

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – October 26, 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	Excused
Raissa Walker	Present

**FUND PROFESSIONALS PRESENT:**

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

**ALSO PRESENT:**

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

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF SEPTEMBER 28, 2015**

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF SEPTEMBER 28, 2015**

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

**CORRESPONDENCE:** None

**SAFETY COMMITTEE:** Mr. Prince reported the Safety Committee last met on October 21<sup>st</sup> and was scheduled to meet again on November 18<sup>th</sup>. Chairman Mair noted the Assistant Prosecutor’s Department had a contractual obligation to have a seat on the Safety Committee.

**CLAIMS COMMITTEE:** Ms. Batchelor reported the Claims Committee last met on September 28<sup>th</sup> and did not meet prior to the Commission meeting as there were no PARS to discuss. However, Ms. Batchelor advised a claim update would be presented during closed session on one of the losses. Ms. Batchelor thanked everyone that attended the fourth annual Best Practice Workshop on October 6<sup>th</sup> at the Marlton Conner Strong & Buckelew office. Ms. Batchelor advised an overview of the workshop was included in the agenda.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised he had one action item for his report and several informational items.

**CERTIFICATE OF INSURANCE REQUEST FORM:** Executive Director reported on the Certificate of Insurance Report for the period of September 21, 2015 to October 18, 2015. There were (6) six certificate of insurances issued during this period.

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

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

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director advised the CEL met on September 24, 2015 and a summary of the meeting was included in the agenda. Executive Director reported the CEL also met on October 22<sup>nd</sup> and introduced their 2016 budget. Executive Director reported the CEL reviewed the budget presentation and discussed options to maintain the general/auto retentions and also to increase the workers’ compensation retentions. Executive Director noted Fund Commissioners agreed to proceed with option # 1 to increase the workers’ compensation retention from \$250,000 to \$300,000 with some exceptions. In response to Mr. Borden’s inquiry, Executive Director advised there was money built into the budget to explore purchasing more flood limits for locations in the flood zone. Executive Director advised there was also a new item in the budget to purchase a non-owned aircraft policy in the amount of \$40,000 for

all ten counties. Executive Director advised the CEL also discussed Overseas Exposures. Executive Director noted that if any entity had employees traveling overseas they should contact his office as there was special coverage needed for this exposure.

**2016 PROPERTY & CASUALTY BUDGET INTRODUCTION:** Executive Director reported the MCIFC budget would be introduced at the November 23<sup>rd</sup> meeting. The public hearing and adoption of the budget would be held at the December 28<sup>th</sup> meeting. Executive Director advised he would provide the Chairman and Commission Treasurer with budget information prior to the next meeting.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS:** Executive Director advised the August 31, 2015 monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,756,068 as of August 31, 2015. Executive Director also referred to line 8 of the report, "Investment in Joint Venture" and indicated \$299,394 of the surplus was the MCIFC's share of the CEL JIF equity. The total cash amount was \$399,365. Executive Director also noted at the recent CEL meeting the Commissioners adopted a resolution authorizing the release of a dividend for the 2010 Fund Year only subject to State Approval for those Commissions which were established in 2010.

**NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the August Financial Fast Track was included in the agenda. Executive Director advised as of August 31, 2015 the Fund had a surplus of \$5,603,885 and a total cash figure of \$8,745,110. 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 September 30, 2015. Executive Director advised he reviewed the "Claims Activity Report" and there were seven new property claims for the period of August 15<sup>th</sup> to September 15<sup>th</sup>. Executive Director advised Mr. Platt checked on the claims and advised they were auto physical damage claims, three windshield claims, four incidents involving other vehicles and one where our insured backed into a tree. Executive Director noted the dollar amount for the claims was only \$6,300. Executive Director also reviewed the "Claims Management Report Expected Loss Ratio Analysis" report and advised the losses were running a little higher than the actuary projected but he expected it would correct itself by the end of the year. The actual amount of claims was 39.07% while the actuary projection was 33.74%. Executive Director pointed out this was due to the bad weather during the winter months. Executive Director asked if anyone had questions on the claim reports.

**2016 AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE:** Executive Director reported the 2016 auto ID cards and WC Posting Notices would be sent to each member entity representative for distribution the beginning of December. Executive Director advised his office would review any certificates which needed to be re-issued for the 2016 renewal.

**REPORT OF CLAIMS TO CLAIMS MADE POLICIES PRIOR TO 12/31/15 EXPIRATION:** Executive Director asked Ms. Batchelor to review her memo to the Commission regarding the Claims to Claims Made Policies prior to 12/31/15. Ms. Batchelor stressed the importance of reporting any claim or potential claim be reported prior the policy expiration. Ms. Batchelor asked that the usual claim procedure be followed and notice should be

given to Conner Strong & Buckelew no later than 12-19-15 to insure the claims were reported in a timely fashion.

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Chairman Mair advised the Treasurer was not present. Chairman Mair advised the October Bill List, Resolution 43-15, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 43-15, OCTOBER BILL LIST IN THE AMOUNT OF \$45,550.69**

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

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

**ATTORNEY:** Mr. Adezio advised he thought the Best Practices Workshop was great and thanked everyone for coordinating.

**CLAIMS SERVICE:**

Executive Director advised Resolution 44-15, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of September 1, 2015 to September 30, 2015.

**MOTION TO APPROVE RESOLUTION 44-15 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER**

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

**MANAGED CARE:** Ms. Isabella introduced Kelly Royce, Vice President of Operations, from her office. Ms. Isabella advised she would review the Managed Care Report which was included in the agenda. Ms. Isabella reported for the month of September provider bills were received in the amount of \$50,139 and First MCO re-priced the bills to \$29,852 for a savings of \$20,287 or 40% with 57% PPO penetration. Ms. Isabella advised that concluded her report unless anyone had any questions. In response to Chairman Mair's inquiry regarding the low PPO penetration, Executive Director requested Ms. Isabella to look into the figures.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the September – October Risk Control Activity Report which was included in the agenda. Mr. Prince noted the training calendar through October 29<sup>th</sup> was also included in the agenda. Mr. Prince advised he was working with the Parks Department and Airport regarding their Utility Vehicles. Mr. Prince indicated he would provide a letter of recommendation once he received all of the information. In response to Chairman Mair's comment, Mr. Prince advised Mr. McGettigan of his office visited with several of the staff on the 5<sup>th</sup> floor to discuss the fluorescent lighting and migraine headaches. Mr. Prince advised a written report would be sent to Mr. Mair of his observations.

**RISK MANAGER CONSULTANT:** Mr. Borden reported he was reviewing the Employed Lawyers and Pollution coverages again for the 2016 year. Executive Director advised the budget could be introduced without the coverages and amended later if additional coverages were purchased.

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:	Chairman Mair
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 Walker
Second:	Chairman Mair
Vote:	2 Ayes, 0 Nays

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 45-15 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 45-15 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 10:53 AM**

Minutes prepared by:

Cathy Dodd, Assisting Secretary