

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – October 24, 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 <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> <b>Monica Lester</b>
Managed Care Services	First MCO <b>Thomas Mooney</b>
CEL Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Doug Borden</b>
Attorney	<b>Arthur Sypek, Esq.</b> <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  
Thomas J. Walls, Jr., Esq., Capehart Scatchard, PA  
Nancy Coffee, Mercer County  
Paul Adezio, Esq., Mercer County  
Susan Schaefer, Susan Schaefer, LLC  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF SEPTEMBER 29, 2016**

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF SEPTEMBER 29, 2016**

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

**CORRESPONDENCE: NONE**

**SAFETY COMMITTEE:** Mr. Prince reported the Safety & Accident Committee last met on October 19, 2016 and the November meeting date was pending. Mr. Prince advised the meeting might be scheduled for the end of November or early December.

**CLAIMS COMMITTEE:** Ms. Batchelor introduced her colleague, Monica Lester, and advised she was a new member of the Conner Strong & Buckelew Claims Team. Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and would present three PARS during closed session. Ms. Batchelor advised that concluded her report unless anyone had any questions.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised he had two actions item in his report and several informational items.

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** Executive Director reported on the Certificate of Insurance Report for the period of September 21, 2016 to October 18, 2016. There was one (1) certificate of insurance issued during the period. Executive Director asked if there were any questions and requested a motion.

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

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

**DECEMBER 2016 MEETING DATE:** Executive Director reported a December meeting was not scheduled yet due to the holiday. Executive Director advised he would like to propose a date of Monday, December 19<sup>th</sup> at 10:30 AM. Executive Director noted the Commissioners advised they would be available on this date.

**MOTION TO SCHEDULE A COMMISSION MEETING ON DECEMBER 19, 2016 AT 10:30 AM**

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

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director reported the CELJIF was scheduled to meet again on October 27<sup>th</sup> to introduce the 2017 Budget. Executive Director advised budget adoption was scheduled for November 17<sup>th</sup>. Executive Director noted the CELJIF Finance Committee met on October 17<sup>th</sup> to review the draft budget.

**2017 PROPERTY & CASUALTY BUDGET INTRODUCTION:** Executive Director advised the MCIFC budget would be introduced at the November 28<sup>th</sup> meeting. Executive Director noted a public hearing and budget adoption would be held at the December meeting.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS:** Executive Director advised the August Financial Fast Track was included in the agenda. The Commission had a surplus of \$3,913,451 as of August 31, 2016. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$542,487 of the surplus was the MCIFC's share of the CELJIF equity. Executive Director noted the cash balance was \$738,035.

**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, 2016 the Fund had a surplus of \$6,578,709 and a total cash figure of \$21,121,034. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

**CLAIM TRACKING REPORTS:** Executive Director advised the Claims Tracking Reports for the month of August was included in the agenda. Executive Director reported he reviewed the Claim Activity Report and did not find any anomalies for the month. Executive Director reviewed the Claims Management Report Expected Loss Ratio Analysis report and stated as reflected by the Financial Fast Tracks the Commission was running exceptionally well.

**PROFESSIONAL SERVICE CONTRACTS:** Executive Director reported the County issued and posted the RFP's for the position of Executive Director, Actuary, Risk Consultant and Third Party Administrator. Chairman Mair introduced Nancy Coffee of his office and asked her to provide an update of the responses. In response to the Executive Director's inquiry, Ms. Coffee advised there were seven responses received for the Third Party Administrator and four responses received for the Risk Manager Consultant. Ms. Coffee also noted the Actuary responses were not due until November 3<sup>rd</sup>. Chairman Mair advised the appointments should be done by the later part of the year, however if it was not, there may be a need to extend the contracts for a period of time.

**OUTSOURCING OF MEDICAL EXAMINER'S OFFICE:** Executive Director asked Chairman Mair if he wanted to discuss this item. Chairman Mair advised it had been there intent for awhile for the outsourcing of the medical examiner's office. Chairman Mair indicated the negotiations have been very slow in developing and there was a draft contract that would be discussed internally within the next few days to resolve any fine points. Chairman Mair advised it would be presented for approval and there had been a favorable response from the County Executive and Freeholders. Chairman Mair noted they created a three month overlap between the incumbent and the probable contractor in order to create transition and also time in case the contracts were not executed as quickly as planned. Chairman Mair indicated he was not sure of the

implications for the Commission other than the right indemnifications and insurances were in place. In response to the Executive Director's comment, Chairman Mair asked Ms. Coffee to be sure Mr. Borden received copies of all of the draft contracts relating to the outsourcing of the medical examiners office to review. Executive Director advised Mr. Cooney, the CEL Underwriting Manager was in attendance, and indicated Mr. Cooney could also review the draft contracts.

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP:** Ms. Batchelor reported the Workshop was scheduled for Wednesday, November 2<sup>nd</sup> at the Conner Strong & Buckelew office in Marlton. Ms. Batchelor referred to a copy of the agenda for the Workshop which was included in the agenda. Ms. Batchelor noted there were some great speakers and there was still time to RSVP. Executive Director suggested an IT person from the County attend as one of the presentations would address Information and Security Risk Assessment.

**REPORT OF CLAIMS TO CLAIMS MADE POLICIES PRIOR TO 12/31/16 EXPIRATION:** Ms. Batchelor referred to a copy of her letter which was included in the agenda and advised the Public Officials & Employment Practices Liability, Cyber, Healthcare Professional & General Liability and Crime policies were expiring as of 12/31/16. Ms. Batchelor explained the policies provide coverage on a discovery or claims made and reported basis. Ms. Batchelor reported it was imperative that any claim, potential claim or facts and circumstances that may give rise to a claim be reported to the insurance company prior to the policy expiration. Ms. Batchelor asked that all claims be reported by 12/19/16.

**POLLUTION COVERAGE:** Executive Director asked Mr. Cooney, CEL Underwriting Manager, to give an update on the pollution coverage. Mr. Cooney advised for the pollution coverage he has been working on gathering all of the data and has a revised indication from the insurance company that he works with on the CEL program. Mr. Cooney advised it was a positive number however there were still a few open items and he would send out an e-mail so the process could be completed. Executive Director advised if the County was interested in purchasing this coverage the premium could be incorporated into the budget. In response to Chairman Mair's inquiry regarding the cost, Mr. Cooney advised the premium was approximately \$85,000 for three years and the premium would be pro rated if the coverage was added effective 1/1/17 as there were two years left in the policy term. In response to Executive Director's Mr. Cooney advised the premium would be paid in installments. Chairman Mair advised to include the premium in the budget. Mr. Borden noted that the quote did not include the UST/AST coverage. Mr. Borden advised the list was forwarded and he was waiting for a revised quote to include the UST/AST coverage. Executive Director noted it was his understanding the pollution policy was only excess in terms of UST/AST. Mr. Cooney indicated it depended on how they wanted to do it. Mr. Cooney advised the coverage could be rolled into the policy. In response to Executive Director's inquiry, Mr. Borden advised there was no current coverage, however until he received a quote he did not know what they are working with. Mr. Cooney advised he would check on the revised quote. Mr. Borden suggested using the list he provided as this would be a work in progress item.

**AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE:** Executive Director advised the 2017 auto ID cards and WC Posting Notices would be sent to each member entity representative for distribution the beginning of December. The CEL Underwriting Manager's Team would review any certificates which need to be re-issued for the 2017 renewal.

**2017 CEL EXCESS INSURANCE RENEWAL:** Mr. Cooney advised the renewal was going very well and was receiving positive quotations. Mr. Cooney advised the POL/EPL and Cyber coverages were being re-marketed and would provide further updates within the next few weeks.

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 October Bill List, Resolution 44-16, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 44-16, OCTOBER BILL LIST IN THE AMOUNT OF \$47,186.41**

Moved:	Chairman Mair
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 at this time.

**CLAIMS SERVICE:**

Executive Director advised Resolution 45-16, 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, 2016 to September 30, 2016.

**MOTION TO APPROVE RESOLUTION 45-16 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

**MANAGED CARE:** Mr. Mooney reviewed the Managed Care Report for the month of September which was included in the agenda. Mr. Mooney advised the PPO penetration has gone up which resulted in additional savings for the Commission. Mr. Mooney thought there was still room for improvement. Chairman Mair was pleased with the higher PPO penetration percentage.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the September – October Risk Control Activity Report which was included in the agenda. Mr. Prince referred to the training calendar and noted there 32 courses scheduled for Corrections and Motor Pool and some evening courses were scheduled to accommodate the night shifts. Mr. Prince also referred to the Safety Bulletin which was included in the agenda. Mr. Prince noted October was Fire Prevention Month and the bulletin included a quiz and helpful information on changing your smoke alarms. Mr. Prince advised that concluded his report unless anyone had any questions.

**RISK MANAGER CONSULTANT:** Mr. Borden advised he did not have anything 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 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 Hughes  
Second: Commissioner Walker  
Vote: 3 Ayes, 0 Nays

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 46-16 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 46-16 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

**MOTION TO AUTHORIZE PAYMENT AUTHORITY/SETTLEMENT AUTHORITY REQUESTS DISCUSSED IN CLOSED SESSION**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 10:54 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary