

**MERCER COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
MARCH 24, 2014**

**MERCER COUNTY
MCDADE ADMINISTRATION BUILDING
640 SOUTH BROAD STREET
ROOM 212
TRENTON, NJ 08650-8068
10:30 AM**

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I. Advertising the notice in the Trenton Times, The Trentonian and the Princeton Packet**
- II. Filing advance written notice of this meeting with the Commissioners of the Mercer County Insurance Fund Commission; and**
- III. Posting notice on the Public Bulletin Board of the Office of the County Clerk**

MERCER COUNTY INSURANCE FUND COMMISSION
AGENDA
OPEN PUBLIC MEETING: MARCH 24, 2014
640 S. BROAD STREET, ROOM 212
TRENTON, NJ 08650-8068
10:30 AM

- ☐ **MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ☐ **ROLL CALL OF COMMISSIONERS**
- ☐ **APPROVAL OF MINUTES: February 24, 2014 Open Minutes.....Appendix I**
February 24, 2014 Closed Minutes.....Handout

- ☐ **COMMITTEE REPORTS**
 - Safety Committee:..... Verbal
 - Claims Committee: Verbal

- ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR - PERMA Pages 3-25**

- ☐ **TREASURER – David Miller**
 - Resolution 20-14 March Bill ListPage 26

- ☐ **ATTORNEY – Arthur R. Sypek, Jr., Esq. Verbal**

- ☐ **CLAIMS SERVICE –Inservco Insurance Services, Inc.**
 - Resolution 21-14 Authorizing Disclosure of Liability Claims Check Register..... Pages 27-28
 - Liability Claims Payments 2-1-14 to 2-28-14 Pages 29-31

- ☐ **CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report.....Page 32

- ☐ **RISK MANAGER CONSULTANT – Borden Perlman Salisbury & Kelly**
 - Monthly Report..... Verbal

- ☐ **OLD BUSINESS**
- ☐ **NEW BUSINESS**
- ☐ **PUBLIC COMMENT**

- ☐ **CLOSED SESSION – Payment Authorization Requests (PARS)Pages 33-35**
 - Resolution [22-14](#) Executive Session for 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 for Executive Session

- ☐ **MEETING ADJOURNMENT**
- ☐ **NEXT SCHEDULED MEETING: [APRIL 28, 2014](#), MERCER COUNTY, McDADE ADMINISTRATION BUILDING, 640 S. BROAD STREET, TRENTON, NJ 08650-8068 10:30 AM**

MERCER COUNTY INSURANCE FUND COMMISSION

9 Campus Drive, Suite 16

Parsippany, NJ 07054

Telephone (201) 881-7632 Fax (201) 881-7633

Date: March 24, 2014

Memo to: Commissioners of the Mercer County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

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- ☐ **2014 Risk Management Plan** (Appendix II) – Attached in Appendix II of the agenda is Resolution 18-14, the 2014 Plan of Risk Management. The Risk Management Plan is an overview of the Commission's coverage including (1) what risks are retained by the Commission, (2) the reserving philosophy, (3) the method of assessing member contributions and (4) the claim payment authority of the claims administrator. The risk management plan is also a narrative version of the Limit/Retentions Schematics which was discussed in detail and distributed at the January meeting. The Risk Management Plan was provided in advance of the meeting to the Commissioners, Commission Attorney, and Risk Manager for review. We are requesting the Commissioners approve the 2014 Plan of Risk Management.

☐ **Motion to approve Resolution 18-14, 2014 Risk Management Plan**

- ☐ **Certificate of Insurance Request Form (Page 5)** - Attached on page 5 is the certificate of insurance issuance reports from the CEL listing those certificates issued for the period of February 15, 2014 to March 13, 2014. There were 3 certificates of insurance issued during this period.

☐ **Motion to approve the certificate of insurance report**

- ☐ **NJ Excess Counties Insurance Fund (CELJIF) (Pages 6-8)** - The CEL held their Re-Organization Meeting on February 27, 2014. A summary report of their meeting is included in the agenda on pages 6-8. Chairman Mair and Commissioner Scannella participated in the CEL meeting via teleconference. The CEL Executive Director advised that the County of Hudson and Mercer County Insurance Fund Commission joined the CEL as of January 1, 2014 bringing the total membership to eight (8). As a result of the new membership, the CEL introduced an amended 2014 budget and scheduled the Public Hearing for March 27, 2014 at 1:45 PM.
- ☐ **NJ CEL Property and Casualty Financial Fast Track (Page 9)** – Included in the agenda on page 9 is a copy of the CEL Financial Fast Track as of **January 31, 2014**. The report indicates the CEL has a surplus of **\$3,898,737**. In the near future there will be a monthly financial fast track for the Mercer County Insurance Fund Commission as well.

- ❑ **OPRA Requests (Pages 10-18)** – We suggest that the Commission set up a process to handle any Commission related OPRA requests to be in compliance with the bill Governor Christie signed on September 10, 2010 that went into effect on November 9, 2010. PERMA, on behalf of the Commission, would handle any OPRA requests for Insurance Commission related business. Attached on page 10-17 is a copy of OPRA Alert Vol. 3 Issue 2, November 2010 along with a copy of a suggested Commission OPRA request form for your review. Also, attached on page 18 is a suggested Resolution (Resolution 19-14) for your review and approval. For your information, the other Insurance Commissions passed a similar OPRA Request Form and Resolution in establishing an OPRA procedure. We are requesting the Commission review the documents and consider approving this as the Commission’s OPRA procedure.

❑ Motion to approve Resolution 19-14, 2014, OPRA Fee Legislation to comply with OPRA and NJ Case Law interpreting the same

- ❑ **Claims Committee (Pages 19-23)** - At the February 24th meeting the Commissioners approved Resolution 15-14 which established a formal Claims Committee with additional wording to include “Designated Representative” as respects to the Board of Social Services. At the last meeting the Commissioners also approved the Claims Committee Charter. Since the last meeting Delores Smith was appointed the representative for the Mercer County Board of Social Services. Attached on pages 19-23 is a copy of Resolution 15-14 which was amended to include Delores Smith as Mercer County Board of Social Services representative and to recognize the establishment of a Claims Committee Charter. Since the Resolution was approved at the last meeting we feel no further action is required.
- ❑ **EPL Risk Manager Lunch & Learn (24-25)** - As a reminder Conner Strong & Buckelew is hosting a Lunch and Learn Session presented by AIG. Attached on pages 24-25 is a copy of the invitation to the Lunch and Learn on Thursday, March 27, 2014. Registration will start at 11:00 AM followed by the Lunch & Learn from 11:30 – 1:00 at the Conner Strong & Buckelew office at 401 Route 73 North, Suite 300, Marlton, NJ
- ❑ **Mercer County Insurance Fund Commission Website** - At our last meeting the Commission agreed to appoint Spark Creative Group as the vendor in regard to the Commission website design, hosting, updating and maintenance. The website has been created and many of the required documents have been posted to the site. The URL address for the website is <http://mcifc-nj.org/>. PERMA is working with the website vendor to incorporate recommendations made by the County’s web master, Ms. Swetal Shah. Also, once finalized the site will be updated on an ongoing basis with such items as the monthly open minutes, agendas and resolutions.
- ❑ **Employee Dishonesty Crime Policy** – At our last meeting the Commission agreed to move forward with the Employee Dishonesty Crime Policy covering the Commission Executive Director, Commission Treasurer and the Commission Claim Administrator. Commissioner Scannella has provided PERMA with a completed application which has been forwarded to Selective. We expect to have a quotation in time for the Executive Committee meeting.

Mercer County Insurance Commission

Certificate Of Insurance Monthly Report

Thursday, March 13, 2014

From 2/15/14 to 3/13/14

Holder (H) / Insured Name (I)	Holder / Insured Address	Holder Code	Description of Operations	Issue Date	Coverag
MCIC					
H- Joint Base I- County of Mercer	McGuire-Dix-Lakehurst Lakehurst, NJ 08733-6350 McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	1077	Certificate holder is additional insured where obligated by virtue 2/18/2014 GL EX AU WC of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement with respects to (SEE PAGE 2)		
H- Ravine Club I- County of Mercer	100 E. State Police Drive Ewing, NJ 08628 McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	1078	Certificate holder is additional insured where obligated by virtue 2/21/2014GL EX AU WC of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)		
H- Clover Rod & Gun Club I- County of Mercer	46 Lockatong Road Kingwood Twp, NJ 08530 McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	1079	Certificate holder is additional insured where obligated by virtue 2/21/2014GL EX AU WC of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)		

Total # of Holders = 3

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive – Suite 16
Parsippany, NJ 07054-4412
Telephone (201) 881-7632 Fax (201) 881-7633

Date: February 27, 2014
To: Executive Committee
Mercer County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: New Jersey Counties Excess Meeting Report

2014 Reorganization: The NJCE conducted its 2014 Reorganization and adopted the respective resolutions to conduct the business of the Fund. As per the NJCE Bylaws, the total number of commissioners exceeds seven and can meet as an Executive Committee with a Chair, Secretary, five-member Executive Committee and up to four Alternate Commissioners. Below is a listing of the 2014 Executive Committee and alternates; however, the NJCE meets as a Board of Fund Commissioners.

2014 Officers & Executive Committee

Chairman	Micheal Smith	Burlington County Insurance Commission
Secretary	Ross Angilella	Camden County Insurance Commission
Executive Committee	Gerald White	Gloucester County Insurance Commission
	Norman Albert	Union County
	Robert Vanderslice	Salem County Insurance Commission
	Ken Mecouch	Cumberland County Insurance Commission
	Andrew Mair	Mercer County Insurance Fund Commission
Alternate #1	Edmund Shea	Hudson County

2014 Meeting Schedule

March 27, 2014	Camden County Emergency Training Center	1:45PM
April 24, 2014	Camden County Emergency Training Center	1:00PM
June 26, 2014	Camden County Emergency Training Center	1:00PM
September 25, 2014	Camden County Emergency Training Center	1:00PM
December 11, 2014	Camden County Emergency Training Center	1:00PM
February 26, 2015	2015 Reorganization	
	Camden County Emergency Training Center	1:00PM

2014 Risk Management Plan: Included as part of the Reorganization was the 2014 Risk Management Plan with changes highlighted from the prior year. Executive Director distributed a guideline which detailed the major sections of the risk management plan.

NJCE Membership/Marketing Report: Hudson County and Mercer County Insurance Fund Commission have joined the Fund effective January 1, 2014 for a total of eight members. Mr. Proctor of Conner Strong & Buckelew provided a marketing report noting that efforts for 2014

will focus on Ocean, Atlantic, Cape May, Bergen and Essex Counties. Mr. Proctor said his office continues to track entities currently not in the NJCE program to compare coverages in order to quote and increase fund membership.

2014 Fund Year Budget: At the Fund's December 12, 2013 meeting, the Board adopted the 2014 budget and certified assessments totaling \$13,833,776 for six members. Subsequent to the December meeting a number of changes occurred and the current 2014 Budget is \$17,902,582 due to the following:

- Addition of Hudson County – total assessment of \$1,833,745
- Addition of Mercer County Insurance Fund Commission – total assessment of \$2,164,952
- Reallocation of Excess Premium - \$157,500
- Additional entity to Cumberland County Insurance Commission - \$70,109

The Board of Fund Commissioners accepted the Executive Director's recommendation to amend the 2014 budget, made a motion to introduce on first reading the amendments to the 2014 Budget and to schedule the Public Hearing on March 27, 2014 - 1:45PM at the Camden County Emergency Training Center – Room RETC129.

2014 Renewal Program: The Board previously approved authorization for the Underwriting Manager to bind coverage of the 2014 renewal program. The Extraordinary Unspecifiable Services (EUS) statements were included in the agenda and the Board of Fund Commissioners adopted Resolution 14-14 memorializing the authorization of the purchase of insurances.

Underwriting Manager provided a report on the 2014 Renewal Program and stated there was success in negotiating 3 options for the Excess Liability (\$15,000,000 excess of the underlying Underwriters at Lloyds policy) with National Casualty Company/Markel Insurance Company, Underwriters at Lloyds and the incumbent carrier, Starr Indemnity Company. The combination of National Casualty Company and Markel Insurance Company provided the most aggressive terms, coverages, conditions, limits and cost for your 1/1/2014-2015 renewal. Coverage was bound with National Casualty Company & Markel Insurance Company for the Excess Liability Program, at a cost of approximately \$180,000 under the budgeted amount.

In addition to the existing coverages, several members elected to purchase Network Privacy & Security Liability coverage through National Union Fire Insurance Company (AIG) in 2014. A number of other members are still contemplating coverage and will likely bind coverage in 2014. The members who elected to bind coverage in 2014 so far are as follows:

1. Camden County (including Camden County Board of Social Services and Camden County Improvement Authority)
2. Camden County Municipal Utilities Authority
3. Gloucester County
4. Gloucester County Improvement Authority
5. Cumberland County
6. Burlington County
7. Burlington County Board of Social Services

2014 Renewal Policies: The renewal policies are made available to NJCE members electronically through the Conner Strong & Buckelew secure website at sftp.connerstrong.com for those authorized representatives designated by their respective member entity. We are in the process of reviewing the policies and will release an e-mail with instructions to access the website when the policies are available. The policies are expected to be available by April 2014. To be granted access to the secure site please contact Michelle Williamson at 267-702-1424.

Claim Reporting Requirements: Included in the agenda was a memorandum dated 1/27/14 distributed to all local Commission TPA's on the 2014 Claim Reporting Procedures.

NJCE Website: The fund's website, www.njce.org, continues to be updated on an as-needed basis with fund information and will reflect the 2014 Reorganization changes.

Risk Control: Safety Director's report included a report reflecting the risk control activities from December 2014 thru March 2014.

Claims Status Summary: CompServices Inc. prepared a summary report of any claims with large open reserves which were reviewed during Closed Session.

Next Meeting: The next meeting of the NJCE fund is a public hearing to amend the 2014 budget and is scheduled for March 27, 2014 at 1:45PM at the Camden County Emergency Training Center.

NEW JERSEY COUNTIES EXCESS JIF						
FINANCIAL FAST TRACK REPORT						
AS OF January 31, 2014						
ALL YEARS COMBINED						
		THIS	YTD	PRIOR	FUND	
		MONTH	CHANGE	YEAR END	BALANCE	
1.	UNDERWRITING INCOME	1,491,882	1,491,882	36,221,905	37,713,787	
2.	CLAIM EXPENSES					
	Paid Claim	2,388	2,388	236,073	238,461	
	Case Rese	2,615	2,615	759,995	762,610	
	IBNR	293,997	293,997	5,913,932	6,207,929	
	Discounte	(55,314)	(55,314)	(1,115,267)	(1,170,581)	
	TOTAL CLAIMS	243,686	243,686	5,794,733	6,038,419	
3.	EXPENSES					
	Excess Pre	1,048,296	1,048,296	23,448,416	24,496,712	
	Administr	83,713	83,713	2,715,098	2,798,811	
	TOTAL EXPENSES	1,132,009	1,132,009	26,163,514	27,295,524	
4.	UNDERWRITING PROFIT (1-2-3)	116,186	116,186	4,263,658	4,379,844	
5.	INVESTMENT INCOME	1,642	1,642	124,802	126,443	
6.	STATUTORY PROFIT (4+5)	117,828	117,828	4,388,459	4,506,288	
7.	Cancelled Appropriations	0	0	607,551	607,551	
8.	STATUTORY SURPLUS (6-7)	117,828	117,828	3,780,908	3,898,737	
SURPLUS (DEFICITS) BY FUND YEAR						
	2010	574	574	741,645	742,220	
	2011	(770)	(770)	968,813	968,044	
	2012	(3,516)	(3,516)	715,685	712,170	
	2013	309	309	1,354,764	1,355,073	
	2014	121,230	121,230		121,230	
	TOTAL SURPLUS (DEFICITS)	117,828	117,828	3,780,908	3,898,737	
CLAIM ANALYSIS BY FUND YEAR						
FUND YEAR 2010						
	Paid Claims	0	0	0	0	
	Case Reserves	0	0	6	6	
	IBNR	0	0	599,994	599,994	
	Discounted Claim Va	(300)	(300)	(76,200)	(76,500)	
	TOTAL FY 2010 CLAIMS	(300)	(300)	523,800	523,500	
FUND YEAR 2011						
	Paid Claims	0	0	139,753	139,753	
	Case Reserves	5,001	5,001	110,263	115,264	
	IBNR	(5,001)	(5,001)	1,099,984	1,094,983	
	Discounted Claim Va	1,210	1,210	(190,876)	(189,666)	
	TOTAL FY 2011 CLAIMS	1,210	1,210	1,159,124	1,160,334	
FUND YEAR 2012						
	Paid Claims	2,388	2,388	96,320	98,708	
	Case Reserves	(2,388)	(2,388)	649,704	647,316	
	IBNR	0	0	1,803,976	1,803,976	
	Discounted Claim Va	4,134	4,134	(390,771)	(386,637)	
	TOTAL FY 2012 CLAIMS	4,134	4,134	2,159,229	2,163,363	
FUND YEAR 2013						
	Paid Claims	0	0	0	0	
	Case Reserves	0	0	22	22	
	IBNR	0	0	2,409,978	2,409,978	
	Discounted Claim Va	0	0	(457,420)	(457,420)	
	TOTAL FY 2013 CLAIMS	0	0	1,952,580	1,952,580	
FUND YEAR 2014						
	Paid Claims	0	0		0	
	Case Reserves	2	2		2	
	IBNR	298,998	298,998		298,998	
	Discounted Claim Va	(60,358)	(60,358)		(60,358)	
	TOTAL FY 2014 CLAIMS	238,642	238,642	0	238,642	
	COMBINED TOTAL CLAIMS	243,686	243,686	5,794,733	6,038,419	
This report is based upon information which has not been audited nor certified by an actuary						



THE OPRA ALERT

VOLUME 3, ISSUE 2

NOVEMBER 2010

CHANGES TO OPRA'S COPY FEES BECOME EFFECTIVE TUESDAY NOVEMBER 9, 2010

The Government Records Council (GRC) has published several issues of *The OPRA Alert* regarding the changes to OPRA's copying fees. In its most recent issue dated September 2010, the GRC informed the OPRA community that Governor Christie signed into law new fee legislation that will dramatically change the copy fees established under N.J.S.A. 47:1A-5.b. These changes to the copy fee schedule become effective for all New Jersey public agencies on **Tuesday November 9, 2010**.

Previously, the OPRA fee schedule set forth in N.J.S.A. 47:1A-5.b provided that "the fee assessed for the duplication of a government record embodied in the form of printed matter shall not exceed the following: first page to tenth page, \$0.75 per page; eleventh page to twentieth page, \$0.50 per page; all pages over twenty, \$0.25 per page."

Said provision of OPRA has since been amended to provide that:

"[a] copy or copies of a government record may be purchased by any person upon payment of the fee prescribed by law or regulation. Except as otherwise provided by law or regulation, the fee assessed for the duplication of a government record embodied in the form of printed matter shall be \$0.05 per letter size page or smaller, and \$0.07 per legal size page or larger. If a public agency can demonstrate that its actual costs for duplication of a government record exceed the foregoing rates, the public agency shall be permitted to charge the actual cost of duplicating the record. The actual cost of duplicating the record, upon which all copy fees are based, shall be the cost of materials and supplies used to make a copy of the record, but shall not include the cost of labor or other overhead expenses associated with making the copy except as provided for in subsection c. of this section. Access to electronic records and non-printed materials shall be provided free of charge, but the public agency may charge for the actual costs of any needed supplies such as computer discs." (Emphasis added). N.J.S.A. 47:1A-5.b.

To fully understand the impact of this amendment to OPRA's copy fee schedule, the GRC interprets each sentence of the amended fee provision below:

1. "[a] copy or copies of a government record may be purchased by any person upon payment of the fee prescribed by law or regulation."

This sentence means that custodians are to charge OPRA requestors any copy fees that are established by other New Jersey laws or regulations, if said fees exist. For example, N.J.S.A. 22A:4-1a sets forth specific fees for certain records filed with the New Jersey Department of Treasury (and requested from the Department of Treasury). Specifically, said statute provides that "[i]f a roll of microfilm images is requested, the State Treasurer shall collect a fee of \$1.00 for each image on the microfilm roll." Thus, if a requestor seeks access to a microfilm roll from the Department of Treasury, the Department's custodian must charge the fees established in N.J.S.A. 22A:4-1a. The same applies for any other records that have specific fees established in other New Jersey laws or regulations.

2. "Except as otherwise provided by law or regulation, the fee assessed for the duplication of a government record embodied in the form of printed matter shall be \$0.05 per letter size page or smaller, and \$0.07 per legal size page or larger."

For records that do not have a specific fee established by statute (like the Treasury example above), custodians must charge a flat rate of \$0.05 per letter size (8 ½" x 11") page or smaller, and \$0.07 per legal size (8 ½" x 14") page or larger, *if providing a requestor with paper copies*. For example, a custodian providing access to 3 pages of printed meeting minutes on letter size pages would charge a requestor \$0.15 (\$0.05 per page for 3 pages = \$0.15).

3. *"If a public agency can demonstrate that its actual costs for duplication of a government record exceed the foregoing rates, the public agency shall be permitted to charge the actual cost of duplicating the record. The actual cost of duplicating the record, upon which all copy fees are based, shall be the cost of materials and supplies used to make a copy of the record, but shall not include the cost of labor or other overhead expenses associated with making the copy except as provided for in subsection c. of this section."* (Emphasis added).

It is possible that the actual cost to produce paper copies will exceed \$0.05 per letter size page or smaller and \$0.07 per legal size page or larger for some public agencies. In these instances, the OPRA amendment allows custodians to charge the actual cost of duplication, which is limited to the cost of materials and supplies used to make the copy. The GRC has previously provided the OPRA community with an actual cost calculation which should be used to determine the actual cost of providing paper copies. See *OPRA Alert* Volume 2, Issue 3 (June 2010).

How to Calculate Actual Costs (only if copies exceed the \$0.05 and \$0.07 rates)

- Custodians should contact their supplier to determine the cost of paper and toner. A supplier is wherever the agency obtains those materials – paper and toner (i.e. central purchasing unit, Staples, Office Depot, etc).
- Calculate or contact copying company to determine the agency's annual copying volume (calendar or fiscal year, however the agency operates). This does NOT only include copies pertaining to OPRA requests – this is ALL copying on all copy machines in the agency for all purposes.
- Contact copying company to determine the average paper life of one toner/ink cartridge (i.e. how many pieces of paper the ink or toner should be able to copy).
- Custodians must maintain documentation of all information provided by copying company or office supplier (i.e. contracts or correspondence from purchasing agent or copying company) regarding this calculation.
- **Actual calculation is the total cost of paper purchased for 1 year (calendar or fiscal) + the total cost of toner purchased (calendar or fiscal) ÷ the annual copying volume.**
- This calculation can be averaged for all copy machines in an agency that produce letter and legal copies. Special copiers, such as for color printing or blueprints copied in house, should be calculated separately.

4. *"If a public agency can demonstrate that its actual costs for duplication of a government record exceed the foregoing rates, the public agency shall be permitted to charge the actual cost of duplicating the record. The actual cost of duplicating the record, upon which all copy fees are based, shall be the cost of materials and supplies used to make a copy of the record, but shall not include the cost of labor or other overhead expenses associated with making the copy except as provided for in subsection c. of this section."* (Emphasis added).

The reference to "subsection c." pertains to OPRA's special service charge provision, which is applicable in instances when fulfilling an OPRA request requires an extraordinary amount of time and effort. For guidance on how and when to apply a special service charge to an OPRA request, please refer to the GRC's "Special Service Charge" handout online at <http://www.nj.gov/grc/meetings/present/>.

The GRC strongly encourages every public agency to clearly identify its per page copy fee on its OPRA request form, whether it be the flat rates established in N.J.S.A. 47:1A-5.b., or the actual cost calculated by the agency.

5. "Access to electronic records and non-printed materials shall be provided free of charge, but the public agency may charge for the actual costs of any needed supplies such as computer discs."

Records provided via e-mail and facsimile are free of charge. Custodians must charge the actual cost to provide access to all other electronic materials such as CD-ROMs, DVDs, videotapes, audiotapes, etc. No specific calculation is required to determine the actual cost of these supplies. The actual cost is the specific fee the agency paid to purchase the materials. For example, if the GRC purchased a package of 100 CD-ROMs for \$100 and provided records to a requestor on 1 CD-ROM, the actual cost of said CD-ROM is \$1.00 ($\$100 \div 100 = \1.00).

CHANGES TO FEES FOR MOTOR VEHICLE ACCIDENT REPORTS

The same legislation that amended the OPRA copy fees also amended the fee schedule for motor vehicle accident reports. The Motor Vehicle and Traffic Regulation previously provided that:

"Every citizen of this State shall have the right, during regular business hours and under supervision, to inspect and copy such reports and shall also have the right in person to purchase copies of the [accident] reports at the same fee established by [OPRA]. If copies of reports are requested other than in person, an additional fee of up to \$5.00 for the first three pages and \$1.00 per page thereafter may be added to cover the administrative costs of the report..." N.J.S.A. 39:4-131.

This regulation allowed custodians providing access to motor vehicle accident reports pursuant to an OPRA request to charge the OPRA copying fees *plus* the additional fees described above when reports were not requested in person. The GRC held that the additional fees applied to cover the administrative costs of mailing the requested motor vehicle accident reports. See Donato v. Jersey City Police Department, GRC Complaint No. 2005-251 (April 2007).

However, as of Tuesday November 9, 2010, the fees for providing access to motor vehicle accident reports pursuant to an OPRA request are changed as follows:

"Every citizen of this State shall have the right, during regular business hours and under supervision, to inspect and copy such reports and shall also have the right in person to purchase copies of the [accident] reports at the same fee established by [OPRA]. If copies of reports are requested other than in person, an additional fee of up to \$5.00 may be added to cover the administrative costs of the report..."

The amendment removes the subsequent charge of \$1.00 for each page after the third page and sets a flat fee of an additional \$5.00 (in addition to the new OPRA fees) when reports are requested other than in person. For example, if a requestor sought access to a 5 page motor vehicle accident report via regular mail, a custodian may charge a total of \$5.25 (OPRA fee of \$0.05 per page for 5 pages = \$0.25; an additional fee of \$5.00 to cover the administrative costs of mailing the report).

All changes in fees discussed in this *OPRA Alert* issue become effective on Tuesday November 9, 2010.

Please note that neither OPRA nor the GRC administer the fee schedule for discovery requests. Thus, the GRC cannot provide any guidance as it relates to any fees associated with discovery requests. Requests for discovery are guided by the Rules of Court.

The Government Records Council (GRC) is committed to making the Open Public Records Act (OPRA) work for the citizens of New Jersey. Since the law's inception, the GRC has worked hard to make government records more easily accessible to the public. The GRC is committed to being the facilitator of open government in New Jersey.

Created under OPRA, the Government Records Council:

- Responds to inquiries and complaints about the law from the public and public agency records custodians
- Issues public information about the law and services provided by the Council
- Maintains a toll-free help-line and Web site to assist the public and records custodians
- Issues advisory opinions on the accessibility of government records
- Delivers training on the law
- Provides mediation of disputes about access to government records
- Resolves disputes regarding access to government records



STATE OF NEW JERSEY

GOVERNMENT RECORDS COUNCIL

Government Records Council members are:

Robin Berg Tabakin, Esq. (Chairwoman)
Owner of Technoforce, LLC and former State
President of the New Jersey Association of
Women Business Owners

Lori Grifa
Commissioner of the New Jersey
Department of Community Affairs

Rochelle Hendricks
Acting Commissioner of the New Jersey
Department of Education

Government Records Council staff members are:

Catherine Starghill, Esq. (Executive Director)
Karyn Gordon, Esq. (In-House Counsel)
Dara Lownie (Communications Manager)
Frank Caruso (Senior Case Manager)
Harlynn A. Lack, Esq. (Case Manager/Staff Attorney)
Darryl C. Rhone (Case Manager)
John Stewart (Mediator)
Brigitte Hairston (Secretary)



Government Records Council
101 S. Broad Street
P.O. Box 819
Trenton, New Jersey 08625-0819

Phone: 609-292-6830
Toll Free: 1-866-850-0511
Fax: 609-633-6337
E-mail: grc@dca.state.nj.us
www.nj.gov/grc



- ☐ Burlington Co. Com
☐ Camden Co. Com.
☐ Cumberland Co. Com.
☐ Gloucester Co. Com.
☐ N.J. Counties Excess
☐ Salem Co. Com
☐ Mercer Co. Ins. Fund
 Com.

PLEASE SELECT ONE FUND PER FORM BY PLACING CHECK MARK
 NEXT TO THE JOINT INSURANCE FUND OR COMMISSION
OPEN PUBLIC RECORDS ACT REQUEST FORM
 9 Campus Drive, Suite 16
 Parsippany, NJ 07054
 Phone No: 201-881-7632 Fax No: 201-881-7633
 PERMA: Attn: Mary Louise Doner

Important Notice

The last page of this form contains important information related to your rights concerning government records. Please read it carefully.

Requestor Information – Please Print

First Name _____ MI _____ Last Name _____
 E-mail Address _____
 Mailing Address _____
 City _____ State _____ Zip _____
 Telephone _____ FAX _____
 Preferred Delivery: Pick Up _____ US Mail _____ On-Site Inspect _____ Fax _____ E-mail _____
If you are requesting records containing personal information, please circle one: Under penalty of N.J.S.A.
 2C:28-3, I certify that I **HAVE / HAVE NOT** been convicted of any indictable offense under the laws of New
 Jersey, any other state, or the United States.
 Signature _____ Date _____

Payment Information

Maximum Authorization Cost \$ _____
 Select Payment Method
 Cash _____ Check _____ Money Order _____
 Fees: Letter size pages - \$0.05 per page
 Legal size pages - \$0.07 per page
 Other materials (CD, DVD, etc) – actual
 Delivery: Delivery / postage fees additional depending upon delivery type.
 Extras: Special service charge dependent upon request.

Record Request Information: Please be as specific as possible in describing the records being requested. Also, please note that your preferred method of delivery will only be accommodated if the custodian has the technological means and the integrity of the records will not be jeopardized by such method of delivery.

AGENCY USE ONLY

AGENCY USE ONLY

AGENCY USE ONLY

Est. Document Cost _____ Est. Delivery Cost _____ Est. Extras Cost _____ Total Est. Cost _____ Deposit Amount _____ Estimated Balance _____ Deposit Date _____	Disposition Notes Custodian: If any part of request cannot be delivered in seven business days, detail reasons here. In Progress - Open _____ Denied - Closed _____ Filled - Closed _____ Partial - Closed _____	<table style="width: 100%;"> <tr> <th style="text-align: left;">Tracking Information</th> <th style="text-align: left;">Final Cost</th> </tr> <tr> <td>Tracking # _____</td> <td>Total _____</td> </tr> <tr> <td>Rec'd Date _____</td> <td>Deposit _____</td> </tr> <tr> <td>Ready Date _____</td> <td>Balance Due _____</td> </tr> <tr> <td>Total Pages _____</td> <td>Balance Paid _____</td> </tr> <tr> <td colspan="2" style="text-align: center;">Records Provided</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="text-align: right;">Custodian Signature _____</td> <td style="text-align: right;">Date _____</td> </tr> </table>	Tracking Information	Final Cost	Tracking # _____	Total _____	Rec'd Date _____	Deposit _____	Ready Date _____	Balance Due _____	Total Pages _____	Balance Paid _____	Records Provided										Custodian Signature _____	Date _____
Tracking Information	Final Cost																							
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Ready Date _____	Balance Due _____																							
Total Pages _____	Balance Paid _____																							
Records Provided																								
Custodian Signature _____	Date _____																							

DEPOSITS

The custodian may require a deposit against costs for reproducing documents sought through an anonymous request whenever the custodian anticipates that the documents requested will cost in excess of \$5 to reproduce.

Where a special service charge is warranted under OPRA, that amount will be communicated to you as required under the statute. You have the opportunity to review and object to the charge prior to it being incurred. If, however, you approve of the fact and amount of the special service charge, you may be required to pay a deposit or pay in full prior to reproduction of the documents.

YOUR REQUEST FOR RECORDS IS DENIED FOR THE FOLLOWING REASON(S):

(To be completed by the Custodian of Records – check the box of the numbered exemption(s) as they apply to the records requested. If multiple records are requested, be specific as to which exemption(s) apply to each record. **Response is due to requestor as soon as possible, but no later than seven business days.**)

N.J.S.A. 47:1A-1.1

- ☐ Inter-agency or intra-agency advisory, consultative or deliberative material
- ☐ Legislative records
- ☐ Law enforcement records:
 - ☐ Medical examiner photos
 - ☐ Criminal investigatory records (however, N.J.S.A. 47:1A-3.b. lists specific criminal investigatory information which must be disclosed)
 - ☐ Victims' records
- ☐ Trade secrets and proprietary commercial or financial information
- ☐ Any record within the attorney-client privilege
- ☐ Administrative or technical information regarding computer hardware, software and networks which, if disclosed would jeopardize computer security
- ☐ Emergency or security information or procedures for any buildings or facility which, if disclosed, would jeopardize security of the building or facility or persons therein
- ☐ Security measures and surveillance techniques which, if disclosed, would create a risk to the safety or persons, property, electronic data or software
- ☐ Information which, if disclosed, would give an advantage to competitors or bidders
- ☐ Information generated by or on behalf of public employers or public employees in connection with:
 - ☐ Any sexual harassment complaint filed with a public employer
 - ☐ Any grievance filed by or against an employee
 - ☐ Collective negotiations documents and statements of strategy or negotiating
- ☐ Information that is a communication between a public agency and its insurance carrier, administrative service organization or risk management office
- ☐ Information that is to be kept confidential pursuant to court order
- ☐ Certificate of honorable discharge issued by the United States government (Form DD-214) filed with a public agency
- ☐ Social security numbers
- ☐ Credit card numbers
- ☐ Unlisted telephone numbers
- ☐ Drivers' license numbers
- ☐ Certain records of higher education institutions:
 - ☐ Research records
 - ☐ Questions or scores for exam for employment or academics
 - ☐ Charitable contribution information
 - ☐ Rare book collections gifted for limited access
 - ☐ Admission applications
 - ☐ Student records, grievances or disciplinary proceedings revealing a students' identification

- ☐ Biotechnology trade secrets **N.J.S.A. 47:1A-1.2**
- ☐ Convicts requesting their victims' records **N.J.S.A. 47:1A-2.2**
- ☐ Ongoing investigations of non-law enforcement agencies (must prove disclosure is inimical to the public interest) **N.J.S.A. 47:1A-3.a.**
- ☐ Public defender records **N.J.S.A. 47:1A-5.k.**
- ☐ Upholds exemptions contained in other State or federal statutes and regulations, Executive Orders, Rules of Court, and privileges created by State Constitution, statute, court rule or judicial case law **N.J.S.A. 47:1A-9**
- ☐ Personnel and pension records (however, the following information must be disclosed:
 - An individual's name, title, position, salary, payroll record, length of service, date of separation and the reason for such separation, and the amount and type of any pension received
 - When required to be disclosed by another law, when disclosure is essential to the performance of official duties of a person duly authorized by this State or the US, or when authorized by an individual in interest
 - Data contained in information which disclose conformity with specific experiential, educational or medical qualifications required for government employment or for receipt of a public pension, but not including any detailed medical or psychological information **N.J.S.A. 47:1A-10**

N.J.S.A. 47:1A-1

- ☐ "a public agency has a responsibility and an obligation to safeguard from public access a citizen's personal information with which it has been entrusted when disclosure thereof would violate the citizen's reasonable expectation of privacy."

Burnett v. County of Bergen, 198 N.J. 408 (2009). Without ambiguity, the court held that the privacy provision "is neither a preface nor a preamble." Rather, "the very language expressed in the privacy clause reveals its substantive nature; it does not offer reasons why OPRA was adopted, as preambles typically do; instead, it focuses on the law's implementation." "Specifically, it imposes an obligation on public agencies to protect against disclosure of personal information which would run contrary to reasonable privacy interests."

Executive Order No. 21 (McGreevey 2002)

- ☐ Records where inspection, examination or copying would substantially interfere with the State's ability to protect and defend the State and its citizens against acts of sabotage or terrorism, or which, if disclosed, would materially increase the risk or consequences of potential acts of sabotage or terrorism.
- ☐ Records exempted from disclosure by State agencies' proposed rules.

Executive Order No. 26 (McGreevey 2002)

- ☐ Certain records maintained by the Office of the Governor
- ☐ Resumes, applications for employment or other information concerning job applicants while a recruitment search is ongoing
- ☐ Records of complaints and investigations undertaken pursuant to the Model Procedures for Internal Complaints Alleging Discrimination, Harassment or Hostile Environments
- ☐ Information relating to medical, psychiatric or psychological history, diagnosis, treatment or evaluation
- ☐ Information in a personal income or other tax return
- ☐ Information describing a natural person's finances, income, assets, liabilities, net worth, bank balances, financial history or activities, or creditworthiness, except as otherwise required by law to be disclosed
- ☐ Test questions, scoring keys and other examination data pertaining to the administration of an examination for public employment or licensing
- ☐ Records in the possession of another department (including NJ Office of Information Technology or State Archives) when those records are made confidential by regulation or EO 9.

Other Exemption(s) contained in a State statute, resolution of either or both House of the Legislature, regulation, Executive Order, Rules of Court, any federal law, federal regulation or federal order pursuant to N.J.S.A. 47:1A-9.a.

(Please provide detailed information regarding the exemption from disclosure for which you are relying to deny access to government records. If multiple records are requested, be specific as to which exemption(s) apply to each record.)

REQUEST FOR RECORDS UNDER THE COMMON LAW

If, in addition to requesting records under OPRA, you are also requesting the government records under the common law, please check the box below.

A public record under the common law is one required by law to be kept, or necessary to be kept in the discharge of a duty imposed by law, or directed by law to serve as a memorial and evidence of something written, said, or done, or a written memorial made by a public officer authorized to perform that function, or a writing filed in a public office. The elements essential to constitute a public record are that it be a written memorial, that it be made by a public officer, and that the officer be authorized by law to make it.

☐ Yes, I am also requesting the documents under common law.

If the information requested is a "public record" under common law and the requestor has a legally recognized interest in the subject matter contained in the material, then the material must be disclosed if the individual's right of access outweighs the State's interest in preventing disclosure.

Please set forth your interest in the subject matter contained in the requested material:

Note that any challenge to a denial of a request for records under the common law cannot be made to the Government Records Council, as the Government Records Council only has jurisdiction to adjudicate challenges to denials of OPRA requests. A challenge to the denial of access under the common law can be made by filing an action in Superior Court.

1. All government records are subject to public access under the Open Public Records Act ("OPRA"), unless specifically exempt.
2. A request for access to a government record under OPRA must be in writing, hand-delivered, mailed, transmitted electronically, or otherwise conveyed to the appropriate custodian. N.J.S.A. 47:1A-5.g. The seven (7) business day response time does not commence until the records custodian receives the request form. If you submit the request form to any other officer or employee of the Fund or Commission, that officer or employee must either forward the request to the appropriate custodian, or direct you to the appropriate custodian. N.J.S.A. 47:1A-5.h.
3. Requestors may submit requests anonymously. If you elect not to provide a name, address, or telephone number, or other means of contact, the custodian is not required to respond until you reappear before the custodian seeking a response to the original request.
4. The fees for duplication of a government record in printed form are listed on the front of this form. We will notify you of any special service charges or other additional charges authorized by State law or regulation before processing your request. Payment shall be made by cash, check or money order payable to the Fund or Commission.
5. ***You may be charged a 50% or other deposit when a request for copies exceeds \$25.*** The Fund or Commission custodian will contact you and advise you of any deposit requirements. You agree to pay the balance due upon delivery of the records. Anonymous requests in excess of \$5.00 require a deposit of 100% of estimated fees.
6. Under OPRA, a custodian must deny access to a person who has been convicted of an indictable offense in New Jersey, any other state, or the United States, **and** who is seeking government records containing personal information pertaining to the person's victim or the victim's family. This includes anonymous requests for said information.
7. By law, the Fund or Commission must notify you that it grants or denies a request for access to government records within seven (7) business days after the agency custodian of records receives the request. If the record requested is not currently available or is in storage, the custodian will advise you within seven (7) business days after receipt of the request when the record can be made available and the estimated cost for reproduction.
8. You may be denied access to a government record if your request would substantially disrupt agency operations and the custodian is unable to reach a reasonable solution with you.
9. If the Fund or Commission is unable to comply with your request for access to a government record, the custodian will indicate the reasons for denial on the request form or other written correspondence and send you a signed and dated copy.
10. Except as otherwise provided by law or by agreement with the requester, if the agency custodian of records fails to respond to you within seven (7) business days of receiving a request, the failure to respond is a deemed denial of your request.
11. If your request for access to a government record has been denied or unfilled within the seven (7) business days required by law, you have a right to challenge the decision by the Fund or Commission to deny access. At your option, you may either institute a proceeding in the Superior Court of New Jersey or file a complaint with the Government Records Council ("GRC") by completing the Denial of Access Complaint Form. You may contact the GRC by toll-free telephone at 866-850-0511, by mail at PO Box 819, Trenton, NJ, 08625, by e-mail at grc@dca.state.nj.us, or at their web site at www.state.nj.us/grc. The Council can also answer other questions about the law. All questions regarding complaints filed in Superior Court should be directed to the Court Clerk in your County.
12. Information provided on this form may be subject to disclosure under the Open Public Records Act.

RESOLUTION NO 19-14

**MERCER COUNTY INSURANCE FUND COMMISSION
OPRA FEE LEGISLATION**

WHEREAS, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the MCIFC is a public agency which must comply with the Open Public Records Act (OPRA) N.J.S.A. 47: 1A-1 to -13; and

WHEREAS, the MCIFC must comply with OPRA and reported New Jersey Case Law interpreting same; and

WHEREAS, on 9/10/10 the Honorable Governor Christie officially signed legislation into law amending the fee provision of OPRA with an effective date of 11/9/10; and

WHEREAS, the MCIFC may charge requestors fees or “actual costs” related to production of government records in compliance with OPRA; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said MERCER County Insurance Fund Commission as follows:

The MCIFC may charge requestors the fees or “actual costs” associated with photocopying government records and duplicating non-paper media.

Actual costs are defined at N.J.S.A. 47:1A-5.b. Furthermore the MCIFC discloses by reference hereto it shall calculate actual costs as recommended by the State of New Jersey Government Record Council in OPRA Alert at volume 3, issue 2 dated November 2010. See attached. See also generally www.nj.gov/grc.

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on March 24, 2014

ADOPTED:

ANDREW A. MAIR CHAIRMAN

DATED

ATTEST:

ELIZABETH A. SCANNELLA, VICE-CHARIMAN

DATED

RESOLUTION NO. 15 -14

**MERCER COUNTY INSURANCE FUND COMMISSION
ESTABLISHING CLAIMS COMMITTEE AND CLAIMS COMMITTEE CHARTER**

WHEREAS, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “Commission”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the Commission has deemed it necessary and appropriate to form advisory committees as permitted by the duly adopted Commission Rules and Regulations; and

WHEREAS, the Commission has resolved to establish a “Claims Committee”, comprised of representatives from Mercer County agencies and authorities;

NOW THEREFORE BE IT RESOLVED by the Mercer County Insurance Fund Commission that a Claims Committee is hereby established and its initial members shall be:

Representative

Elizabeth A. Scannella
Sarah Crowley, Esq.
Lillian Nazzaro, Esq.
Delores Smith

Affiliated Member Entity

Mercer County
Mercer County
Mercer County
Mercer County Board of Social Services

Fund Professional

Joseph Hrubash
Robyn Walcoff
Michelle Leighton
Glenn Prince
Doug Borden
Courtney Cameron
Nancy Fowlkes
Susan Irvine
Arthur R. Sypek, Jr.

Fund Position

Executive Director, PERMA
Claims Consultant, Conner Strong & Buckelew
Claims Consultant, Conner Strong & Buckelew
CEL Safety Director, J. A. Montgomery
Risk Manager, Borden Perlman Salisbury & Kelly
Borden Perlman Salisbury & Kelly
Inservco Insurance Services, Inc.
Inservco Insurance Services, Inc.
Commission Attorney

BE IT FURTHER RESOLVED that the members of the claims committee shall serve pursuant to the Rules and Regulations of the Mercer County Insurance Fund Commission, Article III, Organization, Advisory Committees and the Claims Committee Charter which is attached to this resolution.

ADOPTED:

ANDREW A. MAIR, CHAIRMAN

DATE

ATTEST:

ELIZABETH A. SCANNELLA, VICE-CHAIRMAN

DATE

MERCER COUNTY INSURANCE FUND COMMISSION CLAIMS COMMITTEE MEETING SCHEDULE, ASSIGNMENTS AND CLAIMS CHARTER

The Claims Committee will conduct meetings on the following schedule:

Claims Committee Meetings will be held on the second Tuesday of each month at 2 pm.

2014 CLAIMS COMMITTEE ASSIGNMENTS

Committee Members

Name

Elizabeth Scannella, Esq. (Chair)
Sarah Crowley, Esq.
Lillian Nazarro, Esq.
Delores Smith

Affiliation

Mercer County Insurance Fund Commission
Mercer County
Mercer County
Mercer County Board of Social Services

Fund Professionals

Arthur R. Sypek, Jr.
Joseph Hrubash
Robyn Walcoff
Michelle Leighton
Glenn Prince
Susan Irvine
Nancy Fowlkes
Doug Borden

Commission Attorney
Executive Director, PERMA
Conner Strong & Buckelew
Conner Strong & Buckelew
CEL Safety Director, J.A. Montgomery
Inservco Insurance Services
Inservco Insurance Services
Risk Manager, Borden Perlman Salisbury &
Kelly
Risk Manager, Borden Perlman Salisbury &
Kelly

Courtney Cameron

February 2014 Edition

MERCER COUNTY INSURANCE FUND COMMISSION CLAIMS COMMITTEE MEETING SCHEDULE, ASSIGNMENTS AND CLAIMS CHARTER

CLAIMS COMMITTEE CHARTER

The Mercer County Insurance Fund Commission hereby constitutes and establishes a Claims Committee, an advisory committee authorized by the Commission's rules and regulations:

Composition

The Claims Committee shall be comprised of at least one representative from each member of the Mercer County Insurance Fund Commission and one Mercer County Insurance Fund Commissioner. Each representative shall have one vote. As additional members join the Mercer County Insurance Fund Commission, a representative from the new member entity shall be appointed to the Claims Committee.

Also serving on the Committee, with no voting privileges, shall be a representative from the Executive Director's office, the Fund Attorney, a representative from the Risk Management Consultant's office, a representative from the Third Party Administrator's office, and a representative from the CEL's Safety Director's office.

Authority and Responsibility

1. The Claims Committee shall review and recommend for approval or denial all payment authority requests which are subject to any combination of payments that exceed seven thousand five hundred dollars (\$7,500) for Property, including Boiler & Machinery, Auto Liability, General Liability including Law Enforcement Legal Liability, and twenty thousand dollars (\$20,000) for Workers' Compensation Claims, inclusive of legal fees, expenses, and such other items to be charged to the Mercer County Insurance Fund Commission. This notification also includes any prior claim where a request for additional payment authority is needed beyond an amount previously approved, any requests for lien compromises, and any subrogation abandonment requests.
2. The Claims Committee shall develop and recommend claims cost containment programs.

Claims Committee Bylaws

The Claims Committee of the Mercer County Insurance Fund Commission was established in February 2014, where the Mercer County Insurance Fund Commission adopted a resolution appointing certain employees of member entities to the Claims Committee, an advisory committee authorized by the Commission's rules and

February 2014 Edition

MERCER COUNTY INSURANCE FUND COMMISSION CLAIMS COMMITTEE MEETING SCHEDULE, ASSIGNMENTS AND CLAIMS CHARTER

regulations. The Committee's operational guidelines are set down herein and may be amended by the Commissioners of the Mercer County Insurance Fund Commission.

Meetings

In 2014, the Claims Committee shall meet at least monthly, on the second Tuesday of the month, and as many times as the Committee Chairman deems necessary; provided, however, if there are five or less payment authority requests to review in one month, the Claims Committee may conduct the review of the payment authority requests electronically or telephonically in lieu of an in-person meeting.

Attendance

A majority of members of the Claims Committee shall be present at all meetings. In addition, a representative from the Executive Director's office, the Fund Attorney, a representative from the Risk Management Consultant's office, a representative from the Third Party Administrator's Office, and a representative from the CEL's Safety Director's office shall attend such meetings. As necessary or desirable, the Chairman may request other professionals and/or member representatives to also attend in order to exchange views on any issue that may be at hand.

Specific Duties

In undertaking its responsibilities as outlined above, the Claims Committee is to:

1. Apprise the Commissioners of the Mercer County Insurance Fund Commission, through special presentations as necessary, of significant developments in the course of performing its responsibility.
2. Review and recommend for approval or denial all payment authority requests which are subject to any combination of payments that exceeds seven thousand five hundred dollars (\$7,500) for Property, including Boiler & Machinery, Auto Liability, General Liability including Law Enforcement Legal Liability, and twenty thousand dollars (\$20,000) for Workers' Compensation inclusive of legal fees, expenses, and such other items to be charged to the Mercer County Insurance Fund Commission. This notification also includes any prior claim where a request for additional payment authority is needed beyond an amount previously approved, any requests for lien compromises, and any subrogation abandonment requests.

February 2014 Edition

**MERCER COUNTY INSURANCE FUND COMMISSION
CLAIMS COMMITTEE MEETING SCHEDULE,
ASSIGNMENTS AND CLAIMS CHARTER**

3. Recommend to Commissioners of the Mercer County Insurance Fund Commission any appropriated changes or extensions in the duties of the Committee.
4. Report annually to the Commissioners of the Mercer County Insurance Fund Commission on the discharge of these responsibilities.

February 2014 Edition



NEW JERSEY COUNTIES EXCESS
JOINT INSURANCE FUND

LUNCH & LEARN

Tools for Minimizing Exposure against Employment Practices Liability (EPL) Risks

DATE	Thursday, March 27, 2014
RSVP BY	Friday, March 21, 2014
TIME	11:00am - 11:30am Registration 11:30am - 1:00pm Lunch & Learn
LOCATION	Conner Strong & Buckelew Buckelew Conference Center 40 Lake Center Executive Park 401 Route 73 North, Suite 300 Marlton, NJ 08053

**Better Manage Your Workforce and Reduce Your
Exposure to Employment-Related Claims!**

Please join us for a Lunch & Learn presented by AIG. During this session, AIG will provide an overview of EPL Risk Manager, an online tool that includes a robust collection of Employment Law and Human Resources materials as well as valuable Risk Management tools to help you understand and comply with the complexities and dynamic nature of employment laws.

This session will cover the following EPL Risk Manager tools and more:

- **Employment Law Resources** - Access to numerous human resources manuals and employment law reference manuals that address state-specific and national employment law issues.
- **Sample Employment Policies**
- **Collections of Human Resources Forms**
- **Training Options and Requirements**
- **State-Level Analysis**

In addition, AIG's legal experts will be on hand to review strategies for defending against claims and reducing claims cost.

QUESTIONS? Contact Alison Grohe (267) 702-1469 or agrohe@connerstrong.com

**MERCER COUNTY INSURANCE FUND COMMISSION
BILLS LIST**

Resolution No. 20-14

MARCH 2014

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Mercer County Insurance Fund Commission, hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission.

FUND YEAR 2014

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000008			
000008	BORDEN PERLMAN SALISBURY&KELLY	RMC FEE 03/2014	3,083.00
			3,083.00
000009			
000009	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 03/2014	12,210.67
			12,210.67
000010			
000010	THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES FEE 03/2014	2,149.58
			2,149.58
000011			
000011	INSERVCO INSURANCE SERVICES	CLAIMS ADMIN FEE 03/2014	15,833.33
			15,833.33
000012			
000012	THE PRINCETON PACKET	ACCT NO. 1024540 - 02/14/2014 - MTG SCHE	33.60
			33.60
000013			
000013	THE TRENTONIAN	811-1101944 - 02/20/14 - NOTICE	14.40
000013	THE TRENTONIAN	811-11D01944 - 12/21/13 - PUBLIC NOTICE	25.95
000013	THE TRENTONIAN	811-1101944 - 01/15/14 - PUBLIC NOTICE	69.20
			109.55
000014			
000014	THE TIMES	ACCT NO. 1153600 - 02/24/14 - PUBL NOT	11.31
000014	THE TIMES	ACCT NO. 1153600 - 02/17/14	31.32
			42.63
000015			
000015	SPARK CREATIVE GROUP LLC	WEBSITE DESIGN & LAYOUT - 03/10/14	2,200.00
000015	SPARK CREATIVE GROUP LLC	WEBSITE HOSTING FOR 2014 - 3/10/14	375.00
			2,575.00

TOTAL PAYMENTS FY 2014 36,037.36

TOTAL PAYMENTS ALL FUND YEARS \$ 36,037.36

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

RESOLUTION 21-14

**MERCER COUNTY INSURANCE FUND COMMISSION
AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

WHEREAS, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter "MCIFC") is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the MCIFC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality, and

WHEREAS, it is necessary and appropriate for the MCIFC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

WHEREAS, the MCIFC is a public agency which must comply with the Open Public Records Act (OPRA) N.J.S.A. 47: 1A-1 to -13; and

WHEREAS, the MCIFC must comply with OPRA and reported New Jersey Case Law interpreting same; and

WHEREAS, the MCIFC did hold a closed session from which the public was excluded on March 24, 2014 at which time certain items were discussed as were referenced in a separate resolution authorizing said closed session and it being determined certain liability & property claim payment information can be made public at this time; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said MERCER County Insurance Fund Commission pursuant to both the Open Public Meetings Act and the Open Public Records Act as follows:

The attached financial transaction logs generated by third party administrator Inservco Insurances Inc. for the period February 1, 2014 to February 28, 2014 and related to all non-workers compensation payments are hereby approved for distribution to the listed claimants and for disclosure to the general public

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on March 24, 2014.

ADOPTD:

ANDREW A. MAIR, CHAIRMAN

DATE

ATTEST:

ELIZABETH A. SCANNELLA, VICE CHAIRMAN

DATE

Mercer County Ins Fund Comm - 396
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
02/01/2014 Thru 02/28/2014

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amnt. Requested	Amnt. Paid
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Inservco Report Terminology

Reporting Name	Business Name	Business Description
Amount/Amt Paid	Amount Paid	Amount actually paid or received
Amount/Amt Requested	Amount Requested	Amount requested to be paid
As Of Date/To Date	Report End Date	Ending date of transactions on report; usually month end
Payment Type	Type	Types of transactions—Computer, Manual, Refund, Recovery, Stop Pay, Void
Report Begin Date	Report Begin Date	Beginning date of transactions on report; usually beginning of month or inception
Trans Date	Transaction Date	Issue date for computer issued payments and add date for all other type entries



Mercer County Ins Fund Comm - 396
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
02/01/2014 Thru 02/28/2014

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amnt. Requested	Amnt. Paid
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*There are no records that match the reporting criteria.

Mercer County Ins Fund Comm - 396
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
02/01/2014 Thru 02/28/2014

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Total for Mercer County Ins Fund Comm - 396							Number of entries: 0			



**MERCER COUNTY INSURANCE FUND COMMISSION
SAFETY DIRECTOR'S REPORT**

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: March 13, 2014

**February - April 2014
RISK CONTROL ACTIVITIES**

JIF MEETINGS ATTENDED / TRAINING PRESENTED

- **February 21:** Attended the Accident Review Panel meeting in Trenton.
- **February 24:** Attended the MCIFC meeting in Trenton.
- **February 24:** Attended the Claims Committee meeting in Trenton.
- **March 5:** Attended the internal Claims Review meeting in Trenton.

UPCOMING JIF MEETINGS / TRAINING PLANNED

- **March 24:** Plan to attend the MCIFC meeting in Trenton.
- **March 25:** Plan to attend the Accident Review Panel meeting in Trenton.
- **March 26:** Plan to attend the DOT Safety committee meeting in Ewing.
- **April 8:** Plan to attend the Claims Committee meeting in Trenton.

RESOLUTION 22-14

**MERCER COUNTY INSURANCE FUND COMMISSION
AUTHORIZING A CLOSED SESSION TO DISCUSS
PAYMENT AUTHORIZATION REQUESTS (PARS) & SETTLEMENT (SARS)
RELATED TO PENDING OR ANTICIPATED LITIGATION**

WHEREAS, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the MCIFC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality; and

WHEREAS, it is necessary and appropriate for the MCIFC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said MERCER County Insurance Fund Commission pursuant to the Open Public Meetings Act as follows:

The MCIFC shall hold a closed session from which the public shall be excluded on March 24, 2014.

The general nature of the items to be discussed at said closed session shall include the following: the appropriateness of payment of statutorily required workers’ compensation benefits, settlement authority if any or continuing defense of pending or anticipated litigation, discussion of litigation strategy, position the MCIFC will take in said litigation, strengths and weaknesses of MCIFC’s position in said litigation.

The specific litigation is identified by the claim number assigned by Inservco in its capacity as the third-party claims administrator, name of the claimant, date of loss, workers’ compensation petition number and/or court assigned docket number which is set forth in the attached list which list is also appended to the MCIFC monthly meeting agenda for March 24, 2014 which agenda has been timely posted per the Open Public Meetings Act.

The minutes of said closed session shall be made available for disclosure to the public consistent with N.J.S.A. 10:4-13 when the items which are the subject of the closed session discussions are resolved and the reasons for confidentiality as to both the MCIFC and the claimant no longer exist.

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on MARCH 24, 2014.

ADOPTED:

ANDREW A. MAIR, CHAIRMAN

DATE

ATTEST:

ELIZABETH A. SCANNELLA, VICE CHAIRMAN

DATE

PAYMENT AUTHORIZIATION REQUESTS

<u>Claim #</u>	<u>Claimant</u>	<u>Type of Claim</u>	<u>PAR/SAR</u>	<u>C.P or DO #</u>
3960000005	Mercer County - YDC Center	Property	PAR	
3960000009	Mercer County - Airport	Property	PAR	

APPENDIX I

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – FEBRUARY 24, 2014
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08650-0068
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	Absent

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 Steve Daveggia Susan Irvine
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Conner Strong & Buckelew
Michelle Leighton
Robyn Walcoff

Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden Courtney Cameron
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Attorney	Arthur R. Sypek, Jr.
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Treasurer

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

Sarah G. Crowley, Deputy County Counsel
Lillian L. Nazarro, Assistant County Counsel
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES OF FEBRUARY 24, 2014

Ms. Scannella advised she had a correction for the minutes. Ms. Scannella indicated under the 2014 MCIFC Meeting Dates there were some comments regarding posting vacation schedules; however she believed the request was for Ms. Dodd and Mr. Hrubash to receive copies of the County Holiday schedule. Ms. Scannella advised a copy of the County Holiday schedule was sent as requested.

MOTION TO APPROVE THE OPEN MINUTES OF FEBRUARY 24, 2014 AS AMENDED

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

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince advised the Safety Committee met on February 21, 2014. The Committee was working on some pedestrian issues on 640 South Broad Street including safety signs and tripping hazards at the crosswalks. Chairman Mair advised Ms. Scannella did bring that to his attention and he had contacted Building and Grounds. Mr. Mair explained there were some issues as it is the County's "Right of Way"; however, the street belonged to the City of Trenton. Chairman Mair advised they were aware of the issues and were pursuing. Mr. Prince also advised his associate, Mr. Sloane, was also addressing the issue.

CLAIMS COMMITTEE: Ms. Walcoff reported the Claims Committee met prior to the Commission meeting and discussed the Claims Committee Charter, established a Claims Committee and discussed the payment authorization level. Ms. Walcoff advised the Committee also discussed and reviewed a PAR that would be presented during closed session. Ms. Walcoff indicated the Claims Committee would meet on the second Tuesday of the month at 2:00 either in person or via teleconference. Lastly, Ms. Walcoff reported Conner Strong and Buckelew would host a Lunch and Learn with a presentation from AIG, the Employment Practices and Public Officials carrier, AIG, at their Marlton office on March 27th from 11:00 to 1:00. Ms. Walcoff advised there would be a round table discussion on EPL issues and hoped everyone could attend.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had five action items for his report.

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of January 29, 2014 to February 14, 2014. There were 6 certificate of insurances issued during this period. Ms. Scannella advised there were two certificates issued to Project of Freedom at Hamilton and one should have been voided. Ms. Dodd advised the certificate was re-issued to include the additional insured wording. Executive Director advised the report was programmed to show both the original and revised certificates. Ms. Scannella advised other than that the report was accurate. In response to Chairman Mair's inquiry, Commission Attorney advised a motion should be made for the record indicating the report was accepted.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

CLAIMS COMMITTEE: Executive Director referred to a copy of Resolution 15-14, Establishing the Claims Committee, which was included in the agenda. Executive Director advised the Resolution did not include a representative for the Mercer County Board of Social Services. In response to Chairman Mair's inquiry regarding the Board of Social Services it was agreed the Resolution should be amended to include general wording "Designated Representative" for the Board of Social Services.

MOTION TO APPROVE RESOLUTION 15-14 ESTABLISHING THE CLAIMS COMMITTEE WITH THE AMENDMENT

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

Executive Director advised he thought it would be appropriate to also approve the Claims Committee Charter. Ms. Dodd advised since she had to amend Resolution 15-14 for the BOSS representative that she would also amend the Resolution to include the Claims Committee Charter.

MOTION TO ACCEPT THE CLAIMS COMMITTEE CHARTER AS PART OF RESOLUTION 15-14

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

INSERVCO LIABILITY CLAIM CHECK REGISTER: Executive Director referred to Inservco's Liability Check Register which was included in the agenda. Executive Director explained this was a Financial Transaction Log of Liability Claims prepared by the TPA. Executive Director noted there were no payments made in January. Executive Director advised this would be a monthly report for the agenda. Executive Director indicated the same type of report was included in some of the other Commission agendas and suggested the MCIFC adopt the same procedure. Executive Director referred to a copy of a sample resolution that could be used for authorizing the disclosure of the liability check register and suggested the Commissioners adopt a procedure for the Financial Transaction Log of Liability Claim Payments. In response to Chairman Mair's inquiry, Commission Attorney advised he had no problems with the procedure but wanted to ensure the Treasurer had no objections. Chairman Mair advised he had e-mailed the Treasurer and was not aware of any objections.

MOTION TO ADOPT A PROCEDURE FOR PRESENTING THE INSERVO FINANCIAL TRANSACTION LOG OF LIABILITY CLAIM PAYMENTS

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

INSURANCE COMMISSION WEBSITES: Executive Director reported that recent legislation required Joint Insurance Funds and Insurance Commissions to have a website that must include an extensive list of public documents. Executive Director referred to a copy of Chapter 167 which was included in Appendix II of the agenda and noted page 4 referenced Joint Insurance Funds. Executive Director advised the NJCEL and one other Insurance Commissions utilized Spark Creative Group as their website vendor. Other Insurance Commissions chose to utilize their own internal IT department to create the website. Executive Director reported in preparation for this meeting he obtained a proposal from Spark Creative Group. Executive Director advised a copy of the proposal was included in the agenda and the cost for this expense could be paid out of the miscellaneous and expense contingency account. Chairman Mair advised the County would have to contract this out in lieu of using their IT department which is currently used throughout the County. Executive Director suggested Ms. Dodd send the Commissioners the link to the Camden County Insurance Commission website. In response to Commission Attorney's inquiry regarding the monthly cost, Executive Director advised generally the monthly cost is not applicable as Ms. Dodd can update the site with the monthly documents.

**MOTION TO ACCEPT THE PRICING PROPOSAL FROM SPARK
CREATIVE GROUP TO SETUP THE COMMISSION WEBSITE**

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

2014 ASSESSMENT BILLS: Executive Director reported in accordance with the Commission's By Laws the assessment bill was sent to the County via certified mail and also by e-mail. Executive Director advised the first payment was due on March 15th, the second installment due on May 15th and the third installment was due on October 15th.

ANCILLARY COVERAGES: Executive Director advised the CEL Underwriting Manager had sent Pollution, Cyber and Employed Lawyers applications to Ms. Scannella to complete. Executive Director reported he understood there was a decision not to go forward with the Employed Lawyers coverage. Ms. Scannella advised they would explore Cyber and Pollution coverage and she would complete those applications. Executive Director advised this was the first year Cyber coverage was offered at the CEL level and believed at least six entities had already decided to purchase this coverage. Executive Director also noted if there were affiliated entities shared the County's IT system only one policy would be required and those member entities would be named on the master policy.

POL/EPL – Terrorism Coverage: Executive Director advised in response to an inquiry by Ms. Scannella, the Camden, Gloucester, Union, Cumberland and Salem Insurance Commissions purchased the TRIA coverage under the POL/EPL policy. Executive Director pointed out that Burlington and Hudson did not purchase POL/EPL policies through the ancillary program. In response to Ms. Scannella's inquiry regarding the need for TRIA, Ms. Walcott advised this subject was discussed internally at her office and some potential sources of public officials' liability TRIA claims would include granting or denying franchises, permits or licenses. Ms. Walcott explained if you granted a permit or license to someone and they used the facility for terroristic activities that is a cause for liability. Other examples would include improper training or supervision of employees, termination of public services or the continuance of a public service that becomes a drain on the tax payers, and improper treatment of suspects and criminals. Mr. Borden pointed out that also the actions of the Governing Body after a terrorist act. Mr. Borden explained if there were an

emergency the County would be making decisions and using County resources. Mr. Borden noted the POL coverage is like their D&O coverage, it is the professional liability of their decision makers. Ms. Walcoff also mentioned other examples included failure to protect public trust, including failure to properly insure, and keeping silent about improper conduct of fellow officials. After a brief discussion it was agreed the TRIA coverage should be purchased for an annual cost of \$895.00. Ms. Walcoff noted the TRIA coverage was scheduled to expire on December 31, 2014 unless Congress decided to extend the coverage.

2014 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES: Executive Director reported the CEL 2014 excess policies would be available electronically through a Conner Strong & Bucklew secure website. Executive Director explained Ms. Dodd would work with Ms. Scannella to obtain a list of County representatives who should have access to the website. Executive Director advised the CEL Underwriting Manager was reviewing the policy and an e-mail would be sent to the authorized users when the site was available and login instructions.

EMPLOYEE DISHONESTY CRIME POLICY: Executive Director advised the Joint Insurance Funds in New Jersey are required by law to carry an employee dishonesty crime policy on their Executive Director, Third Party Administrator and Treasurer. Executive Director indicated it was not necessary for an Insurance Commission; however, thought it was prudent for the Mercer County Insurance Fund Commission to consider purchasing this coverage. Executive Director advised the CEL JIF and its members purchased this coverage with Selective Insurance Company. Executive Director suggested the Commission obtain a quote with a limit of \$1,000,000 and a \$10,000 per occurrence deductible which is what the other Insurance Commissions currently purchase.. In response to Executive Director's inquiry, Ms. Dodd estimated the premium to be \$1,100. Executive Director indicated the premium cost could be taken out of the miscellaneous & contingency expense account. In response to Chairman Mair's inquiry, Executive Director advised the policy would be for the Commission not the County. Also in response to Chairman Mair's inquiry regarding a motion, Commission Attorney advised it was not necessary at this time however, a motion would be required if a decision was made to purchase the policy. In response to Mr. Borden's inquiry, Executive Director advised they would contact Selective to see if the policy could concur with the other Commission policies or possibly have a short term policy issued to expire on 1/1/15. Executive Director also advised he would inquiry about a three year policy and noted the policy would be a named position policy.

NOTICE FOR EXECUTIVE SESSION: Executive Director referred to a copy of the notice that was advertised in the Commission's newspapers for the February Executive Session which was included in the agenda. Executive Director asked if anyone had any comments or revisions. Commission Attorney advised he reviewed the notice and had one minor change. Commission Attorney suggested revising the wording to "at 10:30 AM or soon thereafter as it may be heard". In response to Ms. Scannella's inquiry, Commission Attorney advised it was not necessary to list the claimant or individual. Commission Attorney noted there were nine exemptions under the Open Public Meeting Act and indicated the purpose is to discuss pending or actual litigation and strategies. In response to Chairman's Mair inquiry regarding specificity, Commission Attorney thought all you needed was the notice to the public that there was going to be a closed session based on litigation and is clearly an exemption under the Open Public Meetings Act. Ms. Scannella commented that the case for closed session was not in litigation yet. After a brief discussion Commission Attorney and Ms. Crowley thought using general litigation matters would be fine. Ms. Crowley advised she would research the matter further and make a recommendation. Ms. Walcoff suggested using the word "anticipated litigation". Executive Director noted his office would send a revised notice to the Commission Attorney and Ms. Crowley for their approval.

RESOLUTION FOR CLOSED SESSION: Executive Director reported that included in the agenda was Resolution 17-14 and asked that the Commission consider using this resolution to authorize a Closed Session to discuss Payment Authorization Requests and or Settlement Requests for closed sessions. Commission Attorney noted the captioned of the resolution referred to Pending or Anticipated Litigation which was just discussed. In response to Chairman Mair's inquiry regarding any action, Executive Director advised a motion could be made to approve the Resolution going forward. Chairman Mair advised the records would reflect the approval of the Resolution for future closed sessions.

REPORTING PROCEDURES FOR NEW CLAIMS: Executive Director reported this item was already addressed during the Claims Committee meeting prior to the Commission meeting.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Executive Director advised the February Bill List, Resolution 16-14, in the amount of \$1,365,652.98 was included in the agenda. Executive Director advised the Bill List was sent to Mr. Miller in advance of the meeting and he was not aware of any objections. Chairman Mair advised he was not aware of any either. Ms. Scannella indicated she did have some questions prior to the meeting; however, Mr. Hrubash sufficiently answered her inquiries. In response to Ms. Scannella's inquiry regarding the Princeton Packet and the Times, Ms. Dodd confirmed those expenses were already incurred. Chairman Mair made a motion to approve the bill list and Commission Attorney advised the motion should include subject to Mr. Miller signing the certification.

**MOTION TO APPROVE RESOLUTION 16 - 14 IN THE AMOUNT OF
\$1,365,652.98 SUBJECT TO THE TREASURER'S EXECUTION**

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

ATTORNEY: Commission Attorney advised he did not have anything to discuss at this time.

CLAIMS SERVICE: Ms. Stout advised she had nothing to report at this time. In response to Ms. Scannella's inquiry about the TD checks, Ms. Stout advised her office received the information from the bank and their IT department was configuring the checks to pass the bank's specifications. Ms. Stout advised this should be completed in about a week.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the February - March Risk Control Activity Report which was included in the agenda. Mr. Prince introduced Mr. Dave McHale who would discuss some of the action items they were working on. Mr. McHale reported at the last meeting Mr. Prince discussed the S: ERVE Emergency Responder Driver Training, a free online training course being rolled out. Mr. Prince had noted that program included a Distracted Driving Module. Mr. McHale advised during that discussion a question was raised if the Distracted Driving Module piece could be offered as a stand alone program. Mr. McHale advised the answer was yes, and he was waiting for the vendor to make some changes to the program to allow for this. Once the changes were completed the program would be rolled out as a stand alone course for Non First Responder departments such as the T.R.A.D.E. Mr. McHale also noted he would work with the County to determine a resource available to assist the County with HIPPA training. Chairman Mair advised Ms. Wadsworth of his office would be in touch with Mr. McHale.

RISK MANAGER CONSULTANT: Mr. Borden advised his office had some meetings with Ms. Walcoff regarding the claims procedure and they would take a more robust seat with regard to EPL/POL and Medical Malpractice claims as they did in the past. Mr. Borden also indicated he forgot to mention on the employee dishonesty coverage since business was already being conducted to make sure it was on a data discovery rather than occurrence basis. In response to Mr. Borden's inquiry, Executive Director advised the CEL Underwriting Manager was reviewing the policies and they should be posted to the site shortly. Mr. Borden advised he would review the policies with Ms. Scannella and would reach out to the Executive Director with any issues.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Ms. Scannella reported she received an e-mail in the morning from Missy Williamson with respect to dam coverage commenting there was no physical damage for the dams. She asked if any of the Professionals had any comments as to whether the coverage was necessary. Ms. Scannella advised there were five dams that the County inspected per their engineering department. Executive Director asked if the County owned the dams and Ms. Scannella advised she thought they inspected and maintained. It was thought the County did not own the dams. Executive Director advised the e-mail was in respect to ownership of the dams and suggested if they did not own dams to write back Ms. Williamson and advise the County did not own the dams. It was recommended by the Chairman that the ownership of the dams should be confirmed with the County's Engineering Department. Executive Director advised if it was determined the County owned the dams, Ms. Williamson was looking for the last inspection date and if there was no major issues in the report adding the dams for physical damage was likely. However, the Executive Director noted that the property program does not provide flood coverage for dams.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

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

Seeing not 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:	2 Ayes, 0 Nays

CLOSED SESSION: RESOLUTION 17-14, 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 17-14 FOR EXECUTIVE
SESSION**

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

MOTION TO RETURN TO OPEN SESSION

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

**MOTION TO APPROVE CLAIM # 3960000033 IN THE AMOUNT OF
\$89,100 AS REQUESTED BY INSERVCO**

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

Executive Director advised he was working on a draft copy of the Plan of Risk Management and once he completed the plan he would forward to Ms. Scannella for her review.

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:09 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary

APPENDIX II

RESOLUTION NO. 18-14

Mercer County Insurance Fund Commission (hereinafter the "Insurance Commission")

BE IT RESOLVED by the Insurance Commission's governing body that effective 1/1/14 the 2014 Plan of Risk Management shall be:

- 1.) The perils or liability to be insured against.
 - a.) The Insurance Commission insures the following perils or liability:
 - Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
 - General Liability including Law Enforcement Liability and Employee Benefits Liability.
 - Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
 - Property, Auto Physical Damage and Boiler & Machinery.
 - b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).
 - Excess Workers' Compensation including employers liability
 - Excess General Liability including law enforcement liability
 - Excess Auto Liability
 - Excess Property including Boiler and Machinery
 - Public Officials Liability/School Board Legal/EPL
 - Crime
 - Pollution Liability
 - Medical Professional and General Liability

2.) The limits of coverage.

a.) Workers' Compensation limits.

- The Insurance Commission covers \$250,000 per occurrence including:
 - Employer's Liability - \$250,000 per occurrence.
 - USL&H – \$250,000 per occurrence.
 - Harbor Marine/Jones Act - \$250,000 per occurrence.
- The NJC covers excess workers compensation claims to the following limits.
 - Workers' Compensation – Statutory excess of the Insurance Commission's \$250,000.
 - Employer's Liability - at a sub-limit of \$25,750,000 excess of the Insurance Commission's \$250,000.
 - USL&H – \$250,000 less NJ State benefits excess of the Insurance Commission's \$250,000.
 - Harbor Marine/Jones Act - \$250,000 less NJ State benefits excess of the Insurance Commission's \$250,000.

NJC retains limits of \$250,000 excess \$250,000 for Workers Compensation and Employers Liability. NJC purchases from Underwriters at Lloyds \$500,000 excess \$500,000 each occurrence/employee and purchases from Safety National Casualty Company 'Statutory' Workers Compensation limits excess of \$1,000,000 and \$5,000,000 excess of \$1,000,000 for Employers Liability. Additional Employers Liability limits of \$10,000,000 excess of \$6,000,000 are purchased from Underwriters at Lloyds, \$10,000,000 excess \$16,000,000 from National Casualty.

b.) General Liability limits.

- The Insurance Commission covers \$250,000 per occurrence.
 - Law Enforcement - included in the General Liability limits.
 - Employee Benefits Liability - included in the General Liability limits.
 - Subsidence - \$250,000 per occurrence

- Sexual Abuse or Molestation Coverage - \$250,000 per occurrence except for schools.
- Owned Watercraft 32' in length or less - \$250,000.
- Garagekeepers Legal Liability - \$250,000
- The NJC covers excess liability claims as follows:
 - General Liability - \$20,250,000 excess the Insurance Commission's \$250,000. The \$10,000,000 excess \$500,000 commercial excess layer is subject to a \$20,000,000 per member insurance commission 12 month aggregate limit (1/1/14-1/1/15). The \$10,000,000 excess \$10,000,000 commercial excess layer is subject to a \$10,000,000 annual aggregate limit (1/1/14-1/1/15).
 - Law Enforcement - included in the NJC's excess General Liability limits.
 - Employee Benefits Liability - included in the NJC's excess General Liability limits.
 - Subsidence - \$750,000 per occurrence excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.
 - Sexual Abuse or Molestation Coverage - \$750,000 excess of the Insurance Commission's \$250,000 except for schools. NJC retains 100% of the limit excess of the Member Commission's retention.
 - Owned Watercraft 32' in length or less - \$750,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.
 - Garagekeepers Legal Liability - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$10,000,000 per occurrence and a \$20,000,000 12 month aggregate (1/1/14-1/1/15) excess over and above \$500,000. NJC also purchases from National Casualty limits of \$10,000,000 per

occurrence and a \$10,000,000 annual aggregate (1/1/14-1/1/15) excess over and above the \$10,000,000/\$20,000,000 with Underwriters at Lloyds.

c.) Automobile Liability limits.

- The Insurance Commission covers automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of \$250,000.
 - The Insurance Commission covers \$250,000 for Personal Injury Protection (PIP) per Addendum I of this Plan.
 - The Insurance Commission covers \$15,000/\$30,000/5,000 for Underinsured/Uninsured Motorists Liability per Addendum II of this Plan.
- The NJC covers excess automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims excess of the Insurance Commission's \$250,000 CSL limit. Included in the NJC's excess General Liability limits as shown above.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$10,000,000 per occurrence and a \$20,000,000 12 month aggregate (1/1/14-1/1/15) excess over and above \$500,000. NJC also purchases from National Casualty limits of \$10,000,000 per occurrence and a \$10,000,000 annual aggregate (1/1/14-1/1/15) excess over and above the \$10,000,000/\$20,000,000 with Underwriters at Lloyds.

The NJC does not provide excess PIP OR Uninsured/Underinsured Motorist Coverage.

The excess general liability, auto liability, law enforcement liability and employers liability limits with Underwriters at Lloyds and National Casualty are per member Commission and are shared limits amongst MCIFC member entities.

d.) Public Officials Liability/School Board Legal/Employment Practices Liability

- The NJC via the commercial market covers public officials liability/school board legal liability/employment practices liability as follows:

- \$10,000,000 each claim and in the annual aggregate on a claims made basis per Insurance Commission subject to the deductibles as outlined below:
- Mercer County - \$100,000 each POL & \$250,000 EPL
- Mercer County BOSS - \$100,000 each POL & \$250,000 EPL

NJC does not retain any risk as it is fully insured in the commercial market.

e.) Property/Equipment Breakdown

Property Limits/Sub-limits

- The Insurance Commission covers \$100,000 per occurrence less applicable member entity per occurrence deductibles.
- The NJC provides excess property coverage and Equipment Breakdown coverage via the commercial market with Zurich and excess property coverage with RSUI (60%) and Scottsdale (40%) quota share basis with the following limits (*SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES*) excess of the member retention and member entity per occurrence deductibles:

Property Per Occurrence Limits:

- A. \$110,000,000 Per Occurrence with Zurich
- B. \$150,000,000 Per Occurrence with RSUI (60%) and Scottsdale (40%)
- C. \$260,000,000 per Occurrence Total Program Limit

Property Sub-Limits:

- Earthquake - \$100,000,000 (Annual Aggregate)
- Flood - \$50,000,000 (Annual Aggregate) Except;
 - Flood Inside 100-Year Flood Zone - \$25,000,000
- Asbestos Cleanup - \$50,000 per occurrence
- Valuable Paper And Records - \$10,000,000
- Accounts Receivable - \$10,000,000
- Demolition & Increased Cost of Construction -\$25,000,000
- Business Interruption -Included in \$110,000,000 blanket limit (Business Income On Revenue Producing Property Only)
- Extra Expense – \$10,000,000
- Transit- \$1,000,000 Per Conveyance/\$1,000,000 Per Occurrence
- Fine Arts - \$2,500,000 (Owned And Non Owned)

- Pollution And Contamination Cleanup (Limited) - \$250,000 (Annual Aggregate)
- Miscellaneous Unnamed Locations - \$10,000,000
- Builders' Risk - \$25,000,000 (the lesser of \$1,000,000 sublimit or 60 days for soft costs, subject to applicable deductible per cause of loss and 24 hour qualifying period)
- Newly Acquired Locations – \$25,000,000 per location (90 day reporting period)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage Including Overhead Transmission Lines within 1 mile of insured premises, 24 hour qualifying period)
- Ingress/Egress – Lesser of \$5,000,000 or 30 day period, within 1 mile radius
- Debris Removal -\$25,000,000
- Civil Government Authority – Lesser of \$5,000,000 or 30 day period, within 5 mile radius
- Leasehold Interest - \$15,000,000
- Loss Of Rents - \$15,000,000
- Professional Fees - \$1,250,000
- Extended Period of Liability – 365 Days
- Auto Physical Damage - \$15,000,000
- Underground Piping - \$5,000,000 (only if within 5 MILES of a pump station, process plant, metering pit, wells or similar operational locations which are owned, leased, used occupied or intended for use by the member entity).
- EDP Equipment – Subject to a 24 hour qualifying period. No sub-limit for equipment. \$1,000,000 sublimit for data and software
- Outdoor Property - \$10,000,000
- Equipment Breakdown - \$100,000,000
 - Ammonia Contamination - \$5,000,000
 - Spoilage - \$5,000,000
 - Extended Period Of Indemnity - 365 Days

Note: There is an Excess Property Policy with RSUI Indemnity Company and Scottsdale Insurance Company on a quota share basis which extends the Per Occurrence Policy Limits by \$150,000,000 to a total of \$260,000,000. Coverage sub-limits on the Primary policy are excluded by the Excess Property policy, including Equipment Breakdown. The primary limit is \$110,000,000

Property Deductibles

- The standard member insurance commission retention is \$100,000 per occurrence less member entity per occurrence deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).

- Mercer County - \$25,000 Property and \$25,000 Auto Physical Damage
- The Equipment Breakdown deductible is \$25,000 member entity deductible per occurrence.
- The Earthquake Member Insurance Commission retention is \$100,000 per occurrence less the per occurrence member entity deductibles.
- The Flood Member Insurance Commission retention is \$100,000 per occurrence (combined property damage and time element) less member entity per occurrence deductibles.
- Flood loss for property within the 100-year flood zone is subject to a deductible of \$500,000 each building for municipality buildings, and \$500,000 each building for building contents member entity deductible per occurrence; or the National Flood Insurance Plan's (NFIP) maximum available limits for public entities, whichever is greater, regardless of whether National Flood Insurance program coverage is purchased or not. Losses shall also be adjusted subject to a \$100,000 per occurrence Insurance Commission deductible for pumping stations, pistol ranges, vehicles and mobile equipment less the applicable member entity deductible.
- "Named Storm as respects to covered property in Atlantic, Ocean, Monmouth and Burlington Counties located east of the Garden State Parkway and any covered property in Cape May County" For Property Damage: subject to a deductible of 1% of the value, per the Valuation clause of the General Conditions section, of the property insured as of the date of loss, for the Location where the direct physical loss or damage occurred, per occurrence; For Time Element: 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence. Combined PD and TE deductible subject to a minimum deductible of \$250,000 per Location and a maximum deductible of \$1,000,000 per occurrence. The "Named Storm" deductible is a per member entity deductible. Note: The Mercer County Insurance Fund Commission provides coverage for the difference in deductible for "insured property" resulting from "insured perils" (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA less the member entity deductible. The MercerCounty Insurance Commission will not provide coverage for the difference in deductible for time element loss.

Named Storm is defined as any storm or weather disturbance that is named by the U.S. National Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center or any comparable worldwide equivalent.. Location is defined as a building(s) bounded on all sides by public streets, clear land space or open waterways, each not less than 50 feet wide, a site or tract of land occupied or available for occupancy with tangible property. If the Named Storm involves covered property within the 100-year flood zone, the 100-year flood zone deductible above applies.

- Underground Piping \$100,000 per occurrence less the member entity deductibles as stated above.
- Golf Carts - \$25,000

NJC does not retain any risk as it is fully insured in the commercial market.

f.) Crime

The NJC via the commercial market provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):

Limit per occurrence:

- Mercer County – \$1,000,000

Deductible per occurrence:

- Mercer County – \$25,000

NJC does not retain any risk as it is fully insured in the commercial market.

g.) Pollution Liability

The NJC via the commercial market offers pollution liability coverage program that MCIFC does not currently participate.

h.) Medical Professional General Liability/Excess Medical Professional

The NJC via the commercial market provides medical professional general liability/excess medical professional coverage at the following limits and deductibles (the Insurance Commission retains no risk for medical professional general liability):

- Limit per claim/annual aggregate: \$1,000,000/\$3,000,000
 - This primary aggregate limit is shared by each member entity of each NJC member Commission.
- Excess Limit annual aggregate:

- The NJC via the commercial market offers excess general liability/medical professional liability coverage program that MCIFC does not currently participate.

- Member Entity Deductibles GL and PL:
 - Mercer County (Medical Reserves Corp) – \$2,500
 - MCIFC Scheduled Physicians - \$5,000
 - D. Shah -MC
 - R. Ahmadr - MC

NJC does not retain any risk as it is fully insured in the commercial market.

i.) Employed Lawyers Professional Liability

- The NJC via the commercial market offers employed lawyers professional liability coverage program that MCIFC does not currently participate.

J.) Cyber Liability – Network Privacy & Security Liability effective 1/1/14

- The NJC via the commercial market offers cyber liability coverage program that MCIFC does not currently participate.

NOTICE: The above description is a general overview of the coverage and limits provided by the Insurance Commission. The actual terms and conditions are defined in the individual policy documents and this Risk Management Plan. All issues and/or conflicts shall be decided upon by the individual policy documents.

3.) The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage).

- a.) Workers' Compensation (all coverages) - \$250,000 CSL
- b.) General Liability (all coverages) - \$250,000 CSL
- c.) Law Enforcement Liability – Included in General Liability
- d.) Automobile Liability

- Property Damage & Bodily Injury - \$250,000 CSL
- Underinsured/Uninsured - \$15,000/\$30,000/\$5,000 CSL
- Personal Injury Protection - \$250,000 CSL

d.) Public Officials Liability/School Board Legal/Employment Practices Liability - None

- e.) Property/APD - \$100,000 per occurrence less member entity deductibles.
- f.) Crime – None
- g.) Pollution Liability – None
- h.) Medical Professional General Liability – None
- i.) Employed Lawyers Liability – None
- j.) Cyber Liability - None

4.) The amount of unpaid claims to be established.

a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Insurance Commission expects the claims servicing company to set reserves at 85% accuracy. The Insurance Commission also establishes reserves recommended by the Insurance Commission's Actuary for claims that have been incurred but not yet reported so that the Insurance Commission has adequate reserves to pay all claims and allocated loss adjusted expense liability.

b.) Claims reserves are subject to regular review by the Insurance Commission's Executive Director/Administrator, Attorney, Board of Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Insurance Commission either directly or through the NJC JIF.

5.) The method of assessing contributions to be paid by each member of the Insurance Commission.

a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Insurance Commission year by line of coverage and for each prior Insurance Commission year. The Actuary includes all budget items in these computations. The annual assessment of each participating member entity is its pro rata share of the probable net cost of the upcoming Insurance Commission year for each line of coverage as computed by the Actuary.

b.) The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Insurance Commission's Governing Body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Insurance Commission wide average increase plus a percentage selected by the Governing Body. The total amount of each member's annual assessment is certified by majority vote of the Insurance Commission's Governing Body at least one (1) month prior to the beginning of the next fiscal year.

c.) The Treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust Insurance Commission account by Insurance Commission year for each type of coverage in which the member participates.

d.) If a member entity becomes a member of the Insurance Commission or elects to participate in a line of coverage after the start of the Insurance Commission year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.

e.) The Insurance Commission's Governing Body may by majority vote levy upon the participating member entities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.

f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Insurance Commission fail to assess funds required to meet its obligations, the Chairman, or in the event by his or her failure to do so, the custodian of the Insurance Commission's assets, shall notify the Commissioner of Banking and Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Insurance Commission's Governing Body.

6.) Procedures governing loss adjustment and legal expenses.

a.) The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office, as well as the claims department of the NJC's three major excess insurers (i.e. Underwriters at Lloyds, National Casualty for excess liability; Underwriters at Lloyds and Safety National Casualty Company for workers' compensation). Every three years, the NJC's internal auditors also conduct an audit.

b.) Each member entity is provided with a claim reporting procedure and appropriate forms.

c.) In order to control workers' compensation medical costs, the Insurance Commission has engaged a managed care organization (CSG) component *through a contract* whose procedures are integrated into the Insurance Commission's claims process.

d.) To provide for quality defense and control costs, the Insurance Commission has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.

7.) Coverage to be purchased from a commercial insurer, if any.

The Insurance Commission does not purchase commercial insurance.

8.) Reinsurance to be purchased.

The Insurance Commission does not purchase reinsurance.

9.) Procedures for the closure of Insurance Commission years, including the maintenance of all relevant accounting records.

a.) Not applicable at this time.

10.) Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

a.) The general approach in estimating the loss reserves of the Insurance Commission is to project ultimate losses for each Insurance Commission year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Insurance Commission Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or Insurance Commission funding requirement.

b.) The following is an overview of the two actuarial methods used to project the ultimate losses.

- Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
- Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

11.) The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

- \$20,000 for workers compensation claims
- \$7,500 for liability claims
- With the advance approval of the Insurance Commission Attorney or Executive Director, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled Insurance Commission meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this 24th day of March 2014.

Mercer County Insurance Fund Commission

By: _____
Chairperson

Attest:

Secretary

ADDENDUM I

2014 Risk Management Plan
Addendum #1
NEW JERSEY PERSONAL INJURY PROTECTION

With respects to coverage provided by this Addendum, the provisions of Policy CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum for a covered **auto** licensed or principally garaged in, or **garage operations** conducted in, New Jersey

This Addendum is effective 1/1/2014.

MEDICAL EXPENSE BENEFITS DEDUCTIBLE

The medical expense benefits are subject to a deductible of \$250 per **occurrence**.

Medical expense benefits applicable to:

A. The **named insured** and, if the **named insured** is an individual, any **family members** will be subject to a deductible of \$250 per **occurrence**.

B. insured **persons** other than the **named insured** and, if the **named insured** is an individual, any **family members** shall be subject to a separate deductible of \$250 per **occurrence**.

MEDICAL EXPENSE BENEFITS CO-PAYMENT

Medical expense benefits are subject to a co-payment of 20% per **occurrence** for amounts payable between the applicable deductible and \$5,000.

☐

DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSES OPTION

All Personal Injury Protection benefits other than medical expense benefits are deleted with respect to the **named insured** and, if the **named insured** is an individual, any **family members**, when indicated to the left. Refer to the Deletion Of Benefits Other Than Medical Expenses Provision.

☐

MEDICAL EXPENSE BENEFITS-AS-SECONDARY OPTION

If the **named insured** is an individual, medical expense benefits with respect to the **named insured** and **family members**, are secondary to the health benefits plans under which the **named insured** and **family members** are insured, when indicated to the left.

A. Coverage

1. **Personal Injury Protection**

We will pay personal injury protection benefits for **bodily injury** sustained by an **eligible injured person** or an **insured person** caused by an **occurrence** occurring during the Policy period within the United States of America, its territories or possessions or Canada and arising out of the ownership, maintenance or use, including loading or unloading, or a **private passenger auto** as an auto.

These Personal Injury Protection Benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **\$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitation and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medication and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvements to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an **identified injury**. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. **Income Continuation Benefits**

An amount not exceeding a limit of \$100 per week and a total limit of \$5,200 payable for the loss of income of an **income producer** during his or her lifetime, as a result of **bodily injury** disability, not to exceed net **income** normally earned during the period in which benefits are payable.

c. **Essential Services Benefits**

An amount not exceeding a limit of \$12 per day and a total limit of \$4,380 payable to an **eligible injured person** as reimbursement for payments made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. **Death Benefits**

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

- (1) If the **eligible injured person** was an **income producer** at the time of the **occurrence**, an amount equal to the difference between \$5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;
- (2) If the **eligible injured person** ordinarily performed essential services for the care and maintenance of himself or herself, his or her family or family household, an amount equal to the difference between \$4,380 and all basic essential services benefits paid with respect to his or her injury prior to death.

e. **Funeral Expense Benefits**

An amount not exceeding \$1,000 of reasonable funeral, burial and cremation expenses incurred.

2. **Pedestrian Personal Injury Protection**

This coverage applies to **pedestrians** and only to **occurrences** which occur during the Policy period in New Jersey. With respect to an **insured motor vehicle** as described for this Coverage, Pedestrian Personal Injury Protection Coverage is the only Personal Injury Protection Coverage for that vehicle.

We will pay pedestrian personal injury protection benefits to an **eligible injured person**. These Pedestrian Personal Injury Protection benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **\$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitative and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medical and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvement to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an

identified injury. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. **Income Continuation Benefits**

An amount not exceeding a limit of \$100 per week and a total limit of \$5,200 payable for the loss of income of an **income producer** during his or her lifetime, as a result of **bodily injury** disability; not to exceed net **income** normally earned during the period in which benefits are payable.

c. **Essential Services Benefits**

An amount not exceeding a limit of \$12 per day and a total limit of \$4,380 payable to an **eligible injured person** as reimbursement for payment made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. **Death Benefits**

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

- (1) If the **eligible injured person** was an **income producer** at the time the **occurrence**, an amount equal to the difference between \$5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;
- (2) If the **eligible injured person** ordinarily performed essential services for the care and maintenance of himself or herself, his or her family or family household, an amount equal to the difference between \$4,380 and all basic essential services benefits paid with respect to his or her injury prior to death.

e. **Funeral Expense Benefits**

An amount not exceeding \$1,000 for reasonable funeral, burial cremation expenses incurred.

B. **Exclusions**

1. **Personal Injury Protection**

We will not pay Personal Injury Protection benefits for **bodily injury**:

- a. To a person whose conduct contributed to the **bodily injury** in any of the following ways:
 - (1) While committing a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer; or
 - (2) While acting with specific intent to cause injury or damage to himself or herself or others;
- b. To any person who, at the time of the **occurrence**, was the owner or registrant of a **private passenger auto** registered or principally garaged in New Jersey that was being operated without Personal Injury Protection Coverage;
- c. To any person who is not occupying a covered **auto**, other than the **named insured** or any **family member** or a resident of New Jersey, if the **occurrence** occurs outside of New Jersey;
- d. Arising out of the ownership, maintenance or use, including loading or unloading, of any vehicle while located for use as a residence or premises other than for transitory recreational purposes;
- e. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or CONDITION incident to any of the foregoing;
- f. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material;
- g. To any person, other than the **named insured** or any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** or **family member** under the terms of any other Policy with respect to such coverage;
- h. To any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** under the terms of another Policy; or
- i. To any person operating or occupying a **private passenger auto** without the permission of the owner or the **named insured** under the Policy insuring that **auto**.
- j. To any person who is convicted of, or pleads guilty to:
 - (1) Operating a motor vehicle; or
 - (2) Allowing another person to operate a motor vehicle owned by that **insured** or in that **insureds** care, custody or control;

while the **insured** or that other person:

- (1) Is under the influence of intoxicating liquor or a narcotic, hallucinogenic or habit-producing drug; or
- (2) Is later found to have a blood alcohol concentration by weight of alcohol in excess of the legal limit of the jurisdiction where the violation occurred.

- k. To any person who refused to submit to a chemical test after being arrested for operating a motor vehicle while under the influence of intoxicating liquor or a narcotic hallucinogenic or habit-producing drug.
- l. For the following diagnostic tests:
 - (1) Brain mapping;
 - (2) Iridology;
 - (3) Mandibular tracking and simulation;
 - (4) Reflexology;
 - (5) Spinal diagnostic ultrasound;
 - (6) Surface electromyography (surface EMG);
 - (7) Surrogate arm mentoring; or
 - (8) Any other diagnostic test that is determined to be ineligible for coverage under Personal Injury Protection Coverage by New Jersey law or regulation.

2. Pedestrian Personal Injury Protection

The EXCLUSIONS that apply to Personal Injury Protection also apply to Pedestrian Personal Injury Protection, except EXCLUSIONS b. and c., which do not apply to Pedestrian Personal Injury Protection Coverage.

C. Limit Of Insurance

- 1. Any amount payable by **us** as Personal Injury Protection benefits for **bodily injury** shall be reduced by:
 - a. All amounts paid, payable or required to be provided under any workers' compensation or employees' temporary disability law.
 - b. Medicare provided under federal law.
 - c. Benefits actually collected that are provided under federal law to active and/or retired military personnel.
- 2. Any amount payable by **us** as medical expense benefits will be limited by medical fee schedules, as promulgated by the New Jersey Department of Banking and Insurance for specific injuries or services.
- 3. Any amount payable for medical expense benefits as the result of any one **occurrence** shall be:
 - a. Reduced by the applicable deductible of \$500; and
 - b. Subject to the co-payment of 20% for the amount between the applicable deductible and \$5,000.
- 4. The applicable limit of income continuation benefits applies separately to each

full, regular and customary work week of an **eligible injured person**. If this disability from work or employment consists of or includes only a part of such a week, **we** shall be liable for only that proportion of such weekly limit that the number of days lost from work or employment during the partial week bears to the number of days in his or her full work week.

5. If the Addendum indicates that the **named insured** has elected the Medical Expense Benefits As Secondary option, the following provisions apply to medical expense benefits:

a. **Priority Of Benefits**

- (1) The health benefits plans under which the **named insured** and any **family member** are insured shall provide primary coverage for **allowable expenses** incurred by the **named insured** and any **family member** before any medical expense benefits are paid by **us**.
- (2) This insurance shall provide secondary coverage for the medical expense benefits for **allowable expenses**, which remained uncovered.
- (3) The total benefits paid by the health benefits plans and this insurance shall not exceed the total amount of **allowable expenses**.

b. **Determination Of Medical Expense Benefits Payable**

- (1) To calculate the amount of **actual benefits** to be paid by **us**, **we** will first determine the amount of **eligible expenses** which would have been paid by **us**, after application of the deductible and co-payment indicated in this Addendum had the **named insured** not elected the Medical Expense Benefits As Secondary Coverage option.
- (2) If the remaining **allowable expenses** are:
 - (a) Less than the benefits calculated in Paragraph (1) above, **we** will pay **actual benefits** equal to the remaining **allowable expenses**, without reducing the remaining **allowable expenses** by the deductible or co-payment.
 - (b) Greater than the benefits calculated in Paragraph (1) above, **we** will pay **actual benefits** equal to the benefits calculated in Paragraph 1 above, without reducing the remaining **allowable expenses** by the deductible or co-

payment.

- (3) **We** will not reduce the **actual benefits** determined in Paragraph 2.:
 - (a) By any deductibles or co-payments of the health benefits plans which have provided primary coverage for medical expense benefits; or
 - (b) For any **allowable expense** remaining uncovered which otherwise would not be an **eligible expense** under Personal Injury Protection Coverage, except as set forth in Paragraph (4) below.
- (4) In determining remaining uncovered **allowable expenses**, **we** shall not consider any amount for items of expense which exceed the dollar or percent amounts recognized by the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance.
- (5) The total amount of medical expense benefits for the **named insured** or any **family member** per **occurrence** shall not exceed the maximum amount payable for medical expense benefits under this Policy.

c. **Health Benefits Plan Ineligibility**

- (1) If, after the **named insured** has elected the Medical Expense Benefits As Secondary Coverage option, it is determined that the **named insured** or any **family member** did not have a health benefits plan in effect at the time an **occurrence** occurred which resulted in **bodily injury** to the **named insured** or any **family member**, medical expense benefits shall be provided to the **named insured** or any **family member**, subject to the following:
 - (a) Only Paragraph 1. of the Limit Of Insurance Provision will apply with respect to medical expense benefits.
 - (b) Any amount payable for medical expense benefits for the **named insured** and any **family member** as a result of any one **occurrence** shall;
 - (1) Be reduced by a deductible equal to the sum of \$750 plus the \$500 deductible indicated in this Addendum; and
 - (2) Be subject to a co-payment of 20% for amounts less than \$5,000 after the deductible has been applied.
 - (3) Be determined:
 - (i) By the medical fee schedules promulgated

- by the New Jersey Department of Insurance; or
- (ii) By us, on a reasonable basis, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, if an item or expense is not included on the medical fee schedules.
- (4) Not exceed the maximum amount payable for medical expense benefits under this Policy.
- (2) All items of medical expense incurred by the **named insured** or any **family member** for the treatment of **bodily injury** shall be **eligible expenses** to the extent the treatment or procedure from which the expenses arose:
 - (a) Is recognized on the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance; or
 - (b) Are reasonable expenses in accordance with Section 4 of the New Jersey Reparation Reform Act.
- (3) **We** shall be entitled to recover the difference between:
 - (a) The reduced premium paid under this Policy for the Medical Expense Benefits As Secondary option; and
 - (b) The premium which would have been paid under this Policy had the **named insured** not elected such option.

We will not provide any premium reduction for the Medical Expense Benefits As Secondary option for the remainder of the Policy period.

- 6. The limit of insurance shown in this Addendum for weekly income continuation benefits shall be prorated for any period of **bodily injury** disability less than one week.

D. Changes in Conditions

All conditions stated in Policy #CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 applies, however:

- 1. The **Duties In The Event Of Occurrence**, Condition is amended by the addition of the following:
 - a. If an **eligible injured person, insured person** or the legal representative or survivors of either institutes legal action to recover damages for injury

against a person or organization who is or may be liable in tort there for, he or she must promptly give **us** a copy of the summons and complaint or other process served in connection with the legal action.

- b. The **eligible injured person, insured person** or someone on their behalf must promptly give us written proof of claim including:
 - (1) Full particulars of the nature and extent of the **bodily injury**; and
 - (2) Such other information that will help us determine the amount due and payable.
- c. The **eligible injured person** or **insured person** must submit to physical examination by physicians when and as often as **we** reasonably require and a copy of the medical report will be forwarded to such **eligible injured person** or **insured person** if requested.

2. The following Conditions are added:

a. **Reimbursement And Trust**

Subject to any applicable limitations set forth in the New Jersey Automobile Reparation Reform Act, if **we** make any payment to any **eligible injured person** or **insured person** under this coverage and that person recovers from another party, he or she shall hold the proceeds in trust for **us** and pay **us** back the amount **we** have paid. **We** will have a lien against such payment, and may give notice of the lien to the person or organization causing **bodily injury**, his or her agent or insurer or a court having jurisdiction in the matter.

b. **Payment Of Personal Injury Protection Benefits**

- (1) Medical expense benefits and essential services benefits may be paid at our option to the **eligible injured person, insured person** or the person or organization furnishing the products or services for which such benefits are due. These benefits shall not be assignable except to providers of service benefits. Any such assignment is not enforceable unless the provider of service benefits agrees to be subject to the requirements of our Decision Point Review Plan. In the event of the death of an **eligible injured person** or **insured person** any amounts payable, but unpaid prior to death, for medical expense benefits are payable to the **eligible injured person's** or **insured person's** estate.
- (2) Benefits payable under Paragraph A.2.d.(1) of the description of death benefits are payable to the **eligible injured person's** surviving spouse, or if there is no surviving spouse, to his or her surviving children, or if there is not a surviving spouse or any surviving children, to the **eligible injured person's** estate.
- (3) Benefits payable under Paragraph A.1.d.(2) of the description of

death benefits are payable to the person who has incurred the expense of providing essential services.

- (4) Funeral expense benefits are payable to the **eligible injured person's** or **insured person's** estate.

c. **Deletion Of Benefits Other Than Medical Expenses Option**

When the Addendum indicates that the Deletion Of Benefits Other Than Medical Expenses Option applies, **we** will pay personal injury protection benefits consisting only of medical expense benefits for the **named insured** and **family members**.

d. **Employee Benefits Reimbursement**

If the **eligible injured person** or **insured person** fails to apply for workers' compensation benefits or employees' temporary disability benefits for which that person is eligible, **we** may immediately apply to the provider of these benefits for reimbursement of any personal injury protection benefits that **we** have paid.

e. **Proof of Health Benefits Plan Coverage**

If the **named insured** has elected the Medical Expense Benefits As Secondary option, the **named insured** shall provide proof that the **named insured** and **family members** are insured by health insurance coverage or benefits in a manner and to an extent approved by the New Jersey Department of Banking and Insurance.

f. **Special Requirements For Medical Expenses**

(1) **Care Paths For Identified Injuries (Medical Protocols)**

- (a) The New Jersey Department of Banking and Insurance has established by regulation the standard courses of medically necessary diagnosis and treatment for **identified injuries**. These courses of diagnosis and treatments are known as care paths.

The care paths do not apply to treatment administered during **emergency care**.

- (b) Upon notification to use of a **bodily injury** covered under this Policy, **we** will advise the **insured** of the care path requirements established by the New Jersey Department of Banking and Insurance.
- (c) Where the care paths indicate a decision point, further treatment or the administration of a diagnostic test is subject to our Decision Point Review Plan.

A decision point means the juncture in treatment where a determination must be made about the continuation or choice of further treatment of an **identified injury**.

(2) **Coverage For Diagnostic Tests**

- (a) In addition to the care path requirements for an **identified injury**, the administration of any of the following diagnostic tests is also subject to the requirements of our Decision Point Review Plan:
- (i) Brain audio evoked potential (BAEP);
 - (ii) Brain evoked potential (BEP);
 - (iii) Computer assisted tomographic studies (CT, CAT Scan);
 - (iv) Dynatron/cyber station/cybex;
 - (v) Electroencephalogram (EEG);
 - (vi) H-reflex Study;
 - (vii) Magnetic resonance imaging (MRI);
 - (viii) Needle electromyography (needle EMG);
 - (ix) Nerve conduction velocity (NCV);
 - (x) Somasensory evoked potential (SSEP);
 - (xi) Sonogram/ultrasound;
 - (xii) Videofluoroscopy;
 - (xiii) Visual evoked potential (VEP); or
 - (xiv) Any other diagnostic test that is subject to the requirements of our Decision Point Review Plan by New Jersey law or regulation.
- (b) The diagnostic tests listed under Paragraph (2)(a) must be administered in accordance with New Jersey Department of Banking and Insurance regulations which set forth the requirements for the use of diagnostic tests in evaluating injuries sustained in **auto accidents**.

However, those requirements do not apply to diagnostic tests administered during **emergency care**.

- (c) **We** will pay for other diagnostic tests that are:
- (i) Not subject to our Decision Point Review Plan; and
 - (ii) Not specifically excluded under EXCLUSION 1.I.;

only if administered in accordance with the criteria for medical expenses as provided in this ENDORSEMENT.

(3) **Decision Point Review Plan**

- (a) Coverage for certain medical expenses under this

Addendum is subject to our Decision Point Review Plan, which provides appropriate notice and procedural requirements that must be adhered to in accordance with New Jersey law or regulation. **We** will provide a copy of this plan upon request, or in the event of any claim for medical expenses under this coverage.

- (b) Our Decision Point Review Plan includes the following minimum requirements as prescribed by New Jersey law or regulation:
 - (i) The requirements of the Decision Point Review Plan only apply after the tenth day following the **occurrence**.
 - (ii) **We** must be provided prior notice as indicated in our plan, with appropriate **clinically supported** findings, that additional treatment for an **identified injury** or the administration of a diagnostic test listed under Paragraph (2)(a) is required.

The notice and **clinically supported** findings may include a comprehensive treatment plan for additional treatment.

- (c) Once **we** receive such notice with the appropriate **clinically supported** findings, **we** will, in accordance with our plan:
 - (i) Promptly review the notice and supporting materials; and
 - (ii) If required as part of our review, request any additional medical records or schedule a physical examination.
- (d) **We** will then determine and notify the **eligible injured person** or the **insured person** whether **we** will provide coverage for the additional treatment or diagnostic test as indicated in our plan. Any determination **we** make will be based on the determination of a **health care provider**.
- (e) Any physical examination of an **eligible injured person** or **insured person** scheduled by **us** will be conducted in accordance with our plan.
- (f) A penalty will be imposed in accordance with **our** plan if:
 - (i) **We** do not receive proper notice and **clinically supported** findings;
 - (ii) **We** are not provided medical records if requested by **us**; or
 - (iii) Any **eligible injured person** or **insured person**

fails to appear for the physical examination if required by **us**.

g. **Dispute Resolution**

If **we** and any person seeking Personal Injury Protection Coverage do not agree as to the recovery of Personal Injury Protection Coverage under this Addendum, then the matter may be submitted to dispute resolution, or the initiative of any party to the dispute, in accordance with New Jersey law or regulation.

Any request for dispute resolution may include a request for review by a medical review organization.

3. The following Condition is added for **Personal Injury Protection** and **Pedestrian Personal Injury Protection**:

COORDINATION AND NON-DUPLICATION

- a. Regardless of the number of **autos** insured for basic personal injury protection coverage pursuant to Section 4 of the New Jersey Automobile Reparation Reform Act or the number of insurers or policies providing such coverage, there shall be no duplication of payment of basis personal injury protection benefits and the aggregate maximum amount payable under this and all applicable policies with respect to **bodily injury** to any one person as the result of any one **occurrence** shall not exceed the applicable amounts or limits specified in Section 4 of said Act.
- b. If an **eligible injured person** under this coverage is also an **eligible injured person** under other complying policies, the insurer paying benefits to such person shall be entitled to recover from each of the other insurers an equitable pro rata is the proportion that the insurer's liability bears to the total of all applicable limits. Complying Policy means a Policy of automobile liability insurance maintained pursuant to the requirements of Section 3 of the New Jersey Automobile Reparation Reform Act and providing basic personal injury protection coverage as approved by the Commissioner of Insurance.

4. The following Condition is added for **Personal Injury Protection**:

MEDICAL PAYMENTS DELETION

In consideration of the Coverage provided for Personal Injury Protection and in Paragraphs A.1. and A.2. of this Addendum, and the adjustment of applicable rates because of **bodily injury** to an **eligible injured person**, any auto medical payments coverage provided under the coverage part is deleted with respect to an **auto** which is a covered **auto**.

E. Definitions

The **Definitions** Section is amended as follows:

1. The definition of **bodily injury** is replaced by the following:

Bodily injury means bodily harm, sickness or disease, including an **identified injury** or death that results.

2. The following definitions are added for **Personal Injury Protection**, and **Pedestrian Personal Injury Protection**:

- a. **Actual benefits** means those benefits determined to be payable for **allowable expenses**.
- b. **Allowable expense** means a medical necessary, reasonable and customary item of expense covered as benefits by the **named insured's** or **family member's** health benefits plan or personal injury protection benefits as an **eligible expense**, at least in part. When benefits provided are in the form of services, the reasonable monetary value of each such service shall be considered as both an **allowable expense** and a paid benefit.
- c. **Clinically supported** means that a **health care provider**, prior to selecting, performing or ordering the administration of a treatment or diagnostics test, has:
 - (1) Physically examined the **eligible injured person** or **insured person** to ensure that the proper medical indications exist to justify ordering the treatment or test;
 - (2) Made an assessment of any current and/or historical subjective complaints, observations, objective findings, neurologic indications, and physical tests;
 - (3) Considered any and all previously performed tests that relate to the injury and the results and which are relevant to the proposed treatment or test; and
 - (4) Recorded and documented these observations, positive and negative findings and conclusions on the **insureds** medical records.
- d. **Eligible expense** means:
 - (1) In the care of health benefits plans, that portion of the medical expenses incurred for the treatment of **bodily injury** which is

covered under the terms and CONDITIONS of the plan, without application of the deductible(s) and co-payment(s), if any.

- (2) In the case of personal injury protection benefits, that portion of the medical expenses incurred for the treatment of **bodily injury** which, without considering any deductible and co-payment, shall not exceed:

(a) The percent or dollar amounts specified on the medical fee schedules, or the actual billed expense, whichever is less; or

(b) The reasonable amount, as determined by us, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, when an incurred medical expense is not included on the medical fee schedules.

- e. **Emergency care** means all treatment of a **bodily injury** which manifests itself by acute symptoms of sufficient severity such that absence of immediately attention could reasonably be expected to result in death, serious impairment to bodily functions or serious dysfunction to a bodily organ or part. Such emergency care shall include all medical necessary care immediately following an **occurrence**, including but not limited to, immediate pre-hospitalization care, transportation to a hospital or trauma center, emergency room care, surgery, critical and acute care. Emergency care extends during the period of initial hospitalization until the patient is discharged from acute care by the attending physician. Emergency care shall be presumed when medical care is initiated at a hospital within 120 hours of the **occurrence**.

- f. **Family member** means a person related to the **named insured** by blood, marriage or adoption (including a ward or foster child) who is a resident of the same household as the **named insured**.

- g. **Health care provider** means those persons licensed or certified to perform health care treatment or services compensable as medical expenses and shall include, but not be limited to:

(1) Hospital or healthcare facilities that are maintained by a State or any of its political subdivisions or licensed by the Department of Health and Senior Services.

(2) Other hospitals or health care facilities designated by the Department of Health and Senior Services to provide health care

- services, or other facilities, including facilities for radiology and diagnostic testing, free-standing emergency clinics or offices, and private treatment centers;
- (3) A non-profit voluntary visiting nurse organization providing health care services other than in a hospital;
 - (4) Hospitals or other health care facilities or treatment centers located in other states or nations;
 - (5) Physicians licensed to practice medicine and surgery;
 - (6) Licensed chiropractors, dentists, optometrists, pharmacists, chiropodists (Podiatrists), psychologists, physical therapists, health maintenance organizations, orthotists and prosthetists, professional nurses occupational therapists, speech language pathologists, audiologists, physician assistants, physical therapists assistants and occupational therapy assistants;
 - (7) Registered bio-analytical laboratories;
 - (8) Certified nurse-midwives and nurse practitioners/clinical nurse-specialists; or
 - (9) Providers of other health care services or supplies including durable medical goods.
- h. **Identify injury** means the following **bodily injuries** for which the New Jersey Department of Banking and Insurance has established standard courses of medically necessary diagnosis and treatment;
- (1) Cervical Spine: Soft Tissue Injury;
 - (2) Cervical Spine: Herniated Disc/Radiculopathy;
 - (3) Thoracic Spine: Soft Tissue Injury;
 - (4) Thoracic Spine: Herniated Disc/Radiculopathy;
 - (5) Lumbar-Sacral Spine: Soft Tissue Injury;
 - (6) Lumbar-Sacral Spine: Herniated disc/Radiculopathy; and
 - (7) Any other **bodily injury** for which the New Jersey Department of Banking and Insurance has established standard courses of appropriate diagnosis and treatment.
- i. **Income** means salary, wages, tips commissions, fees and other earnings derived from work or employment.
- j. **Income producer** means a person who, at the time of the **occurrence**, was in an occupational status, earning or producing income.
- k. **Named insured** means the person or organization named in General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of

Policy #CP0513640, if an individual, includes his or her spouse if the spouse is a resident of the household of the **named insured**, except that if the spouse ceases to be a resident of the same household, the spouse shall be a **named insured** for the full term of the Policy in effect at the time of cessation of residency. If the covered **auto** is owned by a farm family co-partnership or corporation, the term **named insured** also includes the head of the household of each family designated in the Policy as having a working interest in the farm.

- l. **Pedestrian** means any person who is not occupying, using, entering into, or alighting from a vehicle propelled by other than muscular power and designed primarily for use on highways, rails and tracks.
- m. **Private passenger auto** means a self-propelled vehicle designed for use principally on public roads and which is one of the following types:
 - (1) A private passenger or station wagon type auto;
 - (2) A van, a pickup or panel truck or delivery sedan; or
 - (3) A utility auto designed for personal use as a camper or motor home or for family recreational purposes

A **private passenger auto** does not include:

- (a) A motorcycle;
- (b) An auto used as a public or livery conveyance for passengers;
- (c) A pickup or panel truck, delivery sedan or utility auto customarily used in the occupation, profession or business of an **insured** other than farming or ranching; or
- (d) A utility auto customarily used for the transportation of passengers other than members of the user's family or their guests.

- 3. The following definition is added to the **Definitions** Section for **Personal Injury Protection**:

Eligible injured person means:

- a. The **named insured** and, if the **named insured** is an individual, any **family member**, if the **named insured** or the **family member** sustains **bodily injury**:
 - (1) As a result of any **occurrence** while occupying, using, entering into or alighting from a **private passenger auto**, or

- (2) While a **pedestrian**, caused by a **private passenger auto** or by an object propelled by or from a **private passenger auto**.
 - b. Any other person who sustains **bodily injury**:
 - (1) While, with **your** permission, that person is occupying, using, entering into or alighting from the covered **auto**; or
 - (2) While a **pedestrian**, caused by the covered **auto** or as a result of being struck by an object propelled by or from the covered **auto**.
4. The following are added to the **Definitions** Section for **Pedestrian Personal Injury Protection**:
- a. **Eligible injured person** means:
A person who sustains **bodily injury** while a **pedestrian**, caused by an **Insured motor vehicle** or as a result of being struck by an object propelled by or from the **insured motor vehicle**.
 - b. **Insured motor vehicle** means a self-propelled motor vehicle designed for use principally on public roads, which is not a **private passenger auto** and to which the liability coverage of this Coverage Form applies.

ADDENDUM II

2014 Risk Management Plan
Addendum #2
New Jersey Uninsured Motorists Coverage

With respects to coverage provided by this Addendum, the provisions of Policy #CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum.

This Addendum is effective _____, **2014.**

Limit of Insurance:

Bodily Injury: \$15,000 per person

\$30,000 per accident

Property Damage: \$ 5,000 per accident

A. Coverage

1. **We** will pay all sums the insured is legally entitled to recover as compensatory damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from bodily injury sustained by the insured, or **property damage** caused by an accident. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an **uninsured motor vehicle**.
2. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

B. Who is An Insured

If the Named Insured is designated in the General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #CP0513640 as:

1. An individual, then the following are insured:
 - i. The Named Insured and any family members.
 - ii. Anyone else **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
 - iii. Anyone for damages he or she is entitled to recovery because of bodily injury sustained by another insured.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are insureds:
 - i. Anyone **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
 - ii. Anyone for damages he or she is entitled to recover because of bodily injury sustained by another insured.

C. Exclusions

This insurance does not apply to any of the following:

1. With respect to an **uninsured motor vehicle**, any claim settled without our consent.
2. Damages for pain, suffering and inconvenience resulting from bodily injury caused by an accident involving an **uninsured motor vehicle** unless the injured person has a legal right to recover damages for such pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act. The injured person's legal right to recover damages for pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act will be determined by the liability tort limitation, if any, applicable to that person.
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
4. The direct or indirect benefit of any insurer of property.
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
6. **Property damage** for which the Insured had been or is entitled to be compensated by other property or physical damage insurance.
7. The first \$500 of the amount of **property damage** to the property of each insured as the result of any one accident.
8. **Property damage** caused by a hit-and-run vehicle.
9. Punitive or exemplary damages.

10. Bodily injury or **property damage** sustained by an Insured who is an owner of a motor vehicle:
 - i. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation; or
 - ii. Required to be insured in accordance with New Jersey law or regulation, but not insured for this coverage or any similar coverage.

However, this exclusion does not apply to an individual Named Insured, and such Named Insured's spouse, unless the individual Named Insured or such Named Insured's spouse are **occupying**, at the time of an accident, a motor vehicle described in Subparagraph a. or b. under Item B Who is An Insured.

D. Limit of Insurance

1. Regardless of the number of covered autos, insureds, premiums paid, claims made or vehicles involved in the accident, the Limit of Insurance shown in this Addendum for Uninsured Motorists Coverage is the most we will pay for all damages resulting from any one accident with an **uninsured motor vehicle**.
 - i. However, subject to our maximum limit of Insurance for this coverage, if:
 1. An insured is not the individual named insured under this Coverage;
 2. That Insured is an individual named insured under one or more other policies providing similar coverage; and
 3. All such other policies have a limit of insurance for similar coverage which is less than the Limit of Insurance for this coverage; then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage from or policy providing coverage to that insured as an individual named insured.
 - ii. However, subject to our maximum Limit of Insurance for this coverage, if:
 1. An insured is not the individual named insured under this Addendum or any other policy;
 2. That insured is insured as a **family member** under one or more other policies providing similar coverage; and
 3. All such other policies have a limit of insurance for similar coverage which is less than the Limit of Insurance for this coverage;

Then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage form or policy provide coverage to that Insured as a **family member**.

2. With respect to damages resulting from an accident involving an **uninsured motor vehicle**, **we** will not make a duplicate payment under this Coverage for any element of loss for which payment has been made by or for anyone who is legally responsible.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this Addendum and any Liability Coverage Form or Endorsement within Policy #CP0513640.

We will not pay for element of loss if a person is entitled to receive payment for the same elements of loss under any personal injury protect benefits.

E. Conditions

All "Other Insurance" Conditions stated in Policy #CP0513640 are deleted in their entirety and replaced with the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

1. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage on either a primary or excess basis. However, if an Insured is:
 - i. An individual named insured under one or more policies providing similar coverage; and
 - ii. Not **occupying** a vehicle owned by that individual named insured;

then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage to that insured as an individual named insured.

However, if an insured is:

- i. Insured as a family member under one or more policies providing similar coverage;
and
- ii. Not an individual named insured under this or any other Policy;

then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or Policy provided coverage to that insured as a **family member**.

2. Any insurance provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured motorist's insurance providing coverage on a primary basis.
3. If the coverage under this Addendum is provided:
 - i. On a primary basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - ii. On an excess basis, **we** will pay **only** our share of the loss that must be paid under insurance providing coverage on an excess basis. **Our** share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

F. Duties In The Event of Accident

All provisions as stated in Policy #CP0513640 and the following:

1. Promptly notify the policy if a hit-and-run driver is involved; and
2. Promptly send **us** copies of the legal papers if a suit is brought.

G. Transfer of Rights of Recovery Against Others To Us

If **we** make any payment and the insured recovers from another party, the insured shall hold the proceeds in trust for us and pay us back the amount we have paid.

H. Arbitration

1. If **we** and an insured disagree whether the insured is legally entitled to recover damages from the owner or driver of an uninsured motor vehicle or do not agree as to the amount of damages that are recoverable by that insured, then the matter may be arbitrated. However, disputes concerning coverage under this Addendum may not be arbitrated. Either party may make a written demand for arbitration. In this event each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expense it incurs and bear the expenses of the third arbitrator equally.
2. Unless both parties agree otherwise, arbitration will take place in the county in which the insured lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

G. Additional Definitions

1. **Family member** means a person related to an individual Named Insured by blood, marriage, or adoption who is a resident of such Named Insured's household, including a ward or foster child.
2. **Insured/we/us/our** means Mercer County Insurance Fund Commission
- Occupying** means in, upon, getting in, on, or out off.
3. **Property damage** means damage to a covered auto, or to any property of an insured while contained in a covered auto.
4. **Uninsured motor vehicle** means a land motor vehicles or trailer:
 - i. For which no liability bond or policy applies as the time of an accident;
 - ii. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
 - iii. That, with respect to damages for bodily injury only, is as hit-and-run vehicle whose operator or owner cannot be indentified and that hits, or causes an accident resulting in bodily injury without hitting:
 1. An individual Named Insured or any family member;
 2. A vehicle that the Named Insured or any family member, if the Named Insured is an individual, and occupying; or
 3. a covered auto.

However, uninsured motor vehicle does not include any vehicle:

- i. Owned by or furnished or available for the regular use of the Named Insured or any family member, if the Named Insured is an individual;
- ii. Owned or operated by a self –insured under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- iii. Owned by any government unit or agency;
- iv. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation;
- v. Operated on rails or crawler treads;
- vi. Designed for use mainly off public roads while not on public roads;
- vii. Whiled located for use as a residence or premises.

