

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – July 27, 2015
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	Excused

FUND PROFESSIONALS PRESENT:

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

ALSO PRESENT:

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

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF JUNE 22, 2015

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES
OF JUNE 22, 2015**

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

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on July 15th and at their next meeting they plan to discuss the elements of their repeater program.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting to discuss and review six PARS that would be presented during closed session.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had two action items for his report and a few informational items.

REVISED RISK MANAGEMENT PLAN: Executive Director referred to a copy of a revised Risk Management Plan which was included in Appendix II of the agenda. Executive Director advised when the plan was originally drafted with respects to uninsured motorist and underinsured motorists the underinsured motorists was inadvertently left out of the addendum section of the document. Executive Director explained there was no change in coverage only a clarifying intent. Executive Director asked if anyone had any questions and if not requested a motion to approve the revised Risk Management Plan, Resolution 30-15.

**MOTION TO APPROVE RESOLUTION 30-15, REVISED RISK
MANAGEMENT PLAN**

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

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of June 16, 2015 to July 21, 2015. There were five (5) certificate of insurances issued during this period.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

NJ Excess Counties Insurance Fund (CELJIF): Executive Director advised the CEL met on June 25th and a summary report of the meeting was included in the agenda. Executive Director reported Ms. Leighton was coordinating a joint meeting of the members of the CELJIF. A tentative date was scheduled for October 6, 2015. Executive Director reported a planning committee would be formulated to discuss the agenda and format. Executive Director advised the auditor presented and reviewed the 2014 draft audit. Executive Director referred to the Marketing section of the CEL report and commented on the marketing updates as well as the new business activities. Executive Director advised there were seven schools that were offered membership but unfortunately the Fund was unable to be competitive. Chairman Mair indicated he spoke to Mr. Proctor who advised he was taking a different approach on the Colleges. Mr. Borden explained Mr. Proctor was working on developing an underlying College JIF to bring the majority of the NJ Community Colleges into the Fund. Executive Director advised the next CEL meeting was scheduled for September 24, 2015 at 1:00 PM.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the May 2015 monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,498,367 as of May 31, 2015. Executive Director also referred to line 8 of the report, "Investment in Joint Venture" and indicated \$301,700 of the surplus was the MCIFC's share of the CEL JIF equity.

NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the May Financial Fast Track was included in the agenda. Executive Director advised as of May 31st the Fund had a surplus of \$5,655,859 and a total cash figure of \$10,779,863.

NEW CLAIMS TRACKING REPORTS: Executive Director reported the agenda included the claim monitoring reports as of June 30, 2015. Executive Director advised he reviewed the "Claims Activity Report" and did not notice anything unusual and noted some of the claims had been closed. Executive Director also reviewed the "Claims Management Report Expected Loss Ratio Analysis" report and thought there might be an error in the incurred figures and advised he would check with his office. Executive Director advised the 2015 year was running higher than the Actuary projected but thought it was not alarming due to the claims during the winter months.

2016 RENEWAL: Executive Director advised the NJCE FY 2016 Renewal Data schedules were recently sent out to the County and Improvement Authority with copies to the Risk Managers office. Executive Director asked that the documents be returned to Ms. Dodd no later than August 14th. Executive Director noted that the Improvement Authority had already returned their documents and thanked Ms. Ortiz. Executive Director noted the CEL Underwriting Manager would be sending out the renewal ancillary applications for completion.

OPRA FORM: Executive Director advised the Fund office revised the OPRA form used for all of the County Insurance Commissions. Executive Director referred to the revised form which was included in the agenda and indicated Brad Stokes was now the contact for any OPRA requests.

PPO PENETRATION: Executive Director reported last month after the Commission meeting he and Ms. Isabella of First MCO met with County representatives to discuss the PPO penetration. Ms. Isabella advised at the meeting best practices were discussed along with comparing the current process. Ms. Isabella referred to a list of First MCO providers that could be utilized when someone was injured. Ms. Isabella pointed out there was more savings when First MCO Providers were used.

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 July Bill List, Resolution 31-15, was included in the agenda.

MOTION TO APPROVE RESOLUTION 31-15, JULY BILL LIST IN THE AMOUNT OF \$ 46,010.88

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

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

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

CLAIMS SERVICE:

Executive Director advised Resolution 32-15, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of June 1, 2015 to June 30, 2015.

MOTION TO APPROVE RESOLUTION 32-15 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER

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

MANAGED CARE: Ms. Isabella advised she would review the Managed Care Report which was included in the agenda. Ms. Isabella reported for the month of June provider bills were received in the amount of \$33,850 and First MCO re-priced the bills to \$21,836 for a savings of \$12,014 or 35% with 89% PPO penetration. Ms. Isabella advised that concluded her report unless anyone had any questions.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the June - July Risk Control Activity Report which was included in the agenda. Mr. Prince also reviewed four loss control reports which were included in the agenda. Mr. Prince advised visits were made to locations of Mercer County Park System, Mercer Main Park Complex in West Windsor, Parks Department Golf Courses and of the

Tulpehaking Nature Center. Mr. Prince advised that concluded his report unless anyone had any questions.

RISK MANAGER CONSULTANT: Mr. Borden reported Paul Adezio had contacted him regarding new property at 1589 Lamberton Street. Mr. Borden indicated there was a previous flood policy on this location. Mr. Borden did not recommend the purchase of a flood policy at this time. Mr. Borden stated it would be through the National Flood Program and the highest deductible would be \$10,000. Executive Director advised there was no flood coverage through the Commission or the CEL and coverage goes right to the excess carrier. Mr. Borden advised the cost for a flood policy would be approximately \$4,000. In response to Chairman Mair's inquiry, Executive Director indicated the flood policy would cover both premises and contents. Mr. Borden advised he would look at all of the properties in the flood zone. Executive Director indicated the deductible on the Zurich policy is per building and the limit is per location. In response to Executive Director's inquiry, Mr. Sypek advised the building would be used by the Prosecutor Office for mostly offices, meeting rooms, witness protection and storage.

Mr. Borden also indicated there might be a concern regarding coverages at the Equestrian Center and there might be some type of exclusion. Mr. Borden advised most Equestrian Centers purchase separate coverage as they are worried about animal mortality, however, he had conversations with Ms. Cardinal and that is not a concern. Chairman Mair advised he had this discussion before and most of their animals are rescue animals. Mr. Borden advised there were 18 horses boarded, but there is Bailee's agreement in place and outside trainers need to provide a certificate of insurance to the County for professional liability insurance. Executive Director asked if it was determined if the exposures were reported such as payroll, etc. Mr. Borden advised they were checking to make sure there was no misrepresentation on the applications and Conner Strong & Buckelew had retrieved the applications and there was never a question and no misrepresentation or exclusion.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN THE MEETING TO THE PUBLIC

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

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

MOTION TO CLOSE MEETING TO THE PUBLIC

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

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 33-15 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 33-15 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

Chairman Mair asked for a motion to approve the PARS discussed during closed session. Ms. Dodd advised she would read the last four digits of the claim numbers and the amounts.

0749	\$80,936.00
0747	\$36,691.10
0724	\$55,728.00
0771	\$72,936.00
0115	\$10,000 Section 20
0687	\$31,012.50

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:44 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary