

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – January 7, 2016
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:30 AM**

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

ROLL CALL OF COMMISSIONERS:

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

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Keith Platt Matthew Baron
	Conner Strong & Buckelew Danielle Batchelor
Managed Care Services	First MCO Thea Isabella
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden Matt Moraski
Attorney	Arthur Sypek, Esq.
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Thomas J. Walls, Jr. Capehart Scatchard, P.A.
Susan Schaefer, Susan Schaefer, LLC
Alma Ortiz, Mercer County Improvement Authority
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF NOVEMBER 23, 2015

MOTION TO APPROVE THE OPEN MINUTES OF NOVEMBER 23, 2015

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

MOTION TO APPROVE THE CLOSED MINUTES OF NOVEMBER 23, 2015

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

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Prince reported the meeting of December 16th was cancelled and the next meeting was scheduled for January 20th. Chairman Mair requested several referrals for a HIPPA survey to make sure they were in compliance.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and reviewed 4 PARS that would be presented during closed session. Ms. Batchelor referred to a copy of the 2016 Claims Committee Meeting Schedule which was included in the agenda. Ms. Batchelor advised the committee would meet on the fourth Thursday of the month prior to the Commission meetings at 9:30 or 10:00 AM depending on the amount of PARS to reviewed. Ms. Batchelor noted an e-mail would be sent prior to each meeting confirming the time.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had four action items and would start with the adoption of the 2016 Property and Casualty Budget.

2016 PROPERTY AND CASUALTY BUDGET: Executive Director reported the 2016 Property and Casualty Budget was introduced at the November meeting. Executive Director advised the budget was advertised in the Commission's official newspaper. Executive Director referred to a copy of the budget which was included in the agenda. Executive Director noted there were two changes in the budget. Executive Director explained the CEL Underwriting Manager was able to negotiate a reduction of \$29,201 in the POL/EPL premium and there was an additional premium of \$12,922 for increasing the limits on the Cyber policy. Executive Director advised the net result was a reduction of \$16,279 and the amended budget amount was \$7,953,089. Executive Director reported the 2016 assessments were also included in the agenda. Executive Director asked if anyone had any questions regarding the budget and requested a motion to open the Public Hearing on the 2016 Property & Casualty Budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2016 PROPERTY & CASUALTY BUDGET

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

MOTION TO CLOSE THE PUBLIC HEARING

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

MOTION TO ADOPT THE PROPERTY & CASUALTY BUDGET FOR THE MERCER COUNTY INSURANCE FUND COMMISSION FOR THE YEAR 2016 & CERTIFY THE 2016 ASSESMENTS

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

It is noted Commissioner Walker entered the meeting and Executive Director advised the budget was just approved and asked Commissioner Walker if she would like him to review the budget. Commissioner Walker advised it was not necessary.

EMPLOYEE DISHONETY COVERAGE RENEWAL: Executive Director referred to a copy of the Selective Insurance Company Employee Dishonesty Declaration renewal page which was included in the agenda. Executive Director advised the policy covered the Executive Director, Third Party Administrator and the Treasurer. Executive Director reported the premium of \$2,342 was per the expiring policy and the cost would be paid out of the miscellaneous and contingency line. Executive Director noted the limit per loss was \$1,000,000 with a deductible of \$10,000.

MOTION TO APPROVE EXPENDITURE FOR EMPLOYEE DISHONESTY COVERAGE IN THE AMOUNT OF \$2,342

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

2016 MCIFC MEETING DATES: Executive Director advised the 2016 Annual Meeting Schedule was included in the agenda. Executive Director reported the meetings were scheduled for the fourth Monday of the month except for December due to the holiday. Executive Director advised if the Commissioners agreed with the meeting schedule, Resolution 1-16 adopting the dates was included in the agenda. Chairman Mair asked Commissioner Hughes and Commissioner Walker if the meeting dates created any problems for them.

MOTION TO ADOPT RESOLUTION 1-16, FIXING PUBLIC MEETING DATES FOR THE YEAR 2016

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

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of November 17, 2015 to December 31, 2015. There were thirteen (13) certificates of insurances issued during this period. In response to Chairman Mair’s inquiry regarding the certificate issued for the 4-H Club, Commissioner Hughes advised the County did have a relationship with the 4-H Club.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director advised the CEL met on November 19, 2015 and adopted the 2016 Budget in the amount of \$21,461,623 and certified the assessments. Executive Director advised a summary report of the meeting was included in the agenda. Executive Director noted the contracts for the Executives Director, Underwriting Manager and the Safety Director expired on February 26, 2016. The Fund Attorney would release the Request for Proposals. Executive Director reported the CEL 2016 Reorganization meeting was scheduled for February 25, 2016 at 1:00 PM.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the October 31, 2015 monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,127,427 as of October 31, 2015. Executive Director also referred to line 8 of the report, “Investment in Joint Venture” and indicated \$262,834 of the surplus was the MCIFC’s share of the CEL JIF equity. Executive Director noted the total cash balance was \$617,879. Chairman Mair advised the Freeholders have asked what the net savings is as a result of participating in the Commission. Executive Director indicated he would ask Frank Proctor to update the savings report.

NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the October Financial Fast Track was included in the agenda. Executive Director advised as of October 31, 2015 the Fund had a surplus of \$5,067,008 and a total cash figure of \$16,133,971. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included the claim monitoring reports as of November 30, 2015. Executive Director advised he reviewed the “Claims Activity Report” and did not see anything to be concerned about. Executive Director distributed a revised “Claims Management Report Expected Loss Ratio Analysis” report for the month of November. Executive Director noted the report in the agenda was not correct. Executive Director advised this report was another method to determine how the Commission was operating. Executive Director advised the actual amount of claims was 45.64% while the actuary projection was 52.28% after eleven months. Executive Director asked if anyone had questions on the claim reports.

ALTERNATE COMMISSIONER: Executive Director reported one of the other Insurance Commissions added an alternate Commissioner to alleviate any potential quorum issues. Executive Director advised the Commission By Laws allowed for this. Chairman Mair thought it was a good idea and would discuss internally. Chairman Mair noted he met with Executive Director prior to the meeting and wished to extend the invitation to Commissioner Hughes and Commissioner Walker, however if more than one Commissioner attended a meeting it constitutes a quorum and the meeting would be subject to advertising. In response to Chairman Mair's inquiry, Commission Attorney advised an alternate would not affect the quorum.

2016 CONTRACTS: The Executive Director noted the County advised they would handle the 2016 renewal contracts with the various professionals of the Insurance Commission.

RE-ORGANIZATION MEETING: Executive Director reported the next Commission meeting was scheduled for January 25, 2016 and would serve as the Reorganization meeting of the Commission.

Executive Director advised that concluded his report unless anyone had any questions on any of the items discussed.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Chairman Mair advised the November Bill List, Resolution 2-16, was included in the agenda.

MOTION TO APPROVE RESOLUTION 2-16, DECEMBER BILL LIST IN THE AMOUNT OF \$47,928.24

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

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

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

CLAIMS SERVICE:

Executive Director advised Resolution 3-16, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of November 1, 2015 to November 30, 2015.

MOTION TO APPROVE RESOLUTION 3-16 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

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

MANAGED CARE: Ms. Isabella advised she would review their report for the month of November which was included in the agenda. Ms. Isabella reported for the month of November

provider bills were received in the amount of \$45,677 and First MCO re-priced the bills to \$ 26,601 for a savings of \$19,076 or 42% with a 83% PPO penetration. Ms. Isabella advised that concluded her report unless anyone had any questions. Chairman Mair commented they had hoped to reach an 80% PPO penetration percentage and thanked everyone involved for achieving the goal.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the November – January Risk Control Activity Report which was included in the agenda along with the Training Schedule. Mr. Prince advised the agenda also included Shoveling Snow Best Practices and Safety Briefing for Snow Plow Operators. Mr. Prince also advised the Loss Control Reports for the Mercer County Correctional Center, Mercer County Libraries and the Mercer County Prosecutor’s Offices were included in the Appendix II section of the agenda. Mr. Prince asked if anyone had any questions, then concluded his report. Commission Attorney noted the Prosecutor’s Office was moving to the Holiday Inn and suggested that a walk through of the building should be done.

RISK MANAGER CONSULTANT: Mr. Borden introduced Matt Moraski of his office.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN THE MEETING TO THE PUBLIC

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

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

MOTION TO CLOSE MEETING TO THE PUBLIC

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

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 4-16 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 4-16 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

MOTION TO APPROVE THE PARS/SARS DISCUSSED IN CLOSED SESSION AS A BLOCK

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:02 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary