

**MERCER COUNTY INSURANCE FUND COMMISSION  
AGENDA AND REPORTS  
APRIL 27, 2015**

**MERCER COUNTY  
MCDADE ADMINISTRATION BUILDING  
640 SOUTH BROAD STREET  
ROOM 211  
TRENTON, NJ 08650-8068  
10:30 AM**

**OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE**

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

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

**MERCER COUNTY INSURANCE FUND COMMISSION**  
**AGENDA**  
**OPEN PUBLIC MEETING: APRIL 27, 2015**  
**640 S. BROAD STREET, ROOM 211**  
**TRENTON, NJ 08650-8068**  
**10:30 AM**

- MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ROLL CALL OF COMMISSIONERS**
- APPROVAL OF MINUTES: March 23, 2015 Open Minutes.....Appendix I**  
**March 23, 2015 Closed Minutes .....Handout**
  
- CORRESPONDENCE:**
  
- COMMITTEE REPORTS**  
Safety Committee:..... Verbal  
Claims Committee: ..... Verbal
  
- EXECUTIVE DIRECTOR/ADMINISTRATOR - PERMA ..... Pages 3-11**
  
- TREASURER – David Miller**  
Resolution 21-15 April Bill List.....Page 12  
February Reports ..... Pages 13-14
  
- ATTORNEY – Arthur R. Sypek, Jr., Esq. .... Verbal**
  
- CLAIMS SERVICE –Inservco Insurance Services, Inc.**  
Resolution 22-15 Authorizing Disclosure of Liability Claims Check Register..... Pages 15-16  
Liability Claims Payments 3-1-15 to 3-31-15 ..... Pages 17-18
  
- MANAGED CARE – First MCO**  
Monthly Summary Report - March.....Page 19
  
- CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**  
Monthly Report.....Page 20
  
- RISK MANAGER CONSULTANT – Borden Perlman Salisbury & Kelly**  
Monthly Report..... Verbal
  
- OLD BUSINESS**
- NEW BUSINESS:**
- PUBLIC COMMENT**
- CLOSED SESSION – Payment Authorization Requests (PARS) .....Pages 21-23**  
Resolution 23-15 Executive Session for purpose as permitted by the Open Public Meetings Act, more specifically to discuss PARS related to pending or anticipated litigation as identified in the list of claims prepared by third-party claim administrator Inservco Insurance Services, Inc. and attached to this agenda.

Motion for Executive Session

**APPROVAL OF PARS**

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**MEETING ADJOURNMENT**

**NEXT SCHEDULED MEETING: TBD MERCER COUNTY, McDADE  
ADMINISTRATION BUILDING, 640 S. BROAD STREET, TRENTON, NJ 08650-8068  
10:30 AM**

**.MERCER COUNTY INSURANCE FUND COMMISSION**

9 Campus Drive, Suite 16

Parsippany, NJ 07054

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

Date: April 27, 2015

Memo to: Commissioners of the Mercer County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

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- Certificate of Insurance Request Form (Pages 5-6)** - Attached on pages 5-6 is the certificate of insurance issuance reports from the CEL listing those certificates issued for the period of March 17, 2015 to April 17, 2015. There were 4 certificates of insurance issued during this period.
  - Motion to approve the certificate of insurance report**
- 2015 Risk Management Plan Revisions (Appendix II)** - Included in Appendix II of the agenda is an amended 2015 Risk Management Plan. The changes are highlighted in yellow. Executive Director will review the changes with the Commission.
  - Motion to adopt Resolution 20-15, amendment to the 2015 Risk Management Plan**
- NJ Excess Counties Insurance Fund (CELJIF)** - The CEL met on April 23, 2015. Executive Director will provide a verbal update of the meeting.
- MCIFC Property & Casualty Financial Fast Track (Page 7)** – Included in the agenda on page 7 is a copy of the Financial Fast Track as of **February 28, 2015**. The report indicates the Commission has a surplus of **\$1,430,335**. Line 8 of the report, “Investment in Joint Venture” is Mercer County Insurance Fund Commission’s share of equity in the CEL. MCIFC’s equity in the CEL as of February 28, 2015 is **\$292,065**.
- NJ CEL Property and Casualty Financial Fast Track (Pages 8-9)** – Included in the agenda on pages 8-9 are copies of the CEL Financial Fast Track Reports for the month of January and February. As of February 28, 2015 the Fund has a surplus of \$5,802,522.
- Claims Tracking Reports (Pages 10-11)** – Included in the agenda on pages 10-11 are copies of the Claim Activity Report and the Claims Management Report Expected Loss Ratio Analysis reports as of March 31, 2015. The Executive Director will review the reports with the Commission.
- 2014 Auditor Position** – The County issued the RFP for the 2014 Auditor Position and the responses were due on April 24, 2015. The County/Commission will be reviewing and

evaluating the responses received. The procedure for the appointment will be discussed at the Commission Meeting.

- ❑ **2015 Excess Insurance and Ancillary Coverage Policies** – On April 10, 2015 the CEL Underwriting Manager distributed an e-mail providing login information and instructions to access the Conner Strong & Buckelew website to view the insurance policies and endorsements. If any authorized representative experiences difficulty with the website they should contact the PERMA office for assistance.
  
- ❑ **May Meeting Date** - A meeting was not scheduled for May as the meeting date fell on Memorial Day. We are suggesting an alternate day of Thursday, May 28<sup>th</sup> at 10:30 AM. The May meeting date can be discussed further at the meeting.

**MERCER COUNTY INSURANCE FUND COMMISSION**  
**Certificate Of Insurance Monthly Report**

*Friday, April 17, 2015*

From 3/17/15 to 4/17/15

Holder (H) / Insured Name (I)	Holder / Insured Address	Holder Code	Description of Operations	Issue Date	Coverage
<b>MCIFC</b>					
H- Brandolini Property Management & I- County of Mercer	BLF Partners, LLC 1301 Lancaster Avenue Berwyn, PA 996 19312 McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068		Certificate holder is additional insured where obligated by virtue of a4/9/2015GL EX AU WC written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement with respect to the lease of the Mercer County Connections office.  Company D: XS Liability \$10,000,000 XS of \$10,000,000, (\$10,000,000 Annual Aggregate) Policy Term: 1/1/15 to 1/1/16 Policy # XCO0000261  Company E: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/15 to 1/1/16 Policy # SP4052392		
H- Klockner Elementary School I- County of Mercer	830 Klockner Road Hamilton, NJ McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	1491	Evidence of insurance. All operations usual to County Governmental Entity as respects to the Polling location for the 2015 Primary Election. ( See Page 2)	3/27/2015	GL EX AU WC
			Company D: XS Liability \$10,000,000 XS of \$10,000,000, (\$10,000,000 Annual Aggregate) Policy Term: 1/1/15 to 1/1/16 Policy # XCO0000261  Company E: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/15 to 1/1/16 Policy # SP4052392		
H- Alamo Insurance Group I- County of Mercer	55 Flanagan Way Secaucus, NJ 07094 McDade Administration Building 640 South Broad Street, PO Box 8068 Trenton, NJ 08650-0068	1494	Evidence of insurance. All operations usual to County Governmental Entity. (See page 2)	4/9/2015	GL EX AU WC
			Company D: XS Liability \$10,000,000 XS of \$10,000,000, (\$10,000,000 Annual Aggregate) Policy Term: 1/1/15 to 1/1/16 Policy # XCO0000261  Company E: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/15 to 1/1/16 Policy # SP4052392		

H- Borden Perlman Salisbury and Kelly  
I- County of Mercer

250 Phillips Blvd Suite 280 Ewing, NJ 08618  
McDade Administration Building 640 South Broad  
Street, PO Box 8068 Trenton, NJ 08650-0068

1495

Evidence of insurance. All operations usual to County  
Governmental Entity. (See page 2)

4/9/2015 GL EX AU WC

Company D: XS Liability \$10,000,000 XS of \$10,000,000, (\$10,000,000 Annual Aggregate)  
Policy Term: 1/1/15 to 1/1/16 Policy # XCO0000261

Company E: XS Worker Compensation Statutory x \$1,000,000  
XS Employers Liability \$5,000,000 x \$1,000,000  
Policy Term 1/1/15 to 1/1/16 Policy # SP4052392

**Total # of Holders =** 4

MERCER COUNTY INSURANCE COMMISSION					
FINANCIAL FAST TRACK REPORT					
AS OF		February 28, 2015			
ALL YEARS COMBINED					
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME	653,592	1,307,184	7,489,494	8,796,678
2.	CLAIM EXPENSES				
	Paid Claims	85,253	169,128	1,145,419	1,314,547
	Case Reserves	(21,543)	44,427	1,097,825	1,142,252
	IBNR	506,527	758,198	1,280,177	2,038,375
	Discounted Claim Value	23,378	4,542	(140,251)	(135,709)
	<b>TOTAL CLAIMS</b>	<b>593,616</b>	<b>976,295</b>	<b>3,383,170</b>	<b>4,359,465</b>
3.	EXPENSES				
	Excess Premiums	204,030	408,061	2,250,966	2,659,027
	Administrative	47,769	95,553	544,364	639,917
	<b>TOTAL EXPENSES</b>	<b>251,800</b>	<b>503,614</b>	<b>2,795,330</b>	<b>3,298,944</b>
4.	UNDERWRITING PROFIT (1-2-3)	(191,823)	(172,724)	1,310,994	1,138,270
5.	INVESTMENT INCOME	0	0	0	0
6.	PROFIT (4 + 5)	(191,823)	(172,724)	1,310,994	1,138,270
7.	CEL APPROPRIATION CANCELLATION	0	0	0	0
8.	INVESTMENT IN JOINT VENTURE	46,675	46,675	245,390	292,065
9.	<b>SURPLUS (6 + 7 + 8)</b>	<b>(145,148)</b>	<b>(126,049)</b>	<b>1,556,384</b>	<b>1,430,335</b>
<b>SURPLUS (DEFICITS) BY FUND YEAR</b>					
	2014	(189,064)	(193,959)	1,556,384	1,362,425
	2015	43,916	67,910		67,910
	<b>TOTAL SURPLUS (DEFICITS)</b>	<b>(145,148)</b>	<b>(126,049)</b>	<b>1,556,384</b>	<b>1,430,335</b>
	<b>TOTAL CASH</b>				<b>(1,315,027)</b>
<b>CLAIM ANALYSIS BY FUND YEAR</b>					
<b>FUND YEAR 2014</b>					
	Paid Claims	73,743	154,935	1,145,419	1,300,354
	Case Reserves	(120,503)	(132,501)	1,097,825	965,324
	IBNR	191,427	122,233	1,280,177	1,402,410
	Discounted Claim Value	35,904	40,721	(140,251)	(99,530)
	<b>TOTAL FY 2014 CLAIMS</b>	<b>180,571</b>	<b>185,388</b>	<b>3,383,170</b>	<b>3,568,558</b>
<b>FUND YEAR 2015</b>					
	Paid Claims	11,511	14,193		14,193
	Case Reserves	98,960	176,928		176,928
	IBNR	315,100	635,964		635,964
	Discounted Claim Value	(12,526)	(36,179)		(36,179)
	<b>TOTAL FY 2015 CLAIMS</b>	<b>413,045</b>	<b>790,907</b>	<b>0</b>	<b>790,907</b>
	<b>COMBINED TOTAL CLAIMS</b>	<b>593,616</b>	<b>976,295</b>	<b>3,383,170</b>	<b>4,359,465</b>

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.



NEW JERSEY COUNTIES EXCESS JIF FINANCIAL FAST TRACK REPORT					
		AS OF		January 31, 2015	
ALL YEARS COMBINED					
		THIS	YTD	PRIOR	FUND
		MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME	1,821,517	1,821,517	54,944,225	56,765,742
2.	CLAIM EXPENSES				
	Paid Claims	252,402	252,402	411,505	663,907
	Case Reserves	(252,400)	(252,400)	683,535	431,134
	IBNR	90,687	90,687	8,429,959	8,520,646
	Discounted Claim Value	215,330	215,330	(1,189,781)	(974,450)
	<b>TOTAL CLAIMS</b>	<b>306,019</b>	<b>306,019</b>	<b>8,335,218</b>	<b>8,641,237</b>
3.	EXPENSES				
	Excess Premiums	1,243,447	1,243,447	36,750,168	37,993,615
	Administrative	126,856	126,856	4,080,877	4,207,733
	<b>TOTAL EXPENSES</b>	<b>1,370,303</b>	<b>1,370,303</b>	<b>40,831,045</b>	<b>42,201,348</b>
4.	UNDERWRITING PROFIT (1-2-3)	145,195	145,195	5,777,962	5,923,157
5.	INVESTMENT INCOME	2,743	2,743	152,545	155,288
6.	STATUTORY PROFIT (4+5)	147,938	147,938	5,930,507	6,078,445
7.	Cancelled Appropriations	0	0	607,551	607,551
8.	STATUTORY SURPLUS (6-7)	147,938	147,938	5,322,956	5,470,894
<b>SURPLUS (DEFICITS) BY FUND YEAR</b>					
	2010	19,698	19,698	680,166	699,864
	2011	33,805	33,805	994,756	1,028,561
	2012	(15,855)	(15,855)	822,655	806,800
	2013	2,307	2,307	1,310,706	1,313,013
	2014	(70,314)	(70,314)	1,514,673	1,444,359
	2015	178,297	178,297		178,297
	<b>TOTAL SURPLUS (DEFICITS)</b>	<b>147,938</b>	<b>147,938</b>	<b>5,322,956</b>	<b>5,470,894</b>
	<b>TOTAL CASH</b>				<b>12,821,468</b>
<b>CLAIM ANALYSIS BY FUND YEAR</b>					
<b>FUND YEAR 2010</b>					
	Paid Claims	2,391	2,391	142,195	144,586
	Case Reserves	(2,391)	(2,391)	24,085	21,694
	IBNR	(28,789)	(28,789)	463,719	434,930
	Discounted Claim Value	9,355	9,355	(41,484)	(32,129)
	<b>TOTAL FY 2010 CLAIMS</b>	<b>(19,434)</b>	<b>(19,434)</b>	<b>588,515</b>	<b>569,081</b>
<b>FUND YEAR 2011</b>					
	Paid Claims	0	0	144,097	144,097
	Case Reserves	(3)	(3)	2,671	2,668
	IBNR	(61,078)	(61,078)	1,113,232	1,052,154
	Discounted Claim Value	27,744	27,744	(121,623)	(93,879)
	<b>TOTAL FY 2011 CLAIMS</b>	<b>(33,338)</b>	<b>(33,338)</b>	<b>1,138,377</b>	<b>1,105,039</b>
<b>FUND YEAR 2012</b>					
	Paid Claims	250,011	250,011	125,213	375,224
	Case Reserves	(250,012)	(250,012)	653,695	403,683
	IBNR	(46,903)	(46,903)	1,521,091	1,474,188
	Discounted Claim Value	63,405	63,405	(240,518)	(177,113)
	<b>TOTAL FY 2012 CLAIMS</b>	<b>16,502</b>	<b>16,502</b>	<b>2,059,481</b>	<b>2,075,983</b>
<b>FUND YEAR 2013</b>					
	Paid Claims	0	0	0	0
	Case Reserves	2	2	2,025	2,027
	IBNR	(66,899)	(66,899)	2,322,975	2,256,076
	Discounted Claim Value	65,359	65,359	(311,625)	(246,266)
	<b>TOTAL FY 2013 CLAIMS</b>	<b>(1,537)</b>	<b>(1,537)</b>	<b>2,013,375</b>	<b>2,011,838</b>
<b>FUND YEAR 2014</b>					
	Paid Claims	0	0	0	0
	Case Reserves	4	4	1,058	1,062
	IBNR	(19,507)	(19,507)	3,008,942	2,989,435
	Discounted Claim Value	90,412	90,412	(474,530)	(384,118)
	<b>TOTAL FY 2014 CLAIMS</b>	<b>70,909</b>	<b>70,909</b>	<b>2,535,470</b>	<b>2,606,379</b>
<b>FUND YEAR 2015</b>					
	Paid Claims	0	0		0
	Case Reserves	0	0		0
	IBNR	313,863	313,863		313,863
	Discounted Claim Value	(40,946)	(40,946)		(40,946)
	<b>TOTAL FY 2015 CLAIMS</b>	<b>272,917</b>	<b>272,917</b>	<b>0</b>	<b>272,917</b>
	<b>COMBINED TOTAL CLAIMS</b>	<b>306,019</b>	<b>306,019</b>	<b>8,335,218</b>	<b>8,641,237</b>

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

NEW JERSEY COUNTIES EXCESS JIF FINANCIAL FAST TRACK REPORT					
AS OF February 28, 2015					
ALL YEARS COMBINED					
		THIS	YTD	PRIOR	FUND
		MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME	1,821,517	3,643,034	54,944,225	58,587,259
2.	CLAIM EXPENSES				
	Paid Claims	4,821	257,222	411,505	668,727
	Case Reserves	24,127	(228,273)	683,535	455,261
	IBNR	97,206	187,894	8,429,959	8,617,853
	Discounted Claim Value	(12,511)	202,819	(1,189,781)	(986,961)
	<b>TOTAL CLAIMS</b>	<b>113,643</b>	<b>419,663</b>	<b>8,335,218</b>	<b>8,754,881</b>
3.	EXPENSES				
	Excess Premiums	1,242,712	2,486,159	36,750,168	39,236,327
	Administrative	135,490	262,346	4,080,877	4,343,223
	<b>TOTAL EXPENSES</b>	<b>1,378,202</b>	<b>2,748,505</b>	<b>40,831,045</b>	<b>43,579,550</b>
4.	UNDERWRITING PROFIT (1-2-3)	329,672	474,867	5,777,962	6,252,829
5.	INVESTMENT INCOME	1,956	4,699	152,545	157,244
6.	STATUTORY PROFIT (4+5)	331,627	479,566	5,930,507	6,410,073
7.	Cancelled Appropriations	0	0	607,551	607,551
8.	STATUTORY SURPLUS (6-7)	331,627	479,566	5,322,956	5,802,522
<b>SURPLUS (DEFICITS) BY FUND YEAR</b>					
	2010	27,307	47,005	680,166	727,171
	2011	53,348	87,153	994,756	1,081,909
	2012	7,526	(8,328)	822,655	814,327
	2013	55,671	57,978	1,310,706	1,368,684
	2014	17,983	(52,331)	1,514,673	1,462,342
	2015	169,792	348,089		348,089
	<b>TOTAL SURPLUS (DEFICITS)</b>	<b>331,627</b>	<b>479,566</b>	<b>5,322,956</b>	<b>5,802,522</b>
	<b>TOTAL CASH</b>				<b>6,557,168</b>
<b>CLAIM ANALYSIS BY FUND YEAR</b>					
<b>FUND YEAR 2010</b>					
	Paid Claims	4,106	6,497	142,195	148,692
	Case Reserves	(7,093)	(9,484)	24,085	14,601
	IBNR	(26,438)	(55,227)	463,719	408,492
	Discounted Claim Value	2,285	11,640	(41,484)	(29,844)
	<b>TOTAL FY 2010 CLAIMS</b>	<b>(27,141)</b>	<b>(46,575)</b>	<b>588,515</b>	<b>541,940</b>
<b>FUND YEAR 2011</b>					
	Paid Claims	0	0	144,097	144,097
	Case Reserves	(1,656)	(1,659)	2,671	1,012
	IBNR	(56,643)	(117,721)	1,113,232	995,511
	Discounted Claim Value	5,245	32,989	(121,623)	(88,634)
	<b>TOTAL FY 2011 CLAIMS</b>	<b>(53,054)</b>	<b>(86,391)</b>	<b>1,138,377</b>	<b>1,051,986</b>
<b>FUND YEAR 2012</b>					
	Paid Claims	715	250,726	125,213	375,939
	Case Reserves	32,972	(217,040)	653,695	436,655
	IBNR	(45,229)	(92,132)	1,521,091	1,428,959
	Discounted Claim Value	4,387	67,792	(240,518)	(172,726)
	<b>TOTAL FY 2012 CLAIMS</b>	<b>(7,156)</b>	<b>9,346</b>	<b>2,059,481</b>	<b>2,068,827</b>
<b>FUND YEAR 2013</b>					
	Paid Claims	0	0	0	0
	Case Reserves	1	3	2,025	2,028
	IBNR	(64,735)	(131,634)	2,322,975	2,191,341
	Discounted Claim Value	9,548	74,908	(311,625)	(236,717)
	<b>TOTAL FY 2013 CLAIMS</b>	<b>(55,186)</b>	<b>(56,723)</b>	<b>2,013,375</b>	<b>1,956,652</b>
<b>FUND YEAR 2014</b>					
	Paid Claims	0	0	0	0
	Case Reserves	(98)	(94)	1,058	964
	IBNR	(23,612)	(43,119)	3,008,942	2,965,823
	Discounted Claim Value	6,970	97,383	(474,530)	(377,147)
	<b>TOTAL FY 2014 CLAIMS</b>	<b>(16,739)</b>	<b>54,170</b>	<b>2,535,470</b>	<b>2,589,640</b>
<b>FUND YEAR 2015</b>					
	Paid Claims	0	0		0
	Case Reserves	2	2		2
	IBNR	313,863	627,727		627,727
	Discounted Claim Value	(40,946)	(81,892)		(81,892)
	<b>TOTAL FY 2015 CLAIMS</b>	<b>272,919</b>	<b>545,836</b>	<b>0</b>	<b>545,836</b>
	<b>COMBINED TOTAL CLAIMS</b>	<b>113,643</b>	<b>419,663</b>	<b>8,335,218</b>	<b>8,754,881</b>

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

**Mercer County Insurance Fund Commission**  
**CLAIM ACTIVITY REPORT**

AS OF	March 31, 2015							
<b>COVERAGE LINE - PROPERTY</b>								
<b>CLAIM COUNT - OPEN CLAIMS</b>								
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	0	0	0	0	9	1	10	
March-15	0	0	0	0	24	24	48	
<b>NET CHGE</b>	0	0	0	0	15	23	38	
Limited Reserves								<b>\$4,327</b>
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	\$0	\$0	\$0	\$0	\$108,600	\$7,000	\$115,600	
March-15	\$0	\$0	\$0	\$0	\$128,484	\$79,200	\$207,684	
<b>NET CHGE</b>	\$0	\$0	\$0	\$0	\$19,884	\$72,200	\$92,084	
Ltd Incurred	\$0	\$0	\$0	\$0	\$148,083	\$79,200	\$227,283	
<b>COVERAGE LINE - GENERAL LIABILITY</b>								
<b>CLAIM COUNT - OPEN CLAIMS</b>								
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	0	0	0	0	32	3	35	
March-15	0	0	0	0	23	13	36	
<b>NET CHGE</b>	0	0	0	0	-9	10	1	
Limited Reserves								<b>\$2,249</b>
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	\$0	\$0	\$0	\$0	\$73,755	\$3,100	\$76,855	
March-15	\$0	\$0	\$0	\$0	\$67,553	\$13,414	\$80,967	
<b>NET CHGE</b>	\$0	\$0	\$0	\$0	(\$6,202)	\$10,314	\$4,112	
Ltd Incurred	\$0	\$0	\$0	\$0	\$68,893	\$68,893	\$137,786	
<b>COVERAGE LINE - AUTO LIABILITY</b>								
<b>CLAIM COUNT - OPEN CLAIMS</b>								
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	0	0	0	0	2	2	4	
March-15	0	0	0	0	1	2	3	
<b>NET CHGE</b>	0	0	0	0	-1	0	-1	
Limited Reserves								<b>\$667</b>
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	\$0	\$0	\$0	\$0	\$4,600	\$2,250	\$6,850	
March-15	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$2,000	
<b>NET CHGE</b>	\$0	\$0	\$0	\$0	(\$3,600)	(\$1,250)	(\$4,850)	
Ltd Incurred	\$0	\$0	\$0	\$0	\$11,391	\$2,250	\$13,641	
<b>COVERAGE LINE - WORKERS COMP.</b>								
<b>CLAIM COUNT - OPEN CLAIMS</b>								
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	0	0	0	0	36	20	56	
March-15	0	0	0	0	29	32	61	
<b>NET CHGE</b>	0	0	0	0	-7	12	5	
Limited Reserves								<b>\$14,521</b>
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	\$0	\$0	\$0	\$0	\$743,832	\$154,278	\$898,110	
March-15	\$0	\$0	\$0	\$0	\$658,118	\$227,684	\$885,802	
<b>NET CHGE</b>	\$0	\$0	\$0	\$0	(\$85,714)	\$73,406	(\$12,308)	
Ltd Incurred	\$0	\$0	\$0	\$0	\$2,008,981	\$319,722	\$2,328,704	
<b>TOTAL ALL LINES COMBINED</b>								
<b>CLAIM COUNT - OPEN CLAIMS</b>								
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	0	0	0	0	79	26	105	
March-15	0	0	0	0	77	71	148	
<b>NET CHGE</b>	0	0	0	0	-2	45	43	
Limited Reserves								<b>\$7,949</b>
Year	2010	2011	2012	2013	2014	2015	TOTAL	
February-15	\$0	\$0	\$0	\$0	\$930,787	\$166,628	\$1,097,415	
March-15	\$0	\$0	\$0	\$0	\$855,155	\$321,298	\$1,176,453	
<b>NET CHGE</b>	\$0	\$0	\$0	\$0	(\$75,632)	\$154,670	\$79,038	
Ltd Incurred	\$0	\$0	\$0	\$0	\$2,237,349	\$470,066	\$2,707,414	

**Mercer County Insurance Fund Commission**

**CLAIMS MANAGEMENT REPORT**

**EXPECTED LOSS RATIO ANALYSIS**

**AS OF**

**March 31, 2015**

**FUND YEAR 2014 -- LOSSES CAPPED AT RETENTION**

	Budget	Current		15	MONTH	Last Month		14	MONTH	Last Year		3	MONTH			
		Unlimited Incurred	Limited Incurred	Actual 31-Mar-15		Unlimited Incurred	Limited Incurred	Actual 28-Feb-15		Unlimited Incurred	Limited Incurred	Actual 30-Mar-14				
PROPERTY	62,322	148,083	148,083	237.61%	60,098	96.43%	124,195	124,195	199.28%	59,850	96.03%	109,895	109,895	176.34%	14,334	23.00%
GEN LIABILITY	124,157	68,893	68,893	55.49%	82,028	66.07%	75,095	75,095	60.48%	79,705	64.20%	43,164	43,164	34.77%	7,449	6.00%
AUTO LIABILITY	127,016	11,391	11,391	8.97%	75,677	59.58%	11,842	11,842	9.32%	72,353	56.96%	500	500	0.39%	7,621	6.00%
WORKER'S COMP	4,356,301	2,008,981	2,008,981	46.12%	3,426,921	78.67%	2,011,363	2,011,363	46.17%	3,262,170	74.88%	539,503	539,503	12.38%	130,689	3.00%
<b>TOTAL ALL LINES</b>	<b>4,669,797</b>	<b>2,237,349</b>	<b>2,237,349</b>	<b>47.91%</b>	<b>3,644,723</b>	<b>78.05%</b>	<b>2,222,495</b>	<b>2,222,495</b>	<b>47.59%</b>	<b>3,474,078</b>	<b>74.39%</b>	<b>693,062</b>	<b>693,062</b>	<b>14.84%</b>	<b>160,093</b>	<b>3.43%</b>
<b>NET PAYOUT %</b>	<b>\$1,382,194</b>					<b>29.60%</b>										

**FUND YEAR 2015 -- LOSSES CAPPED AT RETENTION**

	Budget	Current		3	MONTH	Last Month		2	MONTH	Last Year		-9	MONTH			
		Unlimited Incurred	Limited Incurred	Actual 31-Mar-15		Unlimited Incurred	Limited Incurred	Actual 28-Feb-15		Unlimited Incurred	Limited Incurred	Actual 30-Mar-14				
PROPERTY	80,948	79,200	79,200	97.84%	18,618	23.00%	7,000	7,000	8.65%	10,523	13.00%	0	0	N/A	N/A	N/A
GEN LIABILITY	155,896	13,459	13,459	8.63%	9,354	6.00%	3,100	3,100	1.99%	3,897	2.50%	0	0	N/A	N/A	N/A
AUTO LIABILITY	131,580	2,250	2,250	1.71%	7,895	6.00%	2,250	2,250	1.71%	3,290	2.50%	0	0	N/A	N/A	N/A
WORKER'S COMP	4,449,750	319,722	319,722	7.19%	133,493	3.00%	168,471	168,471	3.79%	88,995	2.00%	0	0	N/A	N/A	N/A
<b>TOTAL ALL LINES</b>	<b>4,818,174</b>	<b>414,631</b>	<b>414,631</b>	<b>8.61%</b>	<b>169,359</b>	<b>3.52%</b>	<b>180,821</b>	<b>180,821</b>	<b>3.75%</b>	<b>106,705</b>	<b>2.21%</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>NET PAYOUT %</b>	<b>\$93,333</b>					<b>1.94%</b>										

**MERCER COUNTY INSURANCE FUND COMMISSION  
BILLS LIST**

**Resolution No. 21-15**

**APRIL 2015**

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

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

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

**FUND YEAR 2015**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<b>000106</b>			
000106	BORDEN PERLMAN SALISBURY&KELLY	INSURANCE CONSULTING FEE 04/2015	4,444.25
			<b>4,444.25</b>
<b>000107</b>			
000107	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 03/2015	2.45
000107	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 04/2015	12,903.25
			<b>12,905.70</b>
<b>000108</b>			
000108	THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES FEE 04/2015	2,271.42
			<b>2,271.42</b>
<b>000109</b>			
000109	INSERVCO INSURANCE SERVICES	CLAIMS SERVICES FEE 04/2015	16,421.00
			<b>16,421.00</b>
<b>000110</b>			
000110	THE PRINCETON PACKET	ADV 1042540 - 3/13/15 - CLOSED 3-23	14.00
			<b>14.00</b>
<b>000111</b>			
000111	THE TRENTONIAN	ACCT: 896855 - 3/11/15 - CLOSED SESSION	15.48
			<b>15.48</b>
<b>000112</b>			
000112	THE TIMES	ACCT: 1153600 - 3/18/15 - PUBL NOTICE	34.57
			<b>34.57</b>
<b>000113</b>			
000113	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 04/2015	9,906.75
			<b>9,906.75</b>
TOTAL PAYMENTS FY 2015			46,013.17

**TOTAL PAYMENTS ALL FUND YEARS \$ 46,013.17**

\_\_\_\_\_  
Chairperson

Attest:

Dated: \_\_\_\_\_

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

\_\_\_\_\_  
Treasurer

**MERCER COUNTY INSURANCE FUND COMMISSION**  
**SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED**

<b>Current Fund Year: 2015</b>										
<b>Month Ending: February</b>										
	<b>Property</b>	<b>Liability</b>	<b>Auto</b>	<b>Worker's Comp</b>	<b>0</b>	<b>NJ CEL</b>	<b>Admin</b>			<b>TOTAL</b>
OPEN BALANCE	393.24	53,902.48	65,533.14	1,318,947.02	0.00	(1,001,128.57)	(248,998.80)	0.00	0.00	188,648.51
<b>RECEIPTS</b>										
Assessments	802.47	1,604.93	1,643.61	56,240.33	0.00	29,053.15	7,338.21	0.00	0.00	96,682.70
Refunds	1,991.79	0.00	0.00	21.37	0.00	0.00	0.00	0.00	0.00	2,013.16
Invest Pymnts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>2,794.26</b>	<b>1,604.93</b>	<b>1,643.61</b>	<b>56,261.70</b>	<b>0.00</b>	<b>29,053.15</b>	<b>7,338.21</b>	<b>0.00</b>	<b>0.00</b>	<b>98,695.86</b>
<b>EXPENSES</b>										
Claims Transfers	0.00	0.00	500.00	86,766.64	0.00	0.00	0.00	0.00	0.00	87,266.64
Expenses	0.00	0.00	0.00	0.00	0.00	1,469,019.10	46,025.32	0.00	0.00	1,515,044.42
Other *	0.00	0.00	0.00	0.00	0.00	0.00	60.00	0.00	0.00	60.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>500.00</b>	<b>86,766.64</b>	<b>0.00</b>	<b>1,469,019.10</b>	<b>46,085.32</b>	<b>0.00</b>	<b>0.00</b>	<b>1,602,371.06</b>
<b>END BALANCE</b>	<b>3,187.50</b>	<b>55,507.41</b>	<b>66,676.75</b>	<b>1,288,442.08</b>	<b>0.00</b>	<b>(2,441,094.52)</b>	<b>(287,745.91)</b>	<b>0.00</b>	<b>0.00</b>	<b>(1,315,026.69)</b>

<b>SUMMARY OF CASH AND INVESTMENT INSTRUMENTS</b>				
<b>MERCER COUNTY INSURANCE FUND COMMISSION</b>				
<b>ALL FUND YEARS COMBINED</b>				
<b>CURRENT MONTH</b>		<b>February</b>		
<b>CURRENT FUND YEAR</b>		<b>2015</b>		
<b>Description:</b>		<b>MCIFC General</b>	<b>MCIFC Claims</b>	
		<b>A/C</b>	<b>A/C</b>	
<b>ID Number:</b>				
<b>Maturity (Yrs)</b>				
<b>Purchase Yield:</b>				
<b>TOTAL for All</b>				
<b>Accts &amp; instruments</b>				
<b>Opening Cash &amp; Investment Balance</b>	<b>\$188,648.51</b>	<b>238,468.94</b>	<b>-</b>	<b>49,820.43</b>
<b>Opening Interest Accrual Balance</b>	<b>\$0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
1 Interest Accrued and/or Interest Cost	\$0.00	\$0.00		\$0.00
2 Interest Accrued - discounted Instr.s	\$0.00	\$0.00		\$0.00
3 (Amortization and/or Interest Cost)	\$0.00	\$0.00		\$0.00
4 Accretion	\$0.00	\$0.00		\$0.00
5 Interest Paid - Cash Instr.s	\$0.00	\$0.00		\$0.00
6 Interest Paid - Term Instr.s	\$0.00	\$0.00		\$0.00
7 Realized Gain (Loss)	\$0.00	\$0.00		\$0.00
8 Net Investment Income	\$0.00	\$0.00		\$0.00
9 Deposits - Purchases	\$98,695.86	\$0.00		\$98,695.86
10 (Withdrawals - Sales)	-\$1,602,371.06	-\$1,515,044.42		-\$87,326.64
Ending Cash & Investment Balance	-\$1,315,026.69	-\$1,276,575.48		-\$38,451.21
Ending Interest Accrual Balance	\$0.00	\$0.00		\$0.00
Plus Outstanding Checks	\$1,605,868.83	\$1,561,069.26		\$44,799.57
(Less Deposits in Transit)	\$0.00	\$0.00		\$0.00
Balance per Bank	\$290,842.14	<b>\$284,493.78</b>		<b>\$6,348.36</b>

**RESOLUTION 22-15**

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

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

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

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

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

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

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

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

**WHEREAS**, the MCIFC did hold a closed session from which the public was excluded on April 27, 2015 at which time certain items were discussed as were referenced in a separate resolution authorizing said closed session and it being determined certain liability & property claim payment information can be made public at this time; and

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

The attached financial transaction logs generated by third party administrator Inservco Insurances Inc. for the period March 1, 2015 to March 31, 2015 and related to all non-workers compensation payments are hereby approved for distribution to the listed claimants and for disclosure to the general public

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on April 27, 2015.



**ADOPTD:**

\_\_\_\_\_  
**ANDREW A. MAIR, CHAIRMAN**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**K. MEGAN CLARK HUGHES, VICE CHAIRMAN**

\_\_\_\_\_  
**DATE**

**Mercer County Ins Fund Comm - 396**  
**Financial Transaction Log - Liability Claim Payments**  
**Monthly / Detail / By Coverage / By Payment Type / By Check Number**  
**03/01/2015 Thru 03/31/2015**

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

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

**Mercer County Ins Fund Comm - 396**  
**Financial Transaction Log - Liability Claim Payments**  
**Monthly / Detail / By Coverage / By Payment Type / By Check Number**  
**03/01/2015 Thru 03/31/2015**

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
<b>Coverage: Auto Liability</b>										
C	3976	3960000581	001 SFERRA ELECTRICAL	1/23/2015	1/23/2015	SFERRA ELECTRICAL	3/9/2015	Deductible Reimbursement	500.00	500.00
C	3977	3960000574	001 TOLBERT, JACQUELINE	2/3/2015	2/3/2015	JACQUELINE E TOLBERT	3/9/2015	Reimbursement of Deductible	750.00	750.00
C	4131	3960000425	001 BROGLE, ANDREA	8/1/2014	8/1/2014	ANDREA BROGLE	3/23/2015	Reimbursement of Deductible & Rental Fees	807.90	807.90
C	4132	3960000595	001 VAZQUEZ, ELVIA	12/26/2014	12/26/2014	ELVIA VAZQUEZ	3/23/2015	Full Final Settlement of All Claims	2,340.34	2,340.34
<b>Total for Coverage: Auto Liability</b>							<b>Number of entries: 4</b>		<b>4,398.24</b>	<b>4,398.24</b>
<b>Coverage: Auto Physical Damage</b>										
M	396	3960000487	001 COUNTY OF MERCER	11/10/2014	11/10/2014	COUNTY OF MERCER	3/18/2015	2005Ford Ranger Truck Plate#K590CG	3,152.74	3,152.74
R	10781387	3960000487	001 COUNTY OF MERCER	11/10/2014	11/10/2014	USAA CLAIMS	3/18/2015	Subro recovery	-3,152.74	-3,152.74
V	260131	3960000348	001 MERCER COUNTY INSURANCE	8/1/2014	8/1/2014	NEW JERSEY MANUFACTURERS	3/19/2015	Subro recovery	1,991.79	1,991.79
V	392	3960000475	001 COUNTY OF MERCER	10/6/2014	10/6/2014	COUNTY OF MERCER	3/19/2015	Veh#159 2004 Ford F250 Pickup Plate#U744-CG	-87.32	-87.32
V	396	3960000464	001 COUNTY OF MERCER	10/7/2014	10/7/2014	COUNTY OF MERCER	3/19/2015	Veh#9 2008 Ford E350 Van Plate#S455CG	-141.50	-141.50
V	396	3960000348	001 MERCER COUNTY INSURANCE	8/1/2014	8/1/2014	MERCER COUNTY INSURANCE	3/19/2015	2011 TOYOTA CAMRY PLATE#Y31SNG	-1,991.79	-1,991.79
V	396	3960000486	001 COUNTY OF MERCER	10/29/2014	10/29/2014	COUNTY OF MERCER	3/19/2015	2014 Ford Explorer Plate#V73CLZ	-1,988.12	-1,988.12
V	396	3960000011	001 MERCER COUNTY INSURANCE	1/12/2014	1/12/2014	ED & GUYS AUTO BODY	3/19/2015	COLLISION LOSS	-566.95	-566.95
V	396	3960000488	001 COUNTY OF MERCER	7/16/2014	7/16/2014	COUNTY OF MERCER	3/19/2015	Veh#281 2008 Case Loader Plate#S768CG	-677.42	-677.42
V	396	3960000478	001 COUNTY OF MERCER	10/17/2014	10/17/2014	COUNTY OF MERCER	3/19/2015	2001 FORD WINDSTAR MINI VAN PLATE#CG19297	-459.82	-459.82
V	396	3960000341	001 MERCER COUNTY INSURANCE	7/23/2014	7/23/2014	MERCER COUNTY INSURANCE	3/19/2015	2014 NAVISTAR PLATE#570BCG	-299.02	-299.02
<b>Total for Coverage: Auto Physical Damage</b>							<b>Number of entries: 11</b>		<b>-4,220.15</b>	<b>-4,220.15</b>
<b>Coverage: General Liability</b>										
C	4133	3960000618	001 ELIAS, ANNA	2/18/2015	2/18/2015	ANNA ELIAS	3/23/2015	Broken Handle on Walker	45.00	45.00
<b>Total for Coverage: General Liability</b>							<b>Number of entries: 1</b>		<b>45.00</b>	<b>45.00</b>
<b>Total for Mercer County Ins Fund Comm - 396</b>							<b>Number of entries: 16</b>		<b>223.09</b>	<b>223.09</b>



*First Managed Care Option, Inc.*

**First MCO Bill Review Services**  
**MERCER CO INS COMM**  
**Medical Savings by Month**  
**NJ**

Month of Reprice Service	Provider Billed Amount	First MCO Repriced	U & C / Fee Schedule	Savings	% of Savings	# of Bills	In Network	Out Of Network	% PPO Penetration	# of Appeals	FMCO Fee	Net Savings
<b>Total 2014</b>	<b>\$822,559</b>	<b>\$509,923</b>	<b>\$814,817</b>	<b>\$312,636</b>	<b>38%</b>	<b>752</b>	<b>618</b>	<b>134</b>	<b>82%</b>	<b>6</b>	<b>\$61,563</b>	<b>\$251,073</b>
Jan-15	\$106,403	\$56,196	\$97,566	\$50,206	47%	74	59	15	80%	1	\$9,957	\$40,250
Feb-15	\$44,022	\$27,168	\$40,016	\$16,854	38%	81	61	20	75%	0	\$3,371	\$13,483
Mar-15	\$122,276	\$91,977	\$120,751	\$30,299	25%	69	56	13	81%	0	\$6,060	\$24,239
<b>Total 2015</b>	<b>\$272,700</b>	<b>\$175,341</b>	<b>\$258,333</b>	<b>\$97,359</b>	<b>36%</b>	<b>224</b>	<b>176</b>	<b>48</b>	<b>79%</b>	<b>1</b>	<b>\$19,387</b>	<b>\$77,972</b>
<b>Total to Date</b>	<b>\$1,095,260</b>	<b>\$685,264</b>	<b>\$1,073,150</b>	<b>\$409,996</b>	<b>37%</b>	<b>976</b>	<b>794</b>	<b>182</b>	<b>81%</b>	<b>7</b>	<b>\$80,950</b>	<b>\$329,046</b>

Report Run Date:04/01/2015

MCC



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

**TO:** Fund Commissioners  
**FROM:** J.A. Montgomery Risk Control, Safety Director  
**DATE:** April 17, 2015

**March - May 2015  
 RISK CONTROL ACTIVITIES**

**MEETINGS ATTENDED / LOSS CONTROL VISITS CONDUCTED**

- **March 18:** Attended the MCIFC Accident Review Committee meeting in Trenton.
- **March 23:** Attended the MCIFC meeting in Trenton.
- **March 23:** Attended the MCIFC Claims Committee meeting in Trenton.
- **March 23:** Conducted an Accident Investigation for the Parks Department.
- **April 15:** Attended the MCIFC Accident Review Panel meeting in Trenton.

**UPCOMING MEETINGS / LOSS CONTROL VISITS PLANNED**

- **April 27:** Plan to attend the MCIFC meeting in Trenton.
- **April 27:** Plan to attend the MCIFC Claims Committee meeting in Trenton.
- **May 20:** Plan to attend the MCIFC Accident Review Panel meeting in Trenton.

**TRAINING CONDUCTED (MARCH)**

DATE	LOCATION	TOPIC	TIME
3/19/15	MCIFC - Parks	Landscape Safety	8:00 - 11:00 am
3/19/15	MCIFC - Parks	Shop & Tool Safety	11:15 - 12:15 pm
3/19/15	MCIFC - Parks	BBP	12:45 - 1:45 pm

**RESOLUTION 23-15**

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

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

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

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

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

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

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

The MCIFC shall hold a closed session from which the public shall be excluded on April 27, 2015.

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

The specific litigation is identified by the claim number assigned by Inservco in its capacity as the third-party claims administrator, name of the claimant, date of loss, workers’ compensation petition number and/or court assigned docket number which is set forth in the attached list which list is also appended to the MCIFC monthly meeting agenda for April 27, 2015 which agenda has been timely posted per the Open Public Meetings Act.

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

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on April 27, 2015.

**ADOPTED:**

\_\_\_\_\_  
**ANDREW A. MAIR, CHAIRMAN**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**K. MEGAN CLARK HUGHES, VICE CHAIRMAN**

\_\_\_\_\_  
**DATE**

**PAYMENT AUTHORIZIATION REQUESTS**

<b><u>Claim #</u></b>	<b><u>Claimant</u></b>	<b><u>Type of Claim</u></b>	<b><u>PAR/SAR</u></b>	<b><u>C.P or DO #</u></b>
3960000627	Vincent Malcom	Worker Compensation	PAR	
3960000209	Latesha Ryland	Worker Compensation	PAR	
3960000160	Brian Waters	Worker Compensation	PAR	
3960000678	Albert Rhodes	Worker Compensation	PAR	
3960000549	Richard Regan, Jr & Richard Regan III	Liability	PAR	



# **APPENDIX I**

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – MARCH 23, 2015  
Mercer County  
McDade Administration Building  
640 South Broad Street  
Trenton, NJ 08650-0068  
10:30AM**

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

**ROLL CALL OF COMMISSIONERS:**

Andrew A. Mair	Present
K. Megan Clark Hughes	Present
Raissa Walker	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
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Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Terry Sheerin</b> <b>Matt Baron</b>
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**Keith Platt**

	Conner Strong & Buckelew <b>Robyn Walcoff</b>
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Managed Care Services	First MCO <b>Thea Isabella</b>
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Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Doug Borden</b>
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Attorney	<b>Paul Adezio, Esq.</b>
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Treasurer

Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>
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**ALSO PRESENT:**

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

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF FEBRUARY 23, 2015**

**MOTION TO APPROVE THE OPEN MINUTES OF FEBRUARY 23, 2015**

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

**MOTION TO APPROVE THE CLOSED MINUTES OF FEBRUARY 23, 2015**

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

**CORRESPONDENCE:** None

**SAFETY COMMITTEE:** Mr. Prince reported the Safety Committee last met on March 18<sup>th</sup> and reviewed ten claims to determine if they could have been preventable and make any recommendations. Mr. Prince advised the next meeting was scheduled for April 15th.

**CLAIMS COMMITTEE:** Ms. Walcoff reported the Claims Committee met prior to the Commission meeting and five claims would be presented during closed session along with a discussion on one other. Ms. Walcoff thought that the County had reported all of the recent property claims, however wanted to remind the Commission all property claims should be reported as the carrier would treat each CAT loss as one occurrence subject to one shared deductible for all of the member entities.

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

**CERTIFICATE OF INSURANCE REQUEST FORM:** Executive Director reported on the Certificate of Insurance Report for the period of February 17, 2015 to March 16, 2015. There were eight (8) certificate of insurances issued during this period.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT**

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

**CLAIMS COMMITTEE CHARTER:** Executive Director referred to a revised copy of the Claim Committee Charter which was included in the agenda. Executive Director advised the Charter was revised to reflect Megan Hughes as the Chair and voting member representing the County. Executive Director indicated Raissa Walker would remain on the committee as a non voting member. Executive Director asked if anyone had any questions and if not requested a motion to approve Resolution 16-15 amending the Charter.

**MOTION TO ADOPT RESOLUTION 16-15, AMENDMENT TO THE CLAIMS COMMITTEE CHARTER**

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

**AMENDMENT TO THE 2015 PLAN OF RISK MANAGEMENT:** Executive Director reported at the last meeting the 2015 Plan of Risk Management was approved subject to some corrections on page 3 of the Plan. Executive Director advised the revisions were made and a copy of the applicable page was included in the agenda. Executive Director asked if anyone had any questions and indicated this was for informational purposes and no action was needed.

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director reported the CEL 2015 Re-Organization meeting was held on February 26, 2015. Executive Director advised the respective reorganization resolutions were adopted to conduct business and Mr. Michael Smith of the Burlington County Insurance Commission was re-elected as the Chairman. Executive Director noted a summary report of the meeting was included in the agenda and the next meeting was scheduled for April 23, 2015 at 1:00 PM.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS:** Executive Director advised the January 2015 monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,575,483 as of January 31, 2015. Executive Director also referred to line 8 of the report, "Investment in Joint Venture" and indicated \$245,390 of the surplus was the MCIFC's share of the CEL JIF equity.

**NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the January CEL Financial Fast Track was not available for the meeting and the report would be included in the next agenda.

**NEW CLAIMS TRACKING REPORTS:** Executive Director reported the agenda included the two new claim monitoring reports as of January 31, 2015 which were first introduced at the last

meeting. Executive Director advised the “Claims Activity Report” was designed to look for any inconsistencies in the amount of claims set up or changes in reserves. Executive Director noted the report did not show anything unusual. Executive Director reviewed the “Claims Management Report Expected Loss Ratio Analysis” report and indicated the actual incurred amount as of January 31<sup>st</sup> was 49.51% of the budget and the actuary projection target was 69.83% which was good news.

**NEW MEMBER ENTITIES:** Executive Director advised Mr. Proctor of Conner Strong & Buckelew was working with Mr. Borden on providing a proposal for the College. Executive Director noted Mr. Proctor was actively working on a number of entities for all of the Commissions which were renewing soon.

**CEL STEWARDSHIP REPORT FOR MERCER COUNTY:** Executive Director reported he and Mr. Proctor would be providing a stewardship report presentation to the Freeholders on Tuesday evening March 24<sup>th</sup>.

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

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Chairman Mair advised the Treasurer was not present. Chairman Mair advised the March Bill List, Resolution 17-15, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 17-15, MARCH BILL LIST**

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

Executive Director advised the monthly Treasurer Reports were included in the agenda.

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

**CLAIMS SERVICE:**

Ms. Sheerin introduced the newest member of her team, Mr. Keith Platt, a Claims Technical Specialist. Ms. Sheerin advised Mr. Platt was a licensed attorney in New Jersey and was very familiar with Title 59. Ms. Sheerin noted Mr. Platt would be handling the complex claims and would be a valued addition to her team.

Executive Director advised Resolution 18-15, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of February 1, 2015 to February 28, 2015.

**MOTION TO APPROVE RESOLUTION 18-15 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER**

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

**MANAGED CARE:** Thea Isabella of First MCO advised she would review the Managed Care Report which was included in the agenda. Ms. Isabella reported for the month of February provider bills were received in the amount of \$44,022 and First MCO re-priced the bills to \$27,168 for a savings of \$16,854 or 38% with 75% PPO penetration. Ms. Isabella advised she reviewed the bills with Ms. Schaefer and going forward would address any items that were not going to be within the network. Ms. Isabella advised that concluded her report unless anyone had any questions.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the February– March Risk Control Activity Report which was included in the agenda. Mr. Prince noted there were 34 training topics scheduled for the Parks and T.R.A.D.E (Transportation Resources to Aid the Disadvantaged and Elderly) Departments. Mr. Prince advised a Safety Bulletin was distributed “Police Safety In and Around Patrol Vehicle. Mr. Prince reported he also had an item to discuss during closed session. Mr. Prince advised that concluded his report unless anyone had any questions.

**RISK MANAGER CONSULTANT:** Mr. Borden advised there was a lot going on but nothing to report.

Correspondence Made Part of Minutes.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:**

**MOTION TO OPEN THE MEETING TO THE PUBLIC**

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

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

**MOTION TO CLOSE MEETING TO THE PUBLIC**

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

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 19-15 authorizing a Closed Session to discuss PARS.

**RESOLUTION 19-15, EXECUTIVE SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS PARS RELATED TO PENDING OR ANTICIPATED LITIGATION AS IDENTIFIED IN THE LIST OF CLAIMS PREPARED BY THIRD PARTY CLAIM ADMINISTRATOR INSERVCO INSURANCE SERVICES, INC. AND ATTACHED TO THIS AGENDA.**

**MOTION TO APPROVE RESOLUTION 19-15 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

**MOTION TO APPROVE PAYMENT AUTHORITY FOR PARS DISCUSSED IN CLOSED SESSION**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:10 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary

# APPENDIX II



**RESOLUTION NO. 20-15**

**Mercer County Insurance Fund Commission**

(hereinafter the "Insurance Commission")

**Revised April 15, 2015**

BE IT RESOLVED by the Insurance Commission's governing body that effective 1/1/15 the 2015 Plan of Risk Management shall be:

- 1.) The perils or liability to be insured against.
  - a.) The Insurance Commission insures the following perils or liability:
    - Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
    - General Liability including Law Enforcement Liability and Employee Benefits Liability.
    - Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
    - Property, Auto Physical Damage and Boiler & Machinery.
  - b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).
    - Excess Workers' Compensation including employers liability
    - Excess General Liability including law enforcement liability
    - Excess Auto Liability
    - Excess Property including Boiler and Machinery
    - Public Officials Liability/School Board Legal/EPL
    - Crime
    - Pollution Liability NOT PURCHASED
    - Medical Professional and General Liability
    - Employed Lawyers NOT PURCHASED

- CYBER LIABILITY

2.) The limits of coverage.

a.) Workers' Compensation limits.

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

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

b.) General Liability limits.

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

- Employee Benefits Liability - included in the General Liability limits.
  - Subsidence - \$250,000 per occurrence
  - Sexual Abuse or Molestation Coverage - \$250,000 per occurrence except for schools.
  - Owned Watercraft 35' in length or less - \$250,000.
  - Garagekeepers Legal Liability - \$250,000
- The NJC covers excess liability claims as follows:
    - General Liability - \$20,250,000 excess the Insurance Commission's \$250,000. The \$10,000,000 excess \$500,000 commercial excess layer is subject to a \$20,000,000 per member insurance commission 12 month aggregate limit (1/1/15-1/1/16). The \$10,000,000 excess \$10,000,000 commercial excess layer is subject to a \$10,000,000 12 month annual aggregate limit (1/1/15-1/1/16).
    - Law Enforcement - included in the NJC's excess General Liability limits.
    - Employee Benefits Liability - included in the NJC's excess General Liability limits.
    - Subsidence - \$250,000 per occurrence excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.
    - Sexual Abuse or Molestation Coverage - \$250,000 excess of the Insurance Commission's \$250,000 except for schools. NJC retains 100% of the limit excess of the Member Commission's retention.
    - Owned Watercraft 35' in length or less - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.
    - Garagekeepers Legal Liability - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$10,000,000 per occurrence and a \$20,000,000 12 month aggregate (1/1/15-1/1/16) excess over and above \$500,000. NJC also purchases from National Casualty limits of \$10,000,000 per occurrence and a \$10,000,000 annual aggregate (1/1/15-1/1/16) excess over and above the \$10,000,000/\$20,000,000 with Underwriters at Lloyds.

c.) Automobile Liability limits.

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

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$10,000,000 per occurrence and a \$20,000,000 12 month aggregate (1/1/15-1/1/16) excess over and above \$500,000. NJC also purchases from National Casualty limits of \$10,000,000 per occurrence and a \$10,000,000 annual aggregate (1/1/15-1/1/16) excess over and above the \$10,000,000/\$20,000,000 with Underwriters at Lloyds.

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

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

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

- The NJC via the commercial market covers public officials liability/school board legal liability/employment practices liability as follows:
  - \$5,000,000 each claim and \$5,000,000 in the annual aggregate on a claims made basis per Insurance Commission subject to the deductibles as outlined below:
    - Mercer County - \$100,000 each POL & \$250,000 EPL
    - Mercer County BOSS - \$100,000 each POL & \$250,000 EPL
    - Mercer County Improvement Authority -\$25,000 each POL & \$25,000 EPL

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

e.) Property/Equipment Breakdown

Property Limits/Sub-limits

- The Insurance Commission covers \$100,000 per occurrence less applicable member entity per occurrence deductibles.
- The NJC provides excess property coverage and Equipment Breakdown coverage via the commercial market with Zurich and excess property coverage with Mitsui Sumitomo Insurance Company of America (33.33%); Scottsdale Insurance Company (33.33%); Starr Companies (33.33%) on a quota share basis with the following limits (*SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES*) excess of the member retention and member entity per occurrence deductibles:

Property Per Occurrence Limits:

- A. \$110,000,000 Per Occurrence with Zurich
- B. \$150,000,000 Per Occurrence with *Mitsui Sumitomo Insurance Company of America (33.33%)/Scottsdale (33.33%)/Starr Companies(33.33%)*
- C. \$260,000,000 per Occurrence Total Program Limit

Property Sub-Limits:

- Named Storm Wind and Hail - \$160,000,000 per occurrence for covered property east of GSP for Atlantic, Ocean, Monmouth and Burlington counties and all of Cape May County
- Earthquake - \$200,000,000 (Annual Aggregate)
- Flood - \$65,000,000 (Annual Aggregate) Except;

▪ Flood Inside Special Flood Hazard Area (SFHA) - \$25,000,000

- Asbestos Cleanup - \$50,000 per occurrence
- Valuable Paper And Records - \$10,000,000
- Accounts Receivable - \$10,000,000
- Demolition & Increased Cost of Construction -\$25,000,000
- Business Interruption -Included in \$110,000,000 blanket limit (Business Income On Revenue Producing Property Only)
- Extra Expense – \$10,000,000
- Transit- \$1,000,000 Per Conveyance/\$1,000,000 Per Occurrence
- Fine Arts - \$2,500,000 (Owned And Non Owned)
- Pollution And Contamination Cleanup (Limited) - \$250,000 (Annual Aggregate)
- Miscellaneous Unnamed Locations - \$10,000,000
- Builders' Risk - \$25,000,000 (the lesser of \$1,000,000 sublimit or 60 days for soft costs, subject to applicable deductible per cause of loss and 24 hour qualifying period)
- New Construction and Additions – \$25,000,000 per location (90 day reporting period)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage Including Overhead Transmission Lines within 1 mile of insured premises, 24 hour qualifying period)
- Ingress/Egress – 30 Day Period for property with a 5 mile radius but not to exceed a \$5,000,000 limit.
- Debris Removal -\$25,000,000
- Civil Government Authority – Lesser of \$5,000,000 or 30 day period, within 5 mile radius
- Leasehold Interest - \$15,000,000
- Loss Of Rents - \$15,000,000
- Professional Fees - \$1,250,000
- Extended Period of Liability – 365 Days
- Auto Physical Damage - \$15,000,000
- Underground Piping - \$5,000,000 (only if within 5 MILES of a pump station, process plant, metering pit, wells or similar operational locations which are owned, leased, used occupied or intended for use by the member entity). There is no coverage for perils of Earthquake, Flood or Named Storm
- EDP Equipment – Subject to a 24 hour qualifying period. No sublimit for equipment. \$1,000,000 sublimit for data and software
- Outdoor Property - \$10,000,000
- Equipment Breakdown - \$100,000,000
  - Ammonia Contamination - \$5,000,000
  - Spoilage - \$5,000,000

- Extended Period Of Indemnity - 365 Days

Note: There is an Excess Property Policy with Mitsui Sumitomo Insurance Company of America (33.33%); Scottsdale Insurance Company (33.33%); Starr Companies (33.33%) on a quota share basis which extends the Per Occurrence Policy Limits by \$150,000,000 to a total of \$260,000,000. Coverage sub-limits on the Primary policy are excluded by the Excess Property policy, including Equipment Breakdown. The primary limit is \$110,000,000

- There is an Excess Flood/Earthquake policy placed with AXIS Surplus (33.34%)/RSUI Indemnity (33.33%)/Westchester Surplus (33.33%) which provides:
  - \$15,000,000 aggregate policy limit for Flood coverage excess of the aggregate policy limits provided by Zurich (\$25,000,000 for locations inside the 100-Year Flood Zone, \$50,000,000 for all other locations, as noted above); and
  - \$100,000,000 aggregate policy limit for Earthquake coverage excess of the \$100,000,000 aggregate policy limit provided by Zurich (noted above).

#### Property Deductibles

- The standard member insurance commission retention is \$100,000 per occurrence less member entity per occurrence deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).
  - Mercer County - \$25,000 Property and \$25,000 Auto Physical Damage.
  - Mercer County IA - \$5,000 Property except the Arena \$10,000 Property, \$1,000 Auto Physical Damage Comprehensive, \$5,000 Auto Physical Damage Collision Arena Only \$10,000
- The Equipment Breakdown deductible is \$25,000 member entity deductible per occurrence.
- Mercer County IA Equipment Breakdown deductible is \$1,000
- The Earthquake Member Insurance Commission retention is \$100,000 per occurrence less the per occurrence member entity deductibles. However, if there is a loss from a single occurrence involving multiple entities, the maximum occurrence deductible will be \$100,000
- The Flood Member Insurance Commission retention is \$100,000 per occurrence (combined property damage and time element) less member

entity per occurrence deductibles. However, if there is a loss from a single occurrence involving multiple entities, the maximum occurrence deductible will be \$100,000

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

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



property within the Special Flood Hazard Area (SFHA), the Special Flood Hazard Area (SFHA) deductible above applies.

Special Flood Hazard Area (SFHA) - Is an area defined by FEMA or any foreign equivalent that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to by FEMA as the base flood or 100-year EDGE-100-B (12/10) flood. SFHA's per FEMA include but are not limited to Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. If not defined by FEMA or any foreign equivalent, it is an area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year.

- Underground Piping \$100,000 per occurrence less the member entity deductibles as stated above. There is no coverage for the perils of Earthquake, Flood or named Storm
- Golf Carts - \$25,000

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

f.) Crime

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

Limit per occurrence:

- Mercer County – \$1,000,000
- Mercer County IA - \$1,000,000

Deductible per occurrence:

- Mercer County – \$25,000
- Mercer County IA - \$15,000

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

g.) Pollution Liability

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

h.) Medical Professional General Liability/Excess Medical Professional

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

- Limit per claim/annual aggregate: \$1,000,000/\$3,000,000
  - This primary aggregate limit is shared by each member entity of each NJC member Commission.
- Excess Limit annual aggregate:
  - The NJC via the commercial market offers excess general liability/medical professional liability coverage program that MCIFC does not currently participate.
- Member Entity Deductibles GL and PL:
  - Mercer County (Medical Reserves Corp) – \$2,500
  - Mercer County Medical Reserve Corps - \$2,500
  - MCIFC Scheduled Physicians - \$5,000
    - D. Shah -MC
    - R. Ahmad - MC

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

i.) Employed Lawyers Professional Liability

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

J.) Cyber Liability – Network Privacy & Security Liability effective 1/1/15

The NJC via the commercial market provides on an optional basis network privacy & security liability coverage at the following limits and deductibles (the insurance commission retains no risk for network privacy & security liability coverage):

- Limits per claim and annual aggregate:
  - Security & Privacy Liability: \$1,000,000
    - regulatory sub-limit: \$1,000,000
  - Network Interruption (12 hour period): \$250,000
  - Event Management: \$250,000
  - Cyber Extortion: \$ 1,000,000
  - Minimum affected individuals: 100
  - Maximum affected individuals: \$500,000
- Retention per member entity:
  - Security & Privacy Liability: \$25,000
    - Regulatory: \$25,000

- Network Interruption (12 hour period): \$25,000
  - Event Management: \$25,000
  - Cyber Extortion: \$ 25,000
  - Minimum affected individuals: 100
  - Maximum affected individuals: 500,000
- Participating member entities are:
    - Mercer County (Including Board of Social Services)
    - Mercer County IA

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

- 3.) The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage).
- a.) Workers' Compensation (all coverages) - \$250,000 CSL
  - b.) General Liability (all coverages) - \$250,000 CSL
  - c.) Law Enforcement Liability – Included in General Liability
  - d.) Automobile Liability
    - Property Damage & Bodily Injury - \$250,000 CSL
    - Underinsured/Uninsured - \$15,000/\$30,000/\$5,000 CSL
    - Personal Injury Protection - \$250,000 CSL
  - d.) Public Officials Liability/School Board Legal/Employment Practices Liability - None
  - e.) Property/APD - \$100,000 per occurrence less member entity deductibles.
  - f.) Equipment Breakdown – None for Mercer County and \$25,000 less member deductible of \$1,000 for MCIA.
  - g.) Crime – None
  - h.) Pollution Liability – None
  - i.) Medical Professional General Liability – None
  - j.) Employed Lawyers Liability – None
  - k.) Cyber Liability - None

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

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

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

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

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

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

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

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

e.) The Insurance Commission's Governing Body may by majority vote levy upon the participating member entities additional assessments wherever needed or so

ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.

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

6.) Procedures governing loss adjustment and legal expenses.

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

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

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

d.) To provide for quality defense and control costs, the Insurance Commission will utilize County Counsel attorneys and/or in-house counsel. In addition, it has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.

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

The Insurance Commission does not purchase commercial insurance.

8.) Reinsurance to be purchased.

The Insurance Commission does not purchase reinsurance.

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

a.) Not applicable at this time.

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

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

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

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

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

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

When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this day of 27<sup>th</sup> April 2015.

Mercer County Insurance Fund Commission

By: \_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Secretary

## **ADDENDUM I**



2015 Risk Management Plan  
Addendum #1

NEW JERSEY PERSONAL INJURY PROTECTION

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

This Addendum is effective 1/1/2015.

**MEDICAL EXPENSE BENEFITS DEDUCTIBLE**

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

Medical expense benefits applicable to:

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

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

**MEDICAL EXPENSE BENEFITS CO-PAYMENT**

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

**DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSES OPTION**

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

**MEDICAL EXPENSE BENEFITS-AS-SECONDARY OPTION**

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

A. Coverage

1. **Personal Injury Protection**

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

These Personal Injury Protection Benefits consist of:

a. **Medical Expense Benefits**

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

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

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

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

b. **Income Continuation Benefits**

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

c. **Essential Services Benefits**

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

d. **Death Benefits**

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

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

e. **Funeral Expense Benefits**

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

2. **Pedestrian Personal Injury Protection**

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

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

a. **Medical Expense Benefits**

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

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

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

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

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

b. **Income Continuation Benefits**

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

c. **Essential Services Benefits**

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

d. **Death Benefits**

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

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

e. **Funeral Expense Benefits**

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

B. Exclusions

1. **Personal Injury Protection**

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

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

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

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

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

## 2. Pedestrian Personal Injury Protection

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

### C. Limit Of Insurance

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

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

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

a. **Priority Of Benefits**

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

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

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

payment.

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

c. **Health Benefits Plan Ineligibility**

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



by the New Jersey Department of Insurance; or

- (ii) By us, on a reasonable basis, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, if an item or expense is not included on the medical fee schedules.

(4) Not exceed the maximum amount payable for medical expense benefits under this Policy.

(2) All items of medical expense incurred by the **named insured** or any **family member** for the treatment of **bodily injury** shall be **eligible expenses** to the extent the treatment or procedure from which the expenses arose:

- (a) Is recognized on the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance; or
- (b) Are reasonable expenses in accordance with Section 4 of the New Jersey Reparation Reform Act.

(3) **We** shall be entitled to recover the difference between:

- (a) The reduced premium paid under this Policy for the Medical Expense Benefits As Secondary option; and
- (b) The premium which would have been paid under this Policy had the **named insured** not elected such option.

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

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

#### D. Changes in Conditions

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

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

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

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

2. The following Conditions are added:

a. **Reimbursement And Trust**

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

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

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

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

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

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

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

d. **Employee Benefits Reimbursement**

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

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

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

f. **Special Requirements For Medical Expenses**

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

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

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

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

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

(2) **Coverage For Diagnostic Tests**

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

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

- (c) **We** will pay for other diagnostic tests that are:
- (i) Not subject to our Decision Point Review Plan; and
  - (ii) Not specifically excluded under EXCLUSION 1.1.;

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

(3) **Decision Point Review Plan**

- (a) Coverage for certain medical expenses under this

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

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

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

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

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

g. **Dispute Resolution**

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

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

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

**COORDINATION AND NON-DUPLICATION**

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

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

**MEDICAL PAYMENTS DELETION**

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

E. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

**Eligible injured person** means:

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

- (2) While a **pedestrian**, caused by a **private passenger auto** or by an object propelled by or from a **private passenger auto**.
  - b. Any other person who sustains **bodily injury**:
    - (1) While, with **your** permission, that person is occupying, using, entering into or alighting from the covered **auto**; or
    - (2) While a **pedestrian**, caused by the covered **auto** or as a result of being struck by an object propelled by or from the covered **auto**.
- 4. The following are added to the **Definitions** Section for **Pedestrian Personal Injury Protection**:
  - a. **Eligible injured person** means:

A person who sustains **bodily injury** while a **pedestrian**, caused by an **Insured motor vehicle** or as a result of being struck by an object propelled by or from the **insured motor vehicle**.
  - b. **Insured motor vehicle** means a self-propelled motor vehicle designed for use principally on public roads, which is not a **private passenger auto** and to which the liability coverage of this Coverage Form applies.

## ADDENDUM II

**2015** Risk Management Plan  
Addendum #2  
New Jersey Uninsured Motorists Coverage

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

This Addendum is effective \_\_\_\_\_, **2015**.

Limit of Insurance:

Bodily Injury: \$15,000 per person

\$30,000 per accident

Property Damage: \$ 5,000 per accident

#### A. Coverage

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

#### B. Who is An Insured

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

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

#### C. Exclusions

This insurance does not apply to any of the following:

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

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

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

#### D. Limit of Insurance

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

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

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

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

#### E. Conditions

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

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

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

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

However, if an insured is:

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

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

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

#### F. Duties In The Event of Accident

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

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

G. Transfer of Rights of Recovery Against Others To Us  
If **we** make any payment and the insured recovers from another party, the insured shall hold the proceeds in trust for us and pay us back the amount we have paid.

H. Arbitration

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

G. Additional Definitions

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

However, uninsured motor vehicle does not include any vehicle:

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



