the limit schematics and advised the Lloyd of London policy was for \$10M per occurrence, \$20M aggregate excess of \$500,000 for all of the dams. Mr. Hrubash further advised there was another layer with National Casualty for \$10M per

occurrence, \$20M aggregate excess of the underlying that would cover the dams all except Assunpink due to the downstream exposure. After a brief discussion it was agreed that the additional coverage would be purchased for Assunpink dam with a premium of \$17,000. In response to Chairman Mair's inquiry regarding the premium and budget, Executive Director noted we could request the CEL to advance the premium and then bill back the Commission.

**MOTION TO AUTHORIZE THE PURCHASE OF THE ADDITIONAL
COVERAGE FOR THE ASSUNPIK DAM**

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

Mr. Borden indicated since most of the discussions were verbal and by e-mail he would send a recommendation letter regarding the dam.

Mr. Borden also advised he wanted to discuss the Public Official Liability with County Counsel handling the claims instead of outside counsel. Ms. Walcoff advised AIG was unwilling to issue an endorsement mid term to the policy but would require prior approval for each and every case. Ms. Walcoff indicated when a claim was reported to AIG the request for approval to have County Counsel defend would be made at that time. Executive Director advised the request to use County Counsel should be made again for 2015 during the renewal process. In response to Commissioner Scannella's inquiry, Ms. Walcoff indicated when a claim was reported an e-mail should be sent advising who the County wanted to defend the case. Ms. Walcoff advised her office would advocate for the County's position in their decision on how to defend the cases.

Correspondence Made Part of Minutes.

OLD BUSINESS: Chairman Mair advised that normally the actuary position would have been awarded by the Commission but it was awarded by the Freeholders and asked Commission Attorney to confirm the contract was prepared. Commission Attorney thought it was done, but not sure of the exact date.

In response to Chairman Mair's inquiry regarding the website, Ms. Dodd advised the guidelines were followed.

In response to Chairman Mair's inquiry regarding the Bill Lists, Executive Director advised it was now up to date.

In response to Chairman Mair's inquiry regarding the Anti Harassment Training, Commissioner Walker advised it would continue to be done in house and she already budgeted for it.

In response to Commissioner Scannella's inquiry, Ms. Dodd advised she would follow up on the Medicare Registration and also check with Ms. Stout.

NEW BUSINESS: Chairman Mair advised as of July 1st the County volunteered to handle the Emergency Medical Dispatch as Capital Health would no longer be providing that services. Executive Director requested Chairman Mair send him a memorandum along with any contracts

regarding the new service so he could share the information with the CEL Underwriting Unit so the carriers were on notice to see if determine if anything special would be required.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

Seeing no members of the public wishing to speak Chairman Mair asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE MEETING TO THE PUBLIC

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

CLOSED SESSION: RESOLUTION 26-14, EXECUTIVE SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS PARS RELATED TO PENDING OR ANTICIPATED LITIGATION AS IDENTIFIED IN THE LIST OF CLAIMS PREPARED BY THIRD PARTY CLAIM ADMINISTRATOR INSERVCO INSURANCE SERVICES, INC. AND ATTACHED TO THIS AGENDA.

MOTION TO APPROVE RESOLUTION 26-14 FOR EXECUTIVE SESSION

Moved:	Chairman Mair
Second:	Commissioner Scannella
Vote:	3 Ayes, 0 Nays

MOTION TO RETURN TO OPEN SESSION

Moved:	Chairman Mair
Second:	Commissioner Scannella
Vote:	3 Ayes, 0 Nays

Chairman Mair advised he would make a motion to approve the PARS that were discussed during closed session.

MOTION TO APPROVE AN INCREASE IN RERSERVE FOR CLAIM # 0023 TO \$94,074

MOTION TO APPROVE AN INCREASE IN RESERVE FOR CLAIM # 0020 to \$71,022.75

**MOTION TO APPROVE AN INCREASE IN RESERVE FOR CLAIM #
0128 to \$77,026**

**MOTION TO APPROVE AN INCREASE IN RESERVE FOR CLAIM #
0138 to \$104,405**

**MOTION TO APPROVE AN INCREASE IN RESERVE FOR CLAIM #
0072 to \$71,022.75**

Moved:	Commissioner Walker
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

A brief discussion took place on the procedure for life style checks used by Inservco regarding claims with life time benefits.

MOTION TO ADJOURN:

Moved:	Chairman Mair
Second:	Commissioner Scannella
Vote:	3 Ayes, 0 Nays

MEETING ADJOURNED: 12:10 PM

Minutes prepared by:
Cathy Dodd, Assisting Secretary