

**MERCER COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
FEBRUARY 3, 2014**

**MERCER COUNTY ADMINISTRATION BUILDING
640 SOUTH BROAD STREET
ROOM 212
TRENTON, NJ 08650-0068
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 Commission; and**
- III. Posting notice on the Public Bulletin Board of the Office of the County Clerk**

**MERCER COUNTY INSURANCE COMMISSION
AGENDA
OPEN PUBLIC MEETING: FEBRUARY 3, 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: January 10, 2014 Open Minutes.....Appendix I**

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

- EXECUTIVE DIRECTOR/ADMINISTRATOR - PERMA Pages 3-17**
- TREASURER – David Miller Verbal**
- ATTORNEY – Arthur R. Sypek, Jr., Esq. Verbal**
- CLAIMS SERVICE –Inservco Insurance Services, Inc.**
 - Monthly Report..... Verbal
- CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report.....Page 18
 - S:ERVE Emergency Responder Training 19-21
- RISK MANAGER CONSULTANT – Borden Perlman Salisbury & Kelly**
 - Monthly Report..... Verbal

- OLD BUSINESS**
- NEW BUSINESS**

- PUBLIC COMMENT**

- CLOSED SESSION – Payment Authorization Requests (PARS)**

-
- MEETING ADJOURNMENT**
 - NEXT SCHEDULED MEETING: FEBRUARY 24, 2014 MERCER COUNTY
ADMINISTRATION BUILDING 640 S. BROAD STREET, TRENTON, NJ 08650
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: February 3, 2014

Memo to: Commissioners of the Mercer County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

2014 Property & Casualty Budget Adoption (Pages 6-7) - At the January 10th meeting the 2014 Property and Casualty Budget was introduced. In accordance with regulations the budget was advertised in the Commission's official newspapers. The Public Hearing will be held at this meeting. The budget was amended since it was introduced at the last meeting. The revised budget amount is **\$7,340,951**. A copy of the revised budget is included on page 6 of the agenda. As discussed at our January meeting, revisions were made to lines 16, 19, 20, and 29 to reflect the fees proposed by the vendors in their respective RFP response and lines 22 and 23 were amended to "0" since there will be no compensation for the Commission Attorney or Commission Treasurer. Also the CEL JIF and Excess Liability premiums were amended due the re-structuring of the program. Attached on page 7 is a copy of the 2014 Annual Assessments. The assessment billing schedule will be discussed in more detail at the meeting.

- Motion to open the Public Hearing on the 2014 Budget**
- Discussion of Budget and Assessments**
- Motion to close the Public Hearing**
- Motion to adopt the Budget for the Mercer County Insurance Fund Commission as presented for the Commission Year 2014**
- Motion to certify the Annual Assessments based upon the adopted 2014 Budget**

Cash Management Plan (Pages 8-11) – Attached on page 8 of the agenda is Resolution 13-14 establishing a Cash Management Plan. Attached on pages 9-11 is a copy of the Cash Management Plan. The Plan was reviewed by the Commission Treasurer and his suggested changes are reflected in the attached Plan.

- Motion to approve Resolution 13-14 establishing the Cash Management Plan**

Rules & Regulations (Page 12) – Attached on page 12 of the agenda is Resolution 14-14 establishing the Commission's Rules & Regulations. Also included in Appendix II section of the agenda is a copy of the Rules and Regulations. The Rules and Regulations were sent in advance to the Commission Attorney for review and consideration.

- Motion to approve Resolution 14-14 adopting the Rules and Regulations**

❑ **Certificate of Insurance Request Form (Page 13)** - Attached on page 13 is the certificate of insurance issuance reports from the CEL listing those certificates issued for the period of January 1, 2014 to January 28, 2014. There were 4 certificates of insurance issued during this period. As a reminder a completed certificate of insurance form can be sent to NJCECertRequest@connerstrong.com. or faxed to 856-685-2230. If you need to discuss a specific request or have any questions, you can contact Cathy Dodd at 973-659-6410 or cdodd@connerstrong.com.

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

❑ **2014 MCIFC Meeting Dates (Pages 14-15)** – Attached on page 14 is a copy of the 2014 Annual Meeting Schedule for discussion and approval. Per our previous discussions the meetings will be held on the 4th Monday of the month. The May meeting falls on Memorial Day. We ask that the Commissioners consider cancelling the May meeting or changing the date. If the Commissioners agree with the meeting schedule, attached on page 15 is Resolution 15-14 adopting the meeting dates for 2014.

❑ **Motion to adopt Resolution 15-14, Fixing Public Meeting Dates for the Year 2014**

❑ **Organizational Resolutions:** The Organizational Resolutions 1-14 through 12-14 which were approved at the last meeting subject to revisions including the correct name of “Mercer County Insurance Fund Commission” and to note the term of one year where applicable. The revised resolutions will be presented for signatures at the meeting.

❑ **2014 Property & Casualty Plan of Risk Management** - The Executive Director is in the process of drafting the 2014 Risk Management Plan. The Plan should be ready for review and approval at our next meeting.

❑ **Property and Boiler Machinery** – The Property and Boiler Machinery coverage is written with Zurich American. Zurich will handle the inspections of the jurisdictional objects. If an emergent inspection of a jurisdictional is needed please call the hotline at 1-800-562-5814 to order an inspection. When ordering an inspection the policy number to use is ERP980616202. Zurich has also assigned a Point of Contact for our account. This person will be your point of contact if the 800 # is not meeting your needs. Below is the contact information.

Name: JIM TIMPANARO, Email:james.timpanaro@zurichna.com
Phone Number: 718-987-0557
Cell Phone: 718-873-4382

Name: DAVID SPINELLI, Email:david.spinelli@zurichna.com
Phone Number 1: 860 584-2534
Cell Phone: 860-384-2590

- ❑ **NJ Excess Counties Insurance Fund (CELJIF)** – The CELJIF has scheduled its Re-Organization Meeting on Thursday, February 27, 2014 at 1:00 PM. This meeting will be held at the Camden County College Regional Training Center, 420 Woodbury-Turnersville Road, Blackwood, NJ. If you would like to participate in the meeting via teleconference you can dial 1-866-921-5493 and enter passcode 6364276#.

- ❑ **Medicare Secondary Payer (Pages 16-17)** – Attached on pages 16 and 17 is notification from Centers for Medicare and Medicaid Services indicating the Mercer County Insurance Commission has successfully registered. PERMA will complete the registration and set up the process by creating an account to be in compliance with the Section 111 Mandatory Reporting requirements. The purpose of Section 111 reporting is to enable CMS to pay appropriately for Medicare covered items and services to Medicare beneficiaries and determine whether insurance coverage is primary to Medicare.

- ❑ **MCIFC Claims Kickoff Meeting** - The Claims Kick Off Meeting is scheduled to take place immediately following the Commission Meeting.

MERCER COUNTY INSURANCE FUND COMMISSION		
2014 CERTIFIED BUDGET		
APPROPRIATIONS	CERTIFIED ASSESSMENTS	Revised
I. Claims and Excess Insurance		
Claims		
1 Property	45,000	45,000
2 Liability	95,000	95,000
3 Auto	125,000	125,000
4 Workers' Comp.	4,350,000	4,350,000
5		
6 Subtotal - Claims	4,615,000	4,615,000
7		
8 Premiums		
9 CEL JIF	1,927,607	1,927,607
10		
11 SubTotal Premiums	1,927,607	1,927,607
12 Total Loss Fund	6,542,607	6,542,607
13		
14 II. Expenses, Fees & Contingency		
15		
16 Claims Adjustment	190,000	190,000
17 Safety Director	112,500	112,500
18 General Expense	-	-
19 Exec. Director	146,528	146,528
20 Actuary	25,795	25,795
21 Auditor	19,121	19,121
22 Attorney	-	-
23 Treasurer	-	-
24		
25		
26 Misc. Expense & Contingency	30,055	30,055
27		
28 Total Fund Exp & Contingency	523,999	523,999
29 Risk Managers	37,000	37,000
30		
31		
32 CEL JIF Ancilliary Coverage		
33 POL/EPL	120,525	120,525
34 XS POL/EPL	-	-
35 Excess Liability	68,616	68,616
36 Crime Policy	9,500	9,500
37 Medical Malpractice	38,704	38,704
38 Pollution Liability	-	-
39 Employed Lawyers Liab	-	-
40 Cyber Liability	-	-
41		
42 Total FUND Disbursements	7,340,951	7,340,951

MERCER COUNTY INSURANCE FUND COMMISSION									
2014 CERTIFIED ASSESSMENTS									
Assessments by Line									
Member ID	Member Name	Property	Liability	Auto	Workers' Comp.	NJC	E&C	RMC	Total
NJC023	Mercer County	45,000	95,000	125,000	4,350,000	2,164,952	523,999	37,000	7,340,951
Grand Totals:		45,000.00	95,000.00	125,000.00	4,350,000.00	2,164,952.50	523,999.00	37,000.00	7,340,951.50

RESOLUTION NO. 13-14

**MERCER COUNTY INSURANCE FUND COMMISSION
ESTABLISHING CASH MANAGEMENT PLAN**

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

BE IT RESOLVED that the attached Cash and Investment Management Plan, is hereby adopted.

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on February 3, 2014.

ADOPTED:

BY: _____
ANDREW A. MAIR, CHAIRMAN

DATE

ATTEST:

ELIZABETH SCANNELLA, VICE CHAIRMAN

DATE

MERCER COUNTY INSURANCE FUND COMMISSION

2014 CASH MANAGEMENT AND INVESTMENT POLICY

1.) **Cash Management and Investment Objectives**

The MERCER COUNTY INSURANCE FUND COMMISSION's (hereinafter referred to as the Commission) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the Commission's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Commission year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds/commissions, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the Commission's economic surplus.

2.) **Permissible Investments**

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- c.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- d.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e.) Debt obligations of federal agencies or government corporations with maturities not greater than five (5) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that

the investment a fixed rate of interest not dependent on any index or external factors.

- f.) Repurchase agreements of fully collateralized securities, subject to rules and conditions established by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than five (5) years from date of purchase.

3.) **Authorized Depositories**

In addition to the above, the Commission is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). The designated Bank must have a branch in Mercer County.

The Commission is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Committee. Such asset managers shall be discretionary trustees of the COMMISSION.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages, which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Commission's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the Commission shall be delivered electronically or physically to the Commission's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the Commission.

7.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the Commission's annual audit.

8.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Commission Actuary and reviewed by the Executive Director and the Treasurer.

9.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Commission, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Commission and deposits it into the Commission account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Commission.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Executive Committee by the Treasurer at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to Commission operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks, which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the Commission.

RESOLUTION NO. 14-14

**MERCER COUNTY INSURANCE FUND COMMISSION
APPROVING RULES & REGULATIONS**

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

BE IT RESOLVED that the attached Rules & Regulations, is hereby adopted.

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on February 3, 2014.

ADOPTED:

BY: _____
ANDREW A. MAIR, CHAIRMAN

DATE

ATTEST:

ELIZABETH SCANNELLA, VICE CHAIRMAN

DATE

Mercer County Insurance Commission Certificate Of Insurance Monthly Report

Wednesday, January 29, 2014

From 1/1/2014 To 1/28/2014

Holder (H) / Insured Name (I) Coverag	Holder / Insured Address	Holder Code	Description of Operations	Issue Date
<u>MCIC</u>				
H- State of New Jersey I- County of Mercer	Department of Children & Families 50 East State Street, 3rd Floor, P.O. Box 717 Trenton, NJ 08625-0717 Attn: Oludare Akintola McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	918	Evidence of insurance. All operations usual to County Governmental Entity as respects the grant to the Mercer County Human Services Advisory Council (HSAC) Grant: 1/1/2014 – 12/31/2014. CLD	1/2/2014 GL EX AU WC
H- NJ Transit I- County of Mercer	Local Programs and Minibus Support Dan Ryan One Penn Plaza East Newark, NJ 07105-2246 McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	927	Certificate holder is additional insured and loss payee where obligated by virtue 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 regarding (SEE PAGE 2)	1/2/2014 AU EXPHYS
H- Evidence of Insurance I- County of Mercer	McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	1060	Evidence of Insurance. 1/16/2014	AU EX PHYS
H- Evidence of Insurance I- County of Mercer	McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	1060	Evidence of Insurance. (SEE PAGE 2) 1/16/2014	GL EX AU WC

Total # of Holders = 4

MERCER COUNTY INSURANCE FUND COMMISSION
9 CAMPUS DRIVE, SUITE 16
PARSIPPANY, NJ 07054

TO: Members of the Commission

2014 ANNUAL MEETING NOTICE

Pursuant to Chapter 231, Laws of 1975, known as the Open Public Meeting Acts, the following have been designated as meeting dates of the Camden County Insurance Commission at which the business of said Commission may be formally discussed, decided or acted upon.

TIME	DATE	LOCATION	PURPOSE
10:30 AM	February 24, 2014	Mercer County Administration Building 640 South Broad Street, Room 212 Trenton, NJ 08650-0068	Regular Meeting
10:30 AM	March 24, 2014	“	Regular Meeting
10:30 AM	April 28, 2014	“	Regular Meeting
10:30 AM	May - TBD	“	Regular Meeting
10:30 AM	June 23, 2014	“	Regular Meeting
10:30 AM	July 28, 2014	“	Regular Meeting
10:30 AM	August 25, 2014	“	Regular Meeting
10:30 AM	September 22, 2014	“	Regular Meeting
10:30 AM	October 27, 2014	“	Regular Meeting
10:30 AM	November 24, 2014	“	Regular Meeting
10:30 AM	December 22, 2014	“	Regular Meeting

In addition such other meetings as may be required shall be scheduled and held, but pursuant to and with such additional notice as may be required by statute.

By: PERMA Risk Management Services
Administrator

MERCER COUNTY INSURANCE FUND COMMISSION

RESOLUTION NO. 15-14

**MERCER COUNTY INSURANCE FUND COMMISSION
2014 REGULAR MEETINGS SCHEDULE**

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

WHEREAS, the Open Public Meetings Act of the State of New Jersey, N.J.S.A.10:4-6 et seq. requires public bodies to adopt an annual schedule of regular meetings and to furnish the public with notice of said schedule in a manner more specifically said forth in said Act; and

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

1. The schedule of regular meetings of the MCIFC for the year 2014 annexed hereto and made a part hereof be and is hereby adopted;
2. Copies of said annual schedule of regular meetings shall be posted and shall continue to be posted throughout the year on the bulletin board in the vestibule of the Administration Building Trenton, New Jersey;
3. Copies of said annual schedule of regular meetings shall be provided to The Trentonian, Trenton Times and the Princeton Patch newspapers for publication;
4. A copy of said annual schedule of regular meetings shall be filed with the MERCER County Clerk.

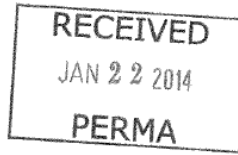
ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on February 3, 2014.

ADOPTED:

ANDREW A. MAIR, CHAIRMAN

ATTEST:

ELIZABETH SCANNELLA, VICE CHAIRMAN



****FIRST CLASS MAIL- R:8 F:11179
 MERCER COUNTY INSURANCE COMMISSION
 C/O PERMA 9 CAMPUS DRIVE
 PARSIPPANY, NJ 07054-4412

01/14/2014

Attn: MARY DONER

***** MMSEA Section 111 Mandatory Reporting Registration Notification *****

Your organization has been successfully verified and registered for the Medicare, Medicaid and SCHIP Extension Act (MMSEA) Section 111 Mandatory Reporting. Through the Coordination of Benefits Secure Web site (COBSW), you may submit required files, download response files, and monitor file processing. Please refer to the www.cms.hhs.gov/MandatoryInsRep/ Web site for more information on required file submissions.

To begin using the COBSW, you must complete the registration/setup process by creating an account. Please review the following user roles and required information carefully before attempting to complete the account setup. Please complete the account setup within the next thirty (30) days to avoid being out of compliance with Section 111 Mandatory Reporting requirements. If account setup is not completed within the next sixty (60) days, your account will be placed in "Discontinued" status.

COBSW User Roles:

Account Manager:

Each Responsible Reporting Entity (RRE) account must have an Account Manager assigned. The Account Manager must be selected and approved by the Authorized Representative named in your initial Section 111 registration. Your Account Manager and Authorized Representative must be different individuals. An Authorized Representative cannot be a user on the COBSW. The Account Manager is the individual who will administer the account on behalf of the RRE on the COBSW. This includes; uploading Section 111 files, downloading response files, updating RRE account information, monitoring file processing, and inviting others to assist (Account Designees).

Account Designee:

Each RRE account may have multiple Account Designees. Account Designees may also upload Section 111 files, download response files, and monitor file processing. However, Account Designees cannot modify RRE account information or invite others to assist. Account Designees can only register as users on the COBSW through an invitation from the Account Manager.



Additional Account Setup Information:

Please review the documentation regarding information needed for completing your Section 111 registration and account set up on the dedicated Section 111 Web site: www.cms.hhs.gov/MandatoryInsRep/, including the Registration Process notice and applicable user guides.

Next Steps:

To complete the account setup, your designated Account Manager should be selected and provided with your Section 111 Reporter ID and Personal Identification (PIN).

Section 111 Reporter ID: 000047487
PIN: 0572

The Account Manager should return to the Section 111 Mandatory Reporting COBSW at www.section111.cms.hhs.gov, and select the "Account Setup" button.

If you have any questions or concerns, please contact your assigned COBC EDI Representative:

EDI Representative: BRUCE SCOTT
Phone: (646) 458-2151
Email: B_SCOTT@EHMEDICARE.COM

Sincerely,

Medicare Coordination of Benefits Contractor

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

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: January 29, 2014

**January – February 2014
RISK CONTROL ACTIVITIES**

JIF MEETINGS ATTENDED / TRAINING PRESENTED

- **January 10:** Attended the MCICF meeting in Trenton.
- **January 14:** Attended the Accident Review Panel meeting.

UPCOMING JIF MEETINGS / TRAINING PLANNED

- **February 3:** Plan to attend the MCIFC meeting in Trenton.

From: Glenn Prince, Risk Control Consultant
To: Elizabeth Scannella
Date: January 6, 2014
Subject: S:ERVE Emergency Responder Driver Training
Mercer County Insurance Commission

Mrs. Scannella,

Safety: Emergency Responder Vehicle Education (S:ERVE) is an online driver simulation and curriculum created to educate law enforcement to drive at their safest in emergency response scenarios in an effort to reduce collision rates. This program is being made available to us by our excess workers' compensation carrier, Safety National.

This highly interactive online simulator guides users through a series of situations in which decision making is key. Users prioritize their vehicle handling and emergency task activities while experiencing situations related to typical emergency response or pursuit operations.

In addition, we have recently been advised that Safety National is currently in negotiations with their vendor to add an additional module on "Distracted Driving " for Police. We will forward additional information, as soon as it becomes available.

Please share the following information with your County Safety Committee to determine the best way to make use of the allocations which are listed below together with your Class Identification.

Included with this letter is the S:ERVE program brochure.

MERCER COUNTY INSURANCE COMMISSION

POLICE

Allocations	85
Class ID#	NJCE:Mercer07P

Instructions for accessing website are listed below.

1. Click on this link to access the Safety National Intersection Analysis course:
<http://serve.evoc101web.com>

2. Enter Your Specific Class ID

3. Enter Your Student Number (Please do not use Social Security Numbers or personal information.) Consider a Station Number, radio designation number, etc. Recommended is use of a badge number with the individual's three (3) LOWER CASE initials following. For example, nomenclature of the student identification would be 1234abc.

Individual trainees must use the same exact login information (class ID, student number, first name and last name) each time they login in order for the bookmarking feature to work and produce an individual training record.

4. Enter First Name

5. Enter Last Name

6. If you forget or misplace your Class ID or Student Number, contact your individual county representative for this project.

7. Complete Lessons 1 through 5 starting with Lesson 1. You must complete a final quiz after finishing Lesson 5.

- Use a sign-in sheet to track attendance if completing the course as a group
- Complete the test either individually or as a group
- When all five lessons have been successfully completed, a link will appear that says "View Certificate". When clicked, a Window will open with the certificate for printing. If the link cannot be accessed, you can also contact J. A. Montgomery Risk Control for blank certificates at 877-398-3046.
- If training is completed in a classroom setting as a group, certificates of completion will have to be issued manually. Contact J. A. Montgomery Risk Control for blank certificates at 877-398-3046.

8. Completion of a brief course evaluation at the end would be appreciated.

Very truly yours,

Glenn Prince
Risk Control Consultant
JA Montgomery Risk Control
856- 552-4744 office

c: Insurance Commission Executive Director
David McHale, JA Montgomery



S:ERVE

Safety: Emergency Responder Vehicle Education

S:ERVE is an online driver simulation and curriculum created to educate law enforcement, firefighters, EMS and other emergency responders to drive at their safest in an effort to reduce collision rates in emergency response scenarios. The program guides users through a series of situations in which decision making is key. Users prioritize their vehicle handling and emergency task activities while experiencing situations related to typical emergency response or pursuit operations.

S:ERVE meets the standards established by the International Association of Directors of Law Enforcement Standards and Training (IADLEST) and the Federal Law Enforcement Training Accreditation (FLETA).

S:ERVE includes five core lesson plans:

Intersection Approach – Select appropriate methods for maximizing vehicle control when approaching intersections and recognizing the risks associated with improper intersection negotiation.

Intersection Assessment – Learn to recognize, categorize and prioritize all potential hazards.

Clearing the Intersection Basics – Decipher appropriate techniques and recognize the dangers associated with improper intersection clearing.

Clearing the Intersection Advanced – Review and reinforce awareness of risk factors when clearing intersections and how to avoid common mistakes when doing so.

Intersection Departure & Course Summary – Learn the steps for safely departing an intersection, then complete a comprehensive course recap of all key concepts.



Improved Comprehension

S:ERVE offers an interactive functionality to support a higher learning retention rate than traditional classroom environments. Users are tested throughout each lesson to ensure complete understanding of the material and receive immediate feedback on performance.

To reserve access to S:ERVE for your organization, contact:

Ariel Jenkins, CSP, MBA, ARM
314-692-1385
RiskControl@safetynational.com

Learn more about MAP Client Services

S:ERVE will be offered through Safety National's MAP Client Services – a program that offers various resources to help policyholders improve their workers' compensation management, analysis and prevention efforts. Visit www.safetynational.com to view the full suite of products and resources offered to policyholders through MAP Client Services.

www.safetynational.com

© 2012 Safety National Casualty Corporation. All Rights Reserved.

APPENDIX I

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – JANUARY 10, 2014
Mercer County Administration Building
640 South Broad Street
Trenton, NJ 08650-0068
10:00 AM**

Meeting was called to order by Chairman Mair. Ms. Dodd read the Open Public Meetings notice into record. Chairman Mair noted the correct name of the organization was Mercer County Insurance Fund Commission.

ROLL CALL OF COMMISSIONERS:

Andrew A. Mair	Present
Elizabeth Scannella	Present
Raissa Walker	Present (<i>arrived 10:15</i>)

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Steven Daniels Steve Daveggia Nancy Fowlkes Jack Maher Kathy Rizzo Debra Stout
Risk Management Consultant	Conner Strong & Buckelew Michelle Leighton (<i>via teleconference</i>)
Attorney	Borden Perlman Salisbury & Kelly Doug Borden Matt Moraski Sandra DeBoskey
Treasurer	Arthur Sypek, Jr.
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Marcella Covello, Mercer County
Sarah Crowley, Mercer County
Jim Kickham, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

PUBLIC COMMENT: Chairman Mair asked if anyone from the Public had any comments at this time. Seeing no members of the public wishing to speak Chairman Mair requested we move on to the Executive Director's report.

EXECUTIVE DIRECTOR REPORT:

ORGANIZATIONAL RESOLUTIONS: Executive Director advised he would review the Resolutions individually which were included in the agenda. After reviewing Resolution 1-14, Executive Director indicated the resolution and several others did not include the term and requested clarification. Chairman Mair reported the appointments and contracts were for a one year period. Chairman Mair indicated it was the intention of the body to have a trial period of one year to determine the effectiveness of this project and then to re-evaluate at the end of the year. In response to Mr. Kickham's inquiry, Chairman Mair advised the appointments and contracts would expire as of 12/31/14. Executive Director reviewed Resolutions 3-14 and 4-14 and noted there was no compensation for the Commission Treasurer or Commission Attorney. Executive Director continued to review the resolutions and asked if anyone had any questions. In response to Ms. Crowley's inquiry regarding the three newspapers, Chairman Mair advised the County used all three of the newspapers mentioned in the resolution.

MOTION TO APPROVE RESOLUTIONS 1-14 THROUGH 12-14 AS A BLOCK

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

MOTION TO APPROVE RESOLUTIONS 1-14 THROUGH 12-14

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

2014 PROPERTY & CASUALTY BUDGET INTRODUCTION: Executive Director referred to a copy of the 2014 budget which was included in the agenda. Executive Director advised lines 1-4 represented the self insured claims loss funds for property, liability, auto, and worker compensation as provided by the Actuary. Executive Director indicated the loss funds account for 61% of the budget. In response to Chairman Mair's inquiry, Commissioner Scannella advised the figure of \$4,615,000 represented the claims and Executive Director advised he did speak with Commissioner Scannella and confirmed the worker compensation figure did represent all compensation related costs. Executive Director referred to line 9 of the budget and advised the figure of \$1,745,841 represented the premium for the CELJIF. In response to Chairman Mair's inquiry, Executive Director advised he spoke to Commissioner Scannella yesterday and reported there was a re-structuring of the program and the figure on line 9 would be reduced slightly. Executive Director advised the correct figure would be reflected on the adopted budget. Executive Director then referred to the Expense portion of the budget and indicated line 19 of the budget for Claims Adjustment was \$230,750. Executive Director noted however, a review of the resolution indicated the fee was not to exceed \$190,000 and an adjustment would be reflected on the adopted budget. Executive Director also noted lines 22, Executive Director fee, 23, Actuary Fee, and line 32, Risk Manager fee would be amended to reflect their RFP responses. Executive Director advised the Auditor figure was estimated as and RFP was not yet issued for this position. Executive Director reviewed lines 25 and 26 and

Chairman Mair indicated since the Attorney and Treasurer were not compensated the line should be amended to "0". Executive Director referred to line 29 of the budget, Misc. Expense & Contingency and explained this figure represented funding for miscellaneous expenses that might come up during the year. Executive Director explained for example the Commission will need to create a website which is required by State Law and that the funds could be allocated against this expense. In response to Chairman Mair's inquiry regarding the basis for calculating the figure on line 29, Executive Director advised he would obtain clarification for the budget adoption. In response to Commissioner Scannella's inquiry, Mr. Kickham advised this account was used for advertising in the newspapers and Executive Director also explained a crime bond would be needed to cover the Executive Director, TPA, and Treasurer. Also, Executive Director reported one of the Commissions utilized funds from this account to purchase safety related items for their public works personnel. Executive Director then reviewed the CELJIF Ancillary Coverages and advised line 36, POL/EPL was specific to the County. Executive Director advised there was also an Excess Liability policy, Crime policy and Medical Malpractice policy. In response to Chairman Mair's inquiry, Executive Director advised the Medical Malpractice limits could be increased during the year for any new members which joined the Commission but noted that the difference between the higher limit and the primary limit would be effective the date the higher limit is bound. Executive Director indicated the Medical Malpractice figure reflected in the budget only included primary coverage available through the CEL and requested an e-mail be sent to him confirming no excess Medical Malpractice coverage was needed at this time. After a brief discussion it was agreed the budget would be introduced with the amended figure and the minutes would reflect the correct figure. Executive Director suggested the Public Hearing for the Budget Adoption be held on February 3, 2014 at 10:30 AM.

MOTION TO INTRODUCE THE 2014 PROPERTY & CASUALTY BUDGET IN THE AMOUNT \$7,340,951 AND SCHEDULE A PUBLIC HEARING ON FEBRUARY 3, 2014 AT 10:30 AM AT THE MERCER COUNTY ADMINISTRATION BUILDING, 640 SOUTH BROAD STREET, TRENTON, NJ 08650

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

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director advised the New Jersey Counties Excess Joint Insurance Fund developed a Certificate of Insurance Request Form for its members to request certificate of insurances and a special email address just for certificate requests. Executive Director explained the form could be e-mailed or faxed to his office to request a certificate. Executive Director advised Ms. Dodd supplied Commissioner Scannella with a list of certificates that were issued last year and they would work together to determine which renewals certificates were needed.

2014 MCIFC MEETING DATES: Executive Director reported it was discussed previously the Commission meetings should be held on the fourth Monday of the month. Executive Director advised the proposed meeting dates were included in the agenda. Chairman Mair indicated the monthly meetings were in order for the initial period and then cut back out a later date. Executive Director advised the meeting schedule for the first year would be set up monthly and if a meeting was not needed it could be cancelled with proper notification. Chairman Mair advised the future meetings would be held in Room 212.

LIMIT SCHEMATICS: Executive Director distributed copies of the limit schematics and reviewed them with the Commissioners. Executive Director advised there were a few changes in the schematics since the first time they were reviewed with Commissioner Scannella. Executive Director referred to the Excess Liability Limit Schematic and pointed out that Underwriters at Lloyds were now writing 10,000,000 per occurrence & 20,000,000 annual aggregate over the SIR of \$500,000. Also the excess liability coverage was now written by National Casualty Company who replaced CV Starr. Executive Director also pointed out the third layer for worker compensation was now written by Underwriters at Lloyds instead of Wesco. Executive Director also reviewed the Property Limit Schematic. In response to Chairman Mair's question, Executive Director advised the named storm was not limited to hurricanes. Executive Director continued to review the rest of the limit schematics and then asked if anyone had any questions.

SAFETY: Executive Director advised Barry Sloan would continue as the Safety Consultant. Executive Director introduced Glenn Prince, the CEL Safety Director, and advised he would attend the monthly meetings and schedule training sessions. Mr. Prince noted he would work closely with Mr. Sloan to provide safety training as in the past and advised he would distribute his business card and asked if anyone had any questions at any time to call him. In response to Chairman Mair's inquiry Mr. Prince advised he would look into HIPPA training request to determine appropriate training programs available.

NEXT AGENDA: Executive Director reported the next agenda would include the Commission's Rules and Regulations and a Cash Management Plan for approval. Executive Director advised he would forward the documents to the Commission Attorney and Commission Treasurer to review prior to the next meeting. Executive Director also advised he would prepare a Risk Management Plan and send to Commissioner Scannella for her review.

CLAIMS KICKOFF MEETING: Ms. Leighton reported she would organize a Claims Kickoff Meeting to again review the limit schematics that the Executive Director just presented and clarify the claims reporting procedures. Ms. Leighton advised that at the Kickoff Meeting she would like the Commissioners to establish a Claims Committee and co-ordinate a meeting schedule. Executive Director recommended scheduling the Claims Kickoff Meeting after the Commission meeting on February 3rd.

Chairman Mair requested the Executive Director's office to work with Commissioner Scannella on scheduling the monthly claims committee meetings.

Executive Director's Report Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:36 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary

January 10, 2014 Mercer County Insurance Fund Commission OPEN Minutes

APPENDIX II

MERCER COUNTY INSURANCE FUND COMMISSION
RULES AND REGULATIONS

MERCER COUNTY INSURANCE FUND COMMISSION

**640 South Broad Street
Trenton, NJ 08650-0068**

**Rules and Regulations
Adopted 2/3/14**

WHEREAS: Article 3 of NJSA 40A:10-1 et seq. permits the county to establish an insurance commission so that the county and the local units associated with the county can achieve cost savings through the joint purchase or self-funding of these insurance: and

WHEREAS: On November 14, 2013 the Chosen Freeholders of the County of MERCER created an Insurance Commission:

WHEREAS: Article 3 of NJSA 40A:10-1 et seq. provides that the Insurance Commissioners are authorized to adopt rules and regulations for the operation of the insurance commission.

NOW THEREFORE, the Commissioners hereby adopt the following rules and regulations;

ARTICLE I - DEFINITIONS

All terms used herein shall have the meaning consistent with the statutes and regulation then in effect. The definitions herein are for convenience.

“ACTUARY” means a person who is a fellow in good standing of the Casualty Actuarial Society with three years recent experience in loss reserving; an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving; or an associate in good standing of the American Academy of Actuaries who has been approved as qualified for signing loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries and who has seven years recent experience in loss reserving.

"ACTUARY" in the case of health insurance means a fellow in good standing of the Society of Actuaries or the Casualty Actuarial Society with at least three (3) years recent experience in health insurance pricing and reserving. Actuary in the case of life insurance means a fellow in good standing of the Society of Actuaries with at least three (3) years recent experience in life insurance pricing and reserving.

“ADMINISTRATOR” means a person, partnership, corporation or other legal entity engaged by the Commission to act as Executive Director to carry out the policies established by the Commissioners and to otherwise administer and provide day-to-day management of the Commission.

“ALLOCATED CLAIMS EXPENSE” means attorneys’ fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers’ fees, police reports and other similar expenses. The exact definition of “allocated claims expense” or similar terms for any line of insurance coverage shall be the definition in the insurance policy issued by the Commission.

“COMMISSION” means the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter referred to as the Commission)

“COMMISSION YEAR” means the Commission’s fiscal year of January 1, 2014 through December 31, 2014.

“COUNTY” means the County of Mercer.

“EMPLOYER’S LIABILITY” means the legal liability of a public employer to pay damages because of bodily injury or death by accident or disease at any time resulting there from sustained by an employee arising out of and in the course of his employment by the public employer, which is not covered by a workers’ compensation law. The exact definition of “Employer’s Liability” or similar terms shall be the definition used in the insurance policy issued by the Commission.

“EXCESS INSURANCE” means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commissioner as a surplus lines insurer or from any other entity authorized to provide said coverage in this state pursuant to law, covering losses in excess of an amount set forth in insurance contracts on a specific occurrence, or per accident or annual aggregate basis.

“GENERAL LIABILITY” means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers’ compensation, and employer’s liability. The exact definition of a “general liability” or similar terms is the definition used in the insurance policy issued by the Commission.

“HEALTH INSURANCE” means health insurance as defined pursuant to N.J.S.A. 17B: 17-4; service benefits as provided by health service corporations, hospital service corporations or medical service corporations authorized to do business in this state, including basic health care services and/or supplemental health care services provided by health maintenance organizations, or dental care services provided by dental plan organizations and dental service corporations.

“INCURRED CLAIMS” means claims which occur during a Commission year including claims reported or paid during a later period. The exact definition of “incurred claims” or any similar term is the definition used in the excess insurance or reinsurance policy purchased by the Commission.

“INDEMNITY AND TRUST AGREEMENT” means a written contract signed by and duly adopted by the members of the Commission under which each agrees to jointly and

severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Commission. The agreement shall specify the extent of the member's participation in the Commission with respect to the types of coverage to be provided by the Commission and shall include the duration of Commission membership which shall not exceed three years. The agreement shall also specify that the member has never defaulted on claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to application to the Commission.

“LIFE INSURANCE” means life insurance as defined pursuant to N.J.S.A. 17B:117-3

“MANUAL PREMIUM” means the premium computed according to the Experience Rating Plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner and similar insurance industry rating plans for other lines of coverage.

“MOTOR VEHICULAR AND EQUIPMENT LIABILITY” means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the members or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of “motor vehicular and equipment liability” or any similar terms shall be the definition of the insurance policy issued by the Commission.

“OCCURRENCE” means a single event. The exact definition of “occurrence” or any similar term shall be the definition used in the insurance policy issued by the Commission.

“PRODUCER” means any person engaged in the business of an insurance agent, insurance broker, or insurance consultant as defined in N.J.S.A. 17:22 A-1 et seq.

“PROPERTY DAMAGE” means any loss or damage, however caused, to property including monies and securities, motor vehicles, equipment or apparatus owned by the member or owned by or under the control of any of its departments, boards, agencies, commissions, or other entities which the membership may provide coverage for. The exact definition of “property damage” or similar terms shall be the definition in the insurance policy issued by the Commission.

“QUALIFIED LOCAL UNIT” means the any entity governed by a board appointed by the County Executive or County Board of Freeholders as the case may be including but not limited to a county college, technical school, library, or county authority.

“SERVICING ORGANIZATION” means an individual, partnership, association, or corporation, other than the administrator, that has contracted with the Commission to provide, on the Commission's behalf, any function as designated by the Commissioners including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the Commission's underwriting file,

coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the Commission for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation and such other duties as designated by the Commission.

“SURPLUS” means that amount of monies in a trust account that is in excess of all costs, earned investment income, refunds, incurred losses and loss adjustment expenses and incurred but not reported reserves including the associated loss adjustment expenses attributed to the Commission net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

“WORKERS’ COMPENSATION” means the provisions of N.J.S.A. 34:15-7 et seq.

ARTICLE II - MEMBERSHIP

MEMBERSHIP APPLICATIONS:

1. The governing body of a qualified local unit shall by resolution, agree to join the Commission. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the Commission’s rules and regulations as approved and adopted by the Commissioners. The resolution shall also provide for the execution of an Indemnity and Trust agreement as defined in Article I.
2. Any qualified local unit seeking membership shall also submit an application for membership to the Commission on a form acceptable to the Commissioners. The application shall include the executed Indemnity and Trust agreement and the resolution required under Subsection 1 above.
3. An application may be approved by a majority vote of the Commissioners based on the following criteria:
 - a. The applicant’s claims history shows safety performance consistent with the Commission’s objectives and the applicant’s physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
 - b. The Commission has the administrative capability to absorb additional memberships without undue inconvenience or strain.
4. If a non-member is not approved for membership, the Commission shall set forth in writing the reasons for disapproval and send the reasons for disapproval to the non-member. The Commission shall retain a copy of all membership application disapproval’s for five years.

Membership Renewals:

1. Members may renew their participation by execution of a new resolution to join the Commission ninety (90) days prior to the expiration of the term.
2. The Commissioners must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application, the Commissioners shall find by majority vote that the applicant has failed to fulfill its responsibilities as a member or no longer meets the Commission's risk management or underwriting standards or other reasons approved by the Commissioners as reasons for termination.
4. If a member's renewal application is rejected, the Commission shall comply with the termination provisions as outlined below.
5. Non-renewal of a Commission member does not relieve the member of responsibility for claims incurred during its period of membership.

Termination and/or Withdrawal of Commission Members

1. A member must remain in the Commission for the full term of membership unless earlier terminated by the Commissioners for non-payment of assessments or continued non-compliance after receiving written notice to comply with the Commission's rules and regulations, risk management or underwriting standards, or other reasons approved by the Commissioners as reasons for termination. However, a member shall not be deemed terminated until the Commission gives by registered mail to the member a written notice of its intention to terminate the member in thirty (30) days
2. A member that does not desire to continue as a member after the expiration of its membership term shall give written notice to the Commission of its intent ninety (90) days before the expiration of the term period.
3. A member that has been terminated or does not continue as a member of the Commission shall remain jointly and severally liable for claims incurred by the Commission and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.

ARTICLE III – ORGANIZATION

Commissioners:

1. The (officer or the Board of Chosen Freeholders having the power to make appointments) shall appoint three officials of the County, to serve as Insurance Commissioners. The (officer or body having the power to make appointments) of member local units other than the county shall appoint one official, who may be a member of the governing body, to serve as a non-voting insurance commissioner.
2. The commissioners shall hold office for 2 years or for the remainder of their term of office as officials, whichever shall be less, and until their successors shall have been duly appointed and qualified. Vacancies in the office of Insurance Commissioners caused by any reason other than expiration of term as an official shall be filled for the unexpired term. Vacancies in the position of secretary shall be filled in the manner of the original appointment.
3. The Commissioners shall serve without compensation.
4. The Commissioners are hereby required, authorized and empowered to operate the Commission in accordance with these rules and regulations and appropriate state laws and regulations in the interests of the total membership of the Commission. The Commissioners shall have the following powers and authority:
 - a. Employ necessary clerical assistants, whose compensation shall be fixed and paid by the governing body of the local unit in the same manner as is that of other employees of the local unit;
 - b. Invest the funds and all additions and accretions thereto in compliance with New Jersey laws and regulations, as they shall deem best suited for the purposes of this article;
 - c. Adopt rules and regulations for the control and investment of the funds;
 - d. Keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the local unit or of a county college which participates in the Commission pursuant to P.L. 1988, c. 144 (C. 18A:64A-25.40 et al.) or of a county vocational school which participates in the commission pursuant to P.L. 1988, c. 143 (C. 18A:18B-8 et al.), or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus;
 - e. Fix reasonable rates of premium for all insurance carried by the insurance Commission and shall affect all insurance in the insurance Commission or

with any insurance company or companies authorized to do business in this State;

- f. Premiums for insurance, whether carried in the Commission insurance fund or placed with insurance companies, shall be paid to the Commission by the board, commission, department, committee or officer having charge or control of the property insured;
- g. All insurance upon property owned or controlled by the county, or any of its departments, boards, agencies or commissions, or by a participating local unit including, but not limited to a board of education of a participating county vocational school or by a board of trustees of a participating county college shall be placed and effected by the Commissioners;
- h. Each commissioner shall have one vote.

Officers:

- 1. As soon as possible after the beginning of each Commission year, the Commissioners shall meet to elect the following officers of the Commission from its own membership. Commission officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.
 - a. **Chairperson:** The Chairperson shall preside at all meetings of the Commissioners and shall perform such other duties provided for in these rules and regulations and the laws and regulations of the State of New Jersey.
 - b. **Vice-Chairperson:** The Vice-Chairperson shall serve as Acting Chairperson in the absence of the Chairperson, and shall perform such other duties as provided for in these rules and regulations and the laws and regulations of the state of New Jersey.
- 2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the Board of Chosen Freeholders shall appoint a commissioner to fill the vacancy for the unexpired term.
- 3. Any officer can be removed with cause at any time by the Board of Chosen Freeholders by resolution.

Secretary:

1. The Board of Chosen Freeholders shall appoint a person to serve as secretary to the Insurance Commission. The salary of the secretary shall be set by resolution, as authorized by the Commission.
2. The Secretary shall:
 - a. Coordinate the Commission’s meeting agenda, minutes, elections, contracts, and maintain the Commission’s official records and office.
 - b. Perform such other duties as provided for by the Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.

Commission Professionals:

As soon as possible after the beginning of each year, the Commissioners shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be a Commissioner. All professionals shall be retained pursuant to the “Local Public Contracts Law.”

1. Treasurer:

The Treasurer shall be a Certified County Finance Officer and have the following duties and responsibilities:

- a. Custodian of the Commission’s assets and shall maintain the various trust funds.
- b. Approval of all receipts, disbursements, and financial records.
- c. Draft the cash management plan and invest all balances.
- d. Ascertain availability of sufficient unencumbered funds in any account to fully pay all charges or commitments prior to any payment or commitment.
- e. The treasurer shall perform such other duties as provided for by the Commissioners, these rules and regulations and in the laws and regulations of the State of New Jersey.
- f. The treasurer shall be covered by a fidelity bond protecting the Commission’s assets in a form and amount to be determined annually by the commissioners. Said bond to be paid for by the Commission.

2. **Executive Director/Administrator:**

- a. The Administrator shall serve as Executive Director of the Commission and shall be a licensed New Jersey Insurance Producer who shall be experienced in risk management matters and self-funded entities.
- b. The Administrator shall have the following duties and responsibilities:
 - i) Carry out the policies established by the commissioners and to otherwise supervise the management of the Commission.
 - ii) Advise the commissioners on risk management matters and shall prepare a draft Risk Management Plan.
 - iii) Prepare the Commission's budget, compile and bill assessments.
 - iv) Maintain underwriting files, secure insurance and excess insurance as authorized by the Commission and prepare new members submissions for review of the commissioners.
 - v) Prepare draft requests for proposals for services to be provided by servicing organizations and monitor the performance of the service companies.
 - vi) Prepare filing required by state regulations.
 - vii) Coordinate in conjunction with the Commission's secretary the meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - viii) Maintain the Commission's general ledger, accounts payable and accounts receivable function.
 - ix) Perform such other duties as provided for by the Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.
- c. The Administrator shall assume overall executive responsibility for the operations of the Commission except that the Administrator shall not be responsible for the errors and omissions of any other servicing organization except as to generally monitor the compliance of said organization with the directives of the Commissioners, its Service Provider contract, or the applicable statutes and regulations as to the form and timeliness of said undertaking. For example, the Executive Director shall be responsible to verify the issuance of excess or

reinsurance policies, and the timely receipt of said policies by the Commission.

- d. The Administrator shall be bonded in a form and amount acceptable to the Commissioner. The Administrator shall also be covered by Errors and Omissions insurance, said coverage is to be paid by the Commission.

3. **Auditor:**

The auditor shall be an independent Certified Public Accountant (CPA) or a registered municipal accountant (RMA) who has evidenced the ability and experience to properly examine an insurance commission. The auditor shall conduct the annual audit of the Commission and shall perform such other duties as provided for by the Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

4. **Attorney:**

- a. The Commission attorney shall be admitted to the New Jersey Bar and shall provide advice to the Commission on legal matters such as advising the commissioners of their obligations and responsibilities under Article 3 of NJSA 40A:10-1 et seq , these rules and regulations and other pertinent law such as the Open Public Meetings Act.
- b. The attorney shall have the following responsibilities:
 - i) The attorney shall advise the Commission as to the appropriateness of claim settlements recommended by the Claims Administrator.
 - ii) The attorney shall advise the commissioners on the selection of counsel to represent the Commission Members in the defense of claims. The Commission attorney may also provide representation concerning incidental aspects of claim matters such as motions where it is more expeditious, cost effective or otherwise to do so. However, the attorney or any member of the attorney's law firm shall not defend claims which are the responsibility of the Commission without the authorization of the Commissioners.
 - iii) The attorney shall perform such other duties as provided for by the Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

5. **Actuary:**

The actuary shall certify the actuarial soundness of the Commission and shall report to the Commissioners in a manner and at such times established by them, and shall provide such actuarial reports as required by the Department. The actuary shall certify claim reserves, reserves for "Incurred but Not Reported" (IBNR) losses, and unearned assessments and shall comment on the adequacy of the budget.

6. All Commission professionals shall be retained on a contractual basis which shall be approved by the Commissioners.
7. Commission Professionals shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the Commissioners. The written fee schedule shall be part of the official contract.

Servicing Organizations:

1. The Commission may contract to have the following services performed:
- a. Actuarial services
 - b. Claims Administration
 - c. Cost containment services
 - d. Loss prevention/safety engineering services
 - e. Legal services
 - f. Auditing services
 - g. Financial services
 - h. Compilation and maintenance of the Commission's underwriting file
 - i. Coordination and preparation of coverage documents
 - j. Risk selection and pricing
 - k. Excess insurance or reinsurance producer services
 - l. Member assessment and fee development
 - m. Report preparation
 - n. Other duties as designated by the Commission
2. The Commission may at its option contract for these services from different servicing organizations.
3. a.) No servicing organization of the Commission or their employees, officers or directors shall have either a direct or indirect financial interest in the administrator of the Commission or be an employee, officer or director of the administrator unless notice of such interest has been provided to the Commissioners and members.

- b.) No administrator of the Commission, or their employees, officers or directors shall be an employee, officer or director of, or have either a direct or indirect financial interest in, a servicing organization of the Commission, or the insurance producer that may be appointed by that Commission unless notice of such interest has been provided to the Commissioners and members.
- c.) Any employee, officer or director of the administrator or servicing organization shall disclose to the Commissioners, any direct or indirect financial interest such employee, officer or director has in any other administrator, servicing organization or insurance producer.
4. Each service contract shall include a clause stating “unless the Commissioners otherwise permit, the servicing organization shall handle to its conclusion all claims and other obligations incurred during the contract period.”
5. Each Servicing Organization shall provide a surety bond and Errors and Omissions coverage if required by law, in a form and amount acceptable to the Commissioner.
6. All officers, employees and agents, including the Administrator and Servicing Organization of the Commission, on the final day of their contract or employment shall surrender and deliver to their successors all accounts, funds, property, records, books and any other material relating to their contract or employment, or if no successor has been designated, delivery shall be made to the Administrator or Commission Chairperson.

Indemnification of Officers and Employees:

1. The Administrator, Claims Service Provider(s), Producer, Risk Management Consultant(s) and such others as are required by regulation to do so, shall provide Errors and Omissions coverage in a form satisfactory to the Commissioner. The Commissioners may also require other professionals to provide evidence of Errors and Omissions coverage, and any other coverage as a requirement of their contract.
2. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Commission shall indemnify and defend any past, present or future Commissioner, and may indemnify such other officials or professionals or service providers as the Commissioners determine, for claims arising from an act or omission of such Commissioner, official or employee within the scope of the performance of such individual’s duties as Commissioner, officials, professional or employee within the scope of the performance of such individual’s duties as Commissioner, official, professional or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Commission to pay punitive damages or exemplary damages or damages arising

from the commission of a crime by such an individual and the Commission shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Commissioner, official, professional or employee is either covered, or required to be covered by errors and Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Commissioners. Nothing herein contained is intended to shield omission or wrongdoing which would not customarily be covered by Errors and Omissions insurance if same had been required of said employee or appointed official.

3. A present, past or future Commissioner, official, professional or employee of the Commission shall not be entitled to a defense or indemnification from the Commission unless:
 - a. Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleading, he or she delivers the original or exact copy to the Commission Chairman with a copy to the Commission attorney, together with a request that the Commission provide for his or her defense; and
 - b. In the event the Commission provides a defense or indemnification, he or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case; and
 - c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Commission to handle such matters, the past, present or future Commissioner, official, professional or employee shall agree that the Commission and its counsel shall have exclusive control over the handling of the litigation.
4. The foregoing right of indemnification shall not be exclusive of any other rights to which any Commissioner, official, professional or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this Commission shall be in addition to and not in restriction or limitation of any other privilege or power which the Commission may lawfully exercise with respect to the indemnification or reimbursement of a Commissioner, official, professional or employee; except that in no event shall a Commissioner, official, professional or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.

5. Expenses incurred by any Commissioner, official, professional or employee in defending an action, suit or proceeding may be paid by the Commission in advance of final determination of such action, suit or proceeding as authorized by the Commission in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

Advisory Committees:

1. From time to time, the Commission Chairperson may establish advisory committees and may appoint any individual to serve on these committees.

2. **Loss Prevention Committee:**

- a. **Membership:** Each member shall appoint one of its management employees to serve as the safety coordinator, for the member. The safety coordinator shall serve as the representative of the member on the Commission's Safety Committee. The member shall also designate a management employee to serve as alternate safety coordinator whenever the safety coordinator is unable to serve. The safety coordinator and the alternate shall serve at the pleasure of the member and shall perform those duties specified in the Commission's Loss Control Program.

- b. The Commission's safety committee shall consist of the Commission's safety director and the safety coordinator from each member. The alternate safety coordinator from each member may also attend meetings of the safety committee.

- c. At the beginning of each Commission year the safety committee shall select a chairperson to preside over meetings of the committee.

- d. **Duties:** The safety committee shall meet at least quarterly and shall have the following duties or responsibilities.

- i) Confer with the Commission's safety director to develop a comprehensive safety and loss control program.

- ii) Monitor all accident trends and frequency of accident in order to identify problem areas and local unit activities and programs requiring more frequent loss control surveys and evaluations.

- iii) Assist in the development of a safety educational program that will include visual aids, equipment, etc.

iv) Make recommendations to the Commission for policies that will implement a comprehensive safety and loss control program for the Commission and the member local units.

v) Perform such other duties that are assigned by the Commission Commissioners or required by law.

Risk Managers:

1. The Commission shall appoint an Insurance Producer as a Risk Management Consultant who shall not be a Commissioner.
2. The Risk Management Consultant's specific responsibilities shall include, but not be limited to:
 - a.) Evaluation of the member's exposures.
 - b.) Explanation of the various coverages available from the Commission and assisting the member in the selection of proper coverage.
 - c.) Preparation of applications, statements of values, etc. required by the Commission.
 - d.) Review of the member's assessment and assisting in the preparation of the local unit's insurance budget.
 - e.) Assisting in the claims settlement process.
 - f.) Review of losses and engineering reports and providing assistance to the member's safety committee.
3. The Risk Management Consultant(s) shall be appointed in conformance with the Public Contracts Law.

ARTICLE IV - OPERATION OF THE COMMISSION

General Operation:

1. The Commission shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and regulations (including but not limited to N.J.A.C. 5:34) and the various statutes authorizing the investment of public funds..

2. The Commission shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.
3. The Commission shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Commission shall prepare a financial statement on a form acceptable to the Commissioners showing the financial ability of the Commission to meet its obligations.
4. All monies, assessments, funds and other assets of the Commission shall be under the exclusive control of the Commissioners.
6. The Commission shall adopt a resolution designating a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian of funds shall possess a Certified Municipal Finance Officer certificate issued pursuant to N.J.S.A. 40A:9-140.2. The custodian shall quarterly report to the Commissioners on investment and interest income.
6. All books, records, files, documents and equipment of the insurance Commission are the property of the Commission and shall be retained by the Commission Administrator at the discretion of the Commissioners in accordance with a record retention program adopted by the Commission. All books, records, files and documents of the Commission shall be retained for not less than five years. The Commission shall also retain claims information

Risk Management Plan:

The Commissioners shall prepare or cause to be prepared, a Risk Management Plan for the Commission including all information detailed in N.J.A.C. 11:15-2.6(e) and or 11:15-3.6(d) as appropriate. The Risk Management Plan shall be adopted and approved by resolution of the Commissioners.

Financial Statement and Reports:

1. The Commissioners shall provide its members with periodic reports covering the activities and status of the Commission for the reporting period. The reports shall be made at least quarterly, and may be made more frequently at the direction of the Commissioners, and shall include, but not be limited to, the minutes, the Administrator's report, the Treasurer's report, and a summation of

Commission activity, including comments on previously reported claims and newly reported claims, and any other information required by the Commissioners. The Treasurer's report shall include budget status, account balances, claims information, investment status, earnings and the costs of making investments.

2. A sworn annual report in a form prescribed by the Commissioners shall be prepared by the Commission, and be made available to each Commission member not later than one hundred eighty (180) days after the end of each Commission year. The report shall be accompanied by an annual audited statement of the financial condition of the Commission prepared by the Auditor, and performed in accordance with generally accepted accounting principles.

Coverages:

The Commission may offer coverage to its members for the following purposes:

1. To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
2. To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
3. To insure against liability for its negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);
4. To insure against any loss or damage from liability as established by chapter 15 of Title 34 of the Revised Statutes;
5. To provide contributory or noncontributory self-funded, or partially self-funded, health benefits to employees or their dependents, or both, in accordance with rules and regulations of the Director of the Division of Local Government Services in the Department of Community Affairs. The establishment and operation of a Commission to provide health benefits by a local unit prior to the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby validated; however, any such health benefits Commission shall comply with all rules and regulations promulgated by the director pursuant to this subsection.

Services:

The Commission may also provide its members with safety and loss control programs and may jointly purchase or lease, on behalf of its membership, safety and loss control services, training, equipment and apparatus, in connection with the provision of the coverage set forth above.

ARTICLE V - MEETINGS AND RULES OF ORDER

1. Annual Organization Meeting:

On or before January 15th the beginning of the Commission year, the Commissioners shall meet to elect officers and to appoint professionals and servicing organizations and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.

2. Business Meetings:

The Commissioners shall establish an annual schedule of meetings to conduct the business of the Commission.

3. Special Meetings:

The Chairperson or two (2) Commissioners may call a special meeting by notifying the Commission's Secretary at least three (3) days in advance. The Secretary shall notify the Commissioners by telephone.

4. Quorum:

The quorum for a meeting of Commissioners shall be a majority of the regular Commissioners.

5. Conduct Of Meetings:

- a. All meetings of the Commission shall be subject to the rules and regulations of the Open Public Meetings Act. (N.J.S.A. 10:4-6 et.seq.)
- b. Unless otherwise provided in these rules and regulations, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.

- c. The Secretary shall cause written minutes to be maintained of all Commission meetings, and shall cause the minutes to be made available to the Commissioner upon request. In addition, the Secretary shall tape record open sessions for clarity in preparing the minutes. Said meeting tape shall be maintained for 180 days or until the meeting minutes are approved, whichever occurs first. There shall be no tape recording of closed session meetings.

6. Amendments to the Rules and Regulations

- a. Any commissioner may propose an amendment to the bylaws by filing the proposed amendment in writing with the Secretary.
 - b. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Commissioners of the hearing date and shall send all Commissioners and members a copy of the proposed amendment. Notice shall be given to the Freeholder Director and County Administrator.
3. The amendment may be adopted by the commissioners upon the completion of the hearing.

ARTICLE VI - BUDGETS

A. On or before November 15 of each year, the Commission shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self insurance or loss retention accounts. The budget shall be prepared on a basis that does not recognize investment income or discounting of claim reserves, but recognizes all anticipated or forecasted losses and administrative expenses associated with that fiscal year.

B. A copy of the Commission's proposed budget shall be made available to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget shall be adopted until a hearing has been held in accordance with N.J.S.A. 40A:4-1 et. seq. giving all members the opportunity to present comments or objections.

C. Not later than December 1st of each year the Commissioners shall adopt by majority vote the budget for the Commission's operation for the coming fiscal year.

E. An adopted budget may be amended by majority vote of Commissioners.

ARTICLE VII - ASSESSMENTS

Annual Assessment

1. In November of each year, the Executive Director/Administrator shall compute each member's assessments for the upcoming Commission year, which shall consist of an amount allocated for the administrative account plus specific assessment to establish and/or replenish the claim or loss retention trust fund account for each type of coverage provided by the Commission and in which such member participates.
2. The annual assessment of each participating local unit shall be its pro rata share of the Commission's budget for the upcoming year for each line of coverage provided to the member.
3. The calculation of pro rata shares shall be based on each member's manual premium by Commission year for that line of coverage. To the extent possible, the Commission shall use experience modification formulas in computing manual premiums. Unless otherwise approved by the Commissioners, the assessment for Worker's Compensation and Employer's Liability shall be based upon the experience rating plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner of Banking and Insurance. The Commissioners may also adopt a capping formula which limits the increase in any member's assessment to the Commission-wide average increase plus a percentage established by the Commissioners.
4. The total amount of each member's annual assessment shall be certified by majority vote of the Commissioners to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment shall be paid to the Commission in installments, to be determined by the Commissioners.
6. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention Trust Fund account.

7. If a member joins the Commission or elects to participate in a line of coverage after the start of the Commission year, such member's assessments and supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

Supplemental Assessments:

1. The Commissioners shall by majority vote levy upon the member local units additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

a. All supplemental assessments shall be charged to the members by applicable Commission year, and shall be apportioned by that year's assessments for that line of coverage.

b. All members shall be given at least thirty (30) days advance written notice of the Commission's intention to charge an additional assessment.

c. Members shall have thirty (30) days to pay the Commission from the due date established by the Commissioners at the time any supplemental assessment is adopted. Whenever possible, the due date shall be no sooner than the beginning of the Commission's next fiscal year.

Insolvency And/Or Bankruptcy Of Commission Members:

The insolvency or bankruptcy of a member does not release the Commission, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

ARTICLE VIII - REFUNDS

- A. Any monies for a Commission year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Commission.
- B. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission.

- C. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual assessment.

ARTICLE IX - TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS

Establishment of Trust Fund Accounts

1. By resolution, the Commission shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian shall report to the commission quarterly on interest and interest/income
2. The Commission shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums designated as the Claims or Loss Retention Fund Account.
 - a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a claim or loss retention account without the approval of the commissioners.
 - b. The Commission shall maintain accounting records allocating all income, disbursements, and assets in the Claims account by line of coverage and by Commission year. Accounting records for closed Commission year(s) shall be allocated by member. Accounting records for loss fund contingency or excess loss contingency shall also be allocated by member.
3. The Commission shall also establish an administrative account which shall be utilized for payment of the Commission's general operating expenses, loss prevention activities, data processing services, and general legal expenses. The Commission shall maintain accounting records for the administrative account per 2(b) above.

Investments

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Commission's cash management plan and consistent with the statutes and rules governing the investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.

2. The investment and interest income earned by the investment of the assets of each claim or loss retention account shall be credited to each account.
3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

Disbursements

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Commission's assets shall certify as to the availability of sufficient unencumbered funds to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Commissioners.
3. Notwithstanding numbers 1 and 2 above, the Commission may provide for the expedient resolution of certain claims by designating the Commission's Administrator or service organization as a "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Commission may authorize the certifying and approving officer to approve for payment any specified claims in an amount not to exceed an amount approved by the Commissioner in the Plan of Risk Management. The Commission shall establish such other procedures and restrictions on the exercise of this authority as the Commission deems appropriate.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Commission's assets, directing that a check for payment be prepared.
5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Commissioners at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.
6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and shall be certified by an officer or duly designated agent or employee of the Commission having knowledge of the facts that the goods have been received by, or the services rendered to the Commission. In the case of claims or losses to be charged against any loss fund, the Commission's claims administrator shall certify as to the claims correctness and validity.

7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the Commissioners. Payment of claims may be made by wire transfer.

8. All claims or other disbursements approved for payment by the Commission shall be recorded in a claims register maintained by the custodian of the Commission's assets.

ARTICLE X - CONFLICT OF INTEREST

- A. All officials or employees of a member local unit or any members of the family of such officials or employees shall comply with N.J.S.A. 40A: 22.1 et. seq. (The "Local Government Ethics Law").

ARTICLE XI - VOLUNTARY DISSOLUTION OF THE COMMISSION

- A. If the Commissioners deem it in the best interest of the members to dissolve the Commission, they shall by majority vote direct that a written Plan of Dissolution be prepared.
- B. The Plan of Dissolution must provide for the payment of all unexpired losses of the Commission and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Commission or the trust fund accounts may be used for any other purpose.
- C. Upon completion of the plan, the Chairperson shall call a general meeting of all Commissioners who shall review the plan and make any appropriate amendments. By majority vote, the Commissioners may recommend to the County that the Commission be dissolved in accordance with the Plan of Dissolution.
- D. The MERCER County Board of Freeholders must by resolution vote to accept the Plan of Dissolution in order to dissolve the Commission.
- E. Such Plan of Dissolution shall contain a statement of the Commission's current financial condition computed both on a statutory basis and according to generally accepted accounting principles as attested to by an independent certified accountant.

ARTICLE XII - CLAIMS HANDLING PROCEDURE

CLAIMS HANDLING PROCEDURE (HEALTH INSURANCE)

- A. Compliance: The Commission shall comply with the requirements of N.J.S.A. 17B:30-13.1 and 13.2 and N.J.A.C. 11:2-17 and N.J.A.C. 11:15-3.22.
- B. Registration of Claims: Covered individuals shall submit claims to the Third Party Claims Administrator (TPA) retained by the Commission. Each covered employee shall have an identification card, which contains the name and telephone number of the TPA. Claim reporting forms shall be made available to each participant.
- C. Claims Response: Upon receipt of the initial notice of claim, the TPA shall process the information in the following manner:
 - 1. Validate that the person has coverage.
 - 2. Determine if claim is eligible.
 - 3. Calculate the amount payable based upon the plan or benefits deductible, coinsurance, any cost containment features in the plan, and coordination of benefits (COB) factors.
 - 4. Pay valid claims or issue notice of rejection.
 - 5. If a notice of rejection is issued, the reason for said rejection shall be stated thereon.
- D. Periodic Review of Pending Claims: All pending claims will be reviewed not less than monthly. The TPA shall submit a report to the Commission not less than quarterly.
- E. Approval of Payments: The Commission shall specify in the contract the TPA's claims payment authority.
- F. Confidentiality:
 - 1. The complaint handling procedure shall provide for the confidentiality of the claimant's identity as required by N.J.A.C. 11:15-3.22.; All Employee claims information is privileged and confidential and shall not be included as a part of any open public record.
 - 2. Commissioners and the officials of the member local unit shall not have access to any employee claim information which reveals the identity of any individual plan participant.
 - 3. All claims are to be filed, and all inquiries are to be handled, directly with the Third Party Administrator. All employees of the Third Party Administrator shall execute a non-disclosure statement to protect the identity of the plan participants.

4. Only Commissioners members and necessary Commission professionals shall participate in any closed session discussion of claims. These claims discussions, whether general or specific to a coverage dispute, shall at all times be confidential and anonymous so that the identity of the local unit and/or claimant cannot be ascertained. When necessary, as in a specific claim dispute, the anonymity of the claimant shall be accomplished by assigning a blind claim number and deleting all references to the individual's name and place of employment. The claimant may demand that the matter be handled with disclosure of his identity by so indicating in writing to the Commission.
5. Documents identifying the employee, or from which the employee's identity might be deduced, shall not be accessible to any persons other than the Third Party Administrator, Program Manager, Commission Attorney, or duly appointed claim auditors when such records are needed to verify the accuracy of claim data as part of an audit.
6. Any person having access to claim information must sign a written non-disclosure statement.

G. Disputed Claims Appeal Procedures

1. If the plan participant is dissatisfied with the determination of the claim processor, the plan participant may appeal in writing the processor's determination to the TPA's Services Management Review Team, who shall notify the plan participant in writing of their determination. The plan participant shall, at that time, be advised that the determination may be appealed to the Commission's Executive Committee and that, at the plan participant's written request, the appeal may be made with the identity of the plan participant revealed. The plan participant's identity shall be revealed only upon the written request of the participant. A copy of this communication with the plan participant's name shall be sent to the Program Manager.
2. The plan participant may appeal an adverse determination concerning a claim to the Executive Committee by forwarding a copy of the determination letter issued by TPA to the Program Manager, who shall place it on the agenda for a closed session discussion at the next regularly scheduled meeting of the Commission, unless the appeal is received seven (7) business days or fewer prior to the next meeting, in which case it shall be placed on the ensuing meeting agenda. Prior to distribution of any writing concerning this appeal, all reference to the plan participant or the Town shall be stricken. The Program Manager shall review the claim and make a written recommendation to the Executive Committee prior to their deliberation regarding same. Whenever practical, the Executive Committee shall render its decision upon conclusion of the discussion at the appeal meeting, and if the plan participant is not present, advise the plan participant in writing of the determination and the reasons therefore within five (5) days.

3. If the plan participant is dissatisfied with the Executive Committee's determination, the plan participant may appeal this determination to the independent appeal organization designated by the Commission annually for a non-binding determination pursuant to fair, informal procedures adopted from time to time.
4. If the plan participant is dissatisfied with the determination of the independent appeal agency, the plan participant may exercise any remedies provided by law.

CLAIMS HANDLING (OTHER THAN HEALTH CLAIMS)

Claims Reporting:

Upon receipt of the initial notice of a claim, the member shall immediately forward the notice of claim and any other information available to the claims administrator and, where appropriate, to the Commission's attorney for initial contact, investigation, court actions or other appropriate response.

Registration Of Claims:

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the claims administrator shall cause each claim to be numbered, and to be included on a monthly report to the Executive Director. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, and an approximate estimate of the magnitude of the potential loss. This report shall be considered confidential.

Notice Of Request for Settlement Authority:

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, and such settlement exceeds the authority of the claims administrator, the claims administrator shall submit to the Commission administrator for review at a Commissioners meeting, a request for settlement authority. This notice shall be on forms approved by the Commissioners and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Commission, a summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement authority.

Approval Of Payments And Settlements:

Whenever the Commission shall make any payment or settlement of any claim, a notation thereof identifying the claim, and the amount paid shall be entered upon a ledger of claims paid.

ARTICLE XIV - COMPLAINT HANDLING PROCEDURE

- A. Whenever any interested party shall submit a complaint in writing to the Commission, the executive director/administrator, or any member of the Commission, a copy thereof shall be forthwith communicated to the Commissioners for consideration at its next regularly scheduled meeting.
- B. At said meeting the Commissioners shall consider the complaint, and by recorded vote take such action as might be appropriate.
- C. The complaining party, and the Commissioner from the local unit shall receive written notice of the Commissioners findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning his/her complaint before the Commissioners.
- D. The shall keep a separate record of all complaints received and the disposition of same.
- E. If the complaining party is dissatisfied with the Commissioners decision, the complaining party may appeal this determination to the independent appeal organization or arbitrator designated by the Commission annually.
- F. If the complaining party is dissatisfied with the determination of the independent appeal agency or arbitrator, the complaining party may exercise any remedies provided by law.

ARTICLE XV - OTHER CONDITIONS

Inspection And Audit:

The Commission shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others, to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Commission shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

Notice Of Injury:

When an injury occurs, written notice shall be given by or on behalf of the member to the Commission or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the member and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

Notice Of Claim Or Suit:

If claim is made or formal petition or a suit or other proceedings are brought against the member, it shall immediately forward to the Commission every demand, notice, summons or other process received by the member or its representative.

Assistance And Cooperation Of The Participant:

The member shall cooperate with the Commission and upon the Commission's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

Action Against Commission:

No action shall lie against the Commission unless, as a condition precedent thereto, the Member shall have fully complied with all the terms of this agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial or by written agreement of the member, the claimant and the Commission. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Commission as a co-defendant in any action against the member to determine the member's liability.

Bankruptcy or insolvency of the member shall not relieve the Commission of any of its obligations.

Subrogation:

In the event of any payment under the agreement, the Commission shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits of this agreement against any person or organization and the Member shall execute and

deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

Conformance With Statute:

In the event any portion of these rules and regulations conflict with any statute or administrative regulation, the provision of any such statute or administrative regulation shall control to the extent it conflicts.

THUS DONE, READ AND PASSED in my office in Mercer County, State of New Jersey.

COUNTY OF MERCER INSURANCE FUND COMMISSION

BY: _____
ANDREW A. MAIR, CHAIRMAN

ATTEST: _____
ELIZABETH SCANNELLA, VICE CHAIRMAN

DATED: _____