

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – NOVEMBER 24, 2014
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:30 AM**

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

ROLL CALL OF COMMISSIONERS:

Andrew A. Mair	Present
Raissa Walker	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Debbie Stout
	Conner Strong & Buckelew Robyn Walcoff
Managed Care Services	First MCO Thea Isabella
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	Paul Adezio
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince Dave McHale Barry Sloane

ALSO PRESENT:

Megan Clark, Mercer County
Alma Ortiz, Mercer County Improvement Authority
Susan Schaefer, Susan Schaefer, LLC
Ed Scioli, Conner Strong & Buckelew
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF OCTOBER 27, 2014

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF OCTOBER 27, 2014

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

CORRESPONDENCE: Executive Director referred to a copy of a letter from Staci L. Ulp of Inservco Insurance Services which was included in the agenda advising Debbie Stout was retiring effective December 31, 2014. Executive Director advised Terry Sheerin would be the Claims Service Office Manager for the Inservco New Jersey office. Executive Director and Chairman Mair wished Ms. Stout good luck.

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Sloane reported the Safety Committee last met on September 23rd and he would set up another date with Ms. Clark.

CLAIMS COMMITTEE: Ms. Walcoff reported the Claims Committee did not meet as there were no new PARS. Ms. Walcoff advised during closed session Inservco would update the Commission on some of the current claims. Ms. Walcoff indicated with Liz Scannella’s departure the Claims Committee Charter should be revised and she would present the revised charter at the next meeting.

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

2015 PROPERTY AND CASUALTY BUDGET INTRODUCTION: Executive Director referred to a copy of the 2015 Property and Casualty Budget which was included in the agenda. Executive Director advised the first six lines of the budget were the loss funds which were developed the by Actuary who has projected a 2% over 2014. The loss funds represent 6% of the total budget. Executive Director advised line 9 of the budget represents the premiums paid to the NJ CEL an increase of 1.87% over 2014. Executive Director indicated line 9 represents 27% of the budget. Executive Director reviewed the expense portion of the budget as well and advised the expenses represent 8% of the budget. Executive Director referred to the Ancillary Coverage portion of the budget and explained that the Commission and the CEL do not retain any risk and is insured through the commercial market. Executive Director indicated the CEL Underwriting

Manager estimated a not to exceed 5% increase for those lines of insurance applicable to MCIC. Executive Director noted there was a new line for the Excess Flood. Executive Director explained currently the CEL purchased \$25 million of flood in a flood zone with an annual aggregate of \$50 million. With the addition of Ocean County during 2014 and with Atlantic County joining as of January 1, 2015 the CEL Underwriting Manager was directed to explore the purchase of higher limits. Executive Director advised the Ancillary Coverage represented 4% of the budget. Executive Director advised the total amount of the budget was \$7,833,212. Executive Director asked if anyone had any questions regarding the budget and requested a motion to introduce the budget and schedule a Public Hearing on December 22, 2014.

MOTION TO INTRODUCE THE 2015 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$7,833,212 AND SCHEDULE A PUBLIC HEARING ON DECEMBER 22, 2014 AT THE MERCER COUNTY MCDADE BUILDING, 640 S. BROAD STREET, TRENTON, NJ AT 10:30 AM

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

Executive Director advised the assessments would be provided at the Public Hearing. Chairman Mair noted the narrative did not include MCBOSS or the Park Commission who were separate legal entities. Executive Director advised he would check on the names.

AMENDMENT TO THE PLAN OF RISK MANAGEMENT: Chairman Mair commented he did not see the cyber coverage listed on page 9 of the agenda. Executive Director advised the cyber coverage was not purchased yet and indicated the CEL Underwriting Manager was working on a quote for this coverage. Executive Director advised there was a few revisions to the Risk Management Plan and indicated the agenda included the applicable pages of the revisions. Executive Director advised the plan was revised to clarify coverage for underground piping was not covered and owned watercraft.

MOTION TO AMEND THE PLAN OF RISK MANAGEMENT, RESOLUTION 44-14

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

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of October 21, 2014 to November 16, 2014. There were three (3) certificate of insurances issued during this period. Executive Director noted the report was revised to include the information which appeared on the second page of the certificates at the request of Chairman Mair.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL held a teleconference on November 21, 2014 and adopted the 2015 budget in the amount of \$ 19,964,592. Executive Director also noted a resolution authorizing the renewal and purchase of the ancillary and excess insurances was approved.

MERCER COUNTY INSURANCE FUND COMMISSION PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director advised the August and September Financial Fast Tracks were not available as PERMA had not received the claim bank statements for the month of August and September.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the Financial Fast Track for the NJ CEL for the month of September. As of September 30, 2014 the CEL had a surplus of \$5,147,421.

Executive Director asked Ms. Walcoff to schedule a Kick Off meeting to provide an overview of the insurance program for Ms. Clarke in her new role as County Risk Manager.

Executive Director advised his office was working with Mr. Adezio regarding the RFP for the Auditor for 2014. Mr. Adezio advised he was working with the County's purchasing department. After a brief discussion it was agreed the County would issue the RFP for the Commission's auditor for 2014.

In response to the Executive Director's inquiry regarding the status of the cyber application, Ms. Dodd advised Ms. Williamson did have the application and she was waiting for a quote from the carrier. Mr. Borden also confirmed he was waiting for the quote.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Chairman Mair advised the November Bill List, Resolution 45-14, was included in the agenda.

MOTION TO APPROVE RESOLUTION 45-14, NOVEMBER BILL LIST

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

ATTORNEY: Mr. Adezio advised he did not have anything to report.

CLAIMS SERVICE: Ms. Stout reported in response to Mr. Sypek's inquiry made at the last meeting she did check with her IT Department and advised Inservco could produce a report showing open claims where the incident was not witnessed. Ms. Stout indicated the report could be produced monthly, quarterly or semi annually. Ms. Stout noted the report would the claim number, name, date of injury and a brief description. Ms. Stout recommended producing the report on a monthly basis in order to capture all of the open claims. Ms. Walcoff also suggested a repeater list. Ms. Stout advised the repeater report is already a scheduled report. Executive Director

recommended this information be passed over to the Claims Committee to review and to discuss with Mr. Sypek to determine if this was the information he was seeking. Ms. Stout advised the non-witness accident report was not been programmed yet as she wanted to ensure this was the information being requested, however a draft excel spreadsheet was created. Executive Director asked that the spreadsheet be sent to Ms. Walcoff to discuss with Mr. Sypek.

Executive Director advised Resolution 46-14, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of October 1, 2014 to October 31, 2014.

MOTION TO APPROVE RESOLUTION 46-14 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER

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

MANAGED CARE: Executive Director introduced Thea Isabella of First MCO and advised she would review the Managed Care Report which was included in the agenda. Ms. Isabella reported for the month of October provider bills were received in the amount of \$45,354 and First MCO repriced the bills to \$28,859 for a savings of \$16,495 or 31%. Ms. Isabella advised the PPO penetration was 83%. In response to Chairman’s Mair inquiry, Ms. Isabella advised the PPO penetration should be in the high 80% range. A brief discussion took place on ways to increase the PPO penetration.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the October – December Risk Control Activity Report which was included in the agenda. Mr. Sloane advised he conducted an ergonomic review of an employee’s work station at the Mercer County Board of Social Services. Mr. Sloane reviewed his report and his recommendations.

RISK MANAGER CONSULTANT: Mr. Borden advised he did not have anything to report.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Chairman Mair reported Liz Scannella left the County. In response to Executive Director’s inquiry Chairman Mair advised the Freeholders would appoint a new Commissioner at the next available meeting.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

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

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

MOTION TO CLOSE MEETING TO THE PUBLIC

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

CLOSED SESSION: RESOLUTION 47-14, 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 47-14 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:14 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary