

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

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

ROLL CALL OF COMMISSIONERS:

Andrew A. Mair	Present
Elizabeth A. Scannella	Present
Raissa Walker	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Terry Sheerin
	Conner Strong & Buckelew Robyn Walcoff
Managed Care Services	First MCO Thomas Mooney
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	Arthur J. Sypek, Jr. Paul Adezio
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Alma Ortiz, Mercer County Improvement Authority
Susan Schaefer, Susan Schaefer, LLC
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF AUGUST 25, 2014 AND
CLOSED MINUTES OF JULY 28, 2014**

MOTION TO APPROVE THE OPEN MINUTES OF AUGUST 25, 2014

Moved: Commissioner Scannella
Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

MOTION TO APPROVE THE CLOSED MINUTES OF AUGUST 25, 2014

Moved: Commissioner Scannella
Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

MOTION TO APPROVE THE CLOSED MINUTES OF JULY 28, 2014

Moved: Commissioner Scannella
Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

Chairman Mair noted at the last meeting Mr. Borden had requested that the First MCO report include a column for the net savings. Ms. Dodd advised she was in contact with First MCO about the request and was told that they could amend the report; however, their IT department would not be able to format the new report until next month. Executive Director advised Mr. Tom Mooney of First MCO was in attendance to review the savings report in detail for the Commission.

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on September 23rd and he would discuss the safety related items during his report. Chairman Mair advised you should be aware of the fact that some of the collective bargaining agreements allow for participation of the unions in the safety committee, however not too many actively pursue those rights. Commissioner Scannella indicated the DOT does have a safety committee with union participation and Chairman Mair advised he thought the Prosecutor's office had a seat on the Safety Committee.

CLAIMS COMMITTEE: Ms. Walcoff reported the Claims Committee met prior to the Commission today. Ms. Walcoff advised at the last Commission meeting it was agreed that the future Claims Committee meetings would be held in person. Ms. Walcoff noted at the recent

meeting it was agreed that if there were three or less claims to discuss, the meeting would most likely be held prior to Commission meeting with the time to be determined depending on the number of PARS to be discussed. Ms. Walcoff advised if there were four or more claims the committee would meet in person on the regularly scheduled meeting date which was Tuesday afternoons. Ms. Walcoff indicated the committee discussed one claim this morning which would be presented during the closed session portion of the meeting. Ms. Walcoff also reminded the Commission the third annual Claims Committee Best Practice Workshop would be held at the Conner Strong and Buckelew office on October 7th and hoped that some of the Mercer County representatives could attend. Ms. Walcoff referred to a copy of the agenda for the workshop which was included in the Executive Director's portion of the agenda.

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

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of August 19, 2014 to September 22, 2014. There were three (3) certificate of insurances issued during this period. Commissioner Scannella advised the report agreed with her records.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Commissioner Scannella
Second:	Commissioner Walker
Vote:	3 Ayes, 0 Nays

NJ EXCESS COUNTIES INSURANCE FUND: Executive Director reported the CEL met on September 25, 2014 and a summary report of the meeting was included in the agenda. Executive Director advised at that meeting the Board of Commissioners scheduled a meeting on October 23, 2014 at 1:00 to introduce the 2015 budget and another meeting on November 20th to adopt the budget. Executive Director advised the 2013 audit was also approved. Executive Director also noted the Underwriting Manager advised the carriers were requiring 10 years of loss data information and he would not be able to negotiate the renewal premiums without the completed applications and updated exposure information. Executive Director advised the fund was negotiating eleven Cyber Liability policies for the renewal and encouraged that all of the members purchase this coverage. Executive Director also noted the CEL would explore additional flood aggregates and the more mature Insurance Commission such as Camden & Gloucester might take on higher retentions for worker compensation.

MERCER COUNTY INSURANCE FUND COMMISSION PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director referred to the Mercer County Insurance Fund Commission Financial Fast Track as of July 31, 2014 which was included in the agenda. Executive Director advised the Commission had a surplus of \$383,063. Executive Director indicated the Commission gained an additional surplus of \$214,738. Executive Director noted line 8 of the report, "Investment in Joint Venture" was Mercer County Insurance Fund Commission's share of equity in the CEL which was \$142,263.

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 July. As of July 31, 2014 the CEL had a surplus of \$4,842,732.

2014 PROPERTY & CASUALTY ASSESSMENTS DUE OCTOBER 15, 2014: Executive Director reported the final assessment for 2014 was due on October 15, 2014.

2015 RENEWAL APPLICATIONS & UPDATED EXPOSURE: Executive Director advised he previously spoke about the 2014 renewal applications and indicated the completed information applications were needed to formulate the 2015 CEL budget.

2015 PROPERTY & CASUALTY BUDGET PROCESS: Executive Director suggested the 2015 property and casualty budget be introduced at the November Commission meeting and adopted at the December meeting. Executive Director advised the claims fund projection was being reviewed by the actuary and the CEL Underwriting Manager was in the process of negotiating and developing the insurance and excess insurance renewals. Executive Director advised the balance of the budget were the expenses which could be based on the current contract amounts of upon some other basis determined by the Commission with an agreed inflationary increase.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP: Executive Director advised Ms. Walcoff spoke about the workshop during the Claims Committee report.

WORKERS' COMPENSATION MANAGE CARE VENDOR – FIRST MCO: Executive Director advised he would ask Mr. Mooney of First MCO to review the Medical Savings by Month report during the claims section of the meeting.

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 September Bill List, Resolution 38-14 was included in the agenda.

MOTION TO APPROVE RESOLUTION 38 -14, SEPTEMBER BILL LIST

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

ATTORNEY: Mr. Sypek advised he did not have any issues since the last meeting.

CLAIMS SERVICE:

Executive Director advised Resolution 39-14, Disclosure of Liability Claims Check Register was included in the agenda along with a copy of the check register for the period of August 1, 2014 to August 31, 2014.

MOTION TO APPROVE RESOLUTION 39-14 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

Moved:	Commissioner Scannella
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Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

MANAGED CARE: Mr. Mooney referred to a copy of the Medical Savings report which was included in the agenda. Mr. Mooney advised he understood there was a suggestion to include the net savings figure in the report. Mr. Mooney indicated the next report would include an additional column for this figure. Mr. Mooney reviewed each column of the report. Mr. Mooney advised for the month of August the amount of bills received from the providers was \$47,881 and his office was able to re-price those bills to \$35,351. Mr. Mooney advised the Usual & Customary Fee Schedule represented the fee that providers usually charge for the same or similar service. Mr. Mooney advised the savings for August was \$224,105 or 42%. Mr. Mooney indicated PPO penetration was 83% and represented bills which were received in First MCO's contracted network. Mr. Mooney noted there were five appeals for the month of August and indicated they were most likely for an out-of-network provider. Mr. Mooney advised he would like to do an assessment of the account to be sure the Commission was receiving the best possible savings and also to review the out of network providers. Mr. Mooney advised that concluded his report unless anyone had any further questions.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the August – October Risk Control Activity Report which was included in the agenda. Mr. Prince advised his office conducted some loss control visits during August and September. Mr. Prince noted he spoke with Commissioner Scannella and Barry Sloane and determined the tracking sheets should be used to track and monitor the suggestions for improvement. Chairman Mair expressed his compliments to Mr. Prince regarding the loss control efforts with respect to the inspections along with training and advised the County would not have this benefit if it was not for the Commission. Mr. Prince advised he would send copies of the tracking reports to Commission. Mr. Sypek expressed some concern regarding the increased claims at the airport. Mr. Sypek indicated there was now an extraordinarily high volume of customers due to the Frontier Airlines. A discussion ensued on what steps could be taken to avoid future claims. Mr. Prince advised he would visit the site and make some recommendations to minimize the hazards. Commissioner Walker recommended the department director be involved as well as management. Mr. Sypek recommended scheduling a meeting to coincide when a plane lands with the appropriate individuals and legal to walk Mr. Prince around.

RISK MANAGER CONSULTANT: Mr. Borden inquired if the actuary would work on the figures to amend the self insured retention. Executive Director advised he was waiting to see what action the CEL took. Executive Director advised if you took more loss at the lower level the cost would go down and then attach to the CEL at a higher level. Executive Director also mentioned this would only apply to worker compensation coverage.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: In response to Commissioner Scannella's inquiry, Ms. Dodd advised she was still working on drafting the RFP for the auditor.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

Moved: Commissioner Scannella
Second: Commission Walker
Vote: 3 Ayes, 0 Nays

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

MOTION TO CLOSE MEETING TO THE PUBLIC

Moved: Commissioner Scannella
Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

CLOSED SESSION: RESOLUTION 40-14, 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 40-14 FOR EXECUTIVE SESSION

Moved: Commissioner Scannella
Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

MOTION TO RETURN TO OPEN SESSION

Moved: Commissioner Scannella
Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

Commissioner Scannella advised she would make a motion to approve the PAR that was discussed during closed session.

MOTION TO APPROVE THE PAR THAT WAS DISCUSSED DURING CLOSED SESSION

Moved: Commissioner Scannella
Second: Commissioner Walker
Vote: 3 Ayes, 0 Nays

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:14 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary