

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – October 23, 2017  
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 Meetings notice into record.

**ROLL CALL OF COMMISSIONERS:**

Andrew A. Mair	Present
K. Megan Clark Hughes	Present
Raissa Walker	Absent
Lillian Nazzaro ( <i>Alternate</i> )	Absent

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Amy Zeiders</b>
	Conner Strong & Buckelew <b>Greg Hunt</b>
Managed Care Services	First MCO <b>Kelly Royce</b>
CEL Underwriting Manager	Conner Strong & Buckelew <b>Ed Cooney</b>
Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Doug Borden</b>
Attorney	<b>Paul Adezio, Esq.</b>
Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>
Auditor	Bowman & Company, LLP <b>Jim Miles</b>

**ALSO PRESENT:**

Ana-Eliza T. Bauersachs, Esq., Capehart Scatchard, PA  
Jackie Tolbert, Mercer County Improvement Authority  
Susan Schaefer, Susan Schaefer, LLC  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF SEPTEMBER 25, 2017**

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF SEPTEMBER 25, 2017**

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

In response to Chairman Mair’s inquiry regarding safety training on wood chippers, Mr. Prince reported he was coordinating the training with the Parks Department. Mr. Prince advised there was a program available, however the training would be modified to suit the needs exclusively for the Parks Department. Mr. Prince noted the use of equipment at the Parks Department would be reviewed first to ensure the training was consistent for the utilization of the equipment. Mr. Prince advised he would provide an update of the progress at the next meeting.

Chairman Mair discussed the purchase of only major event insurance for 2018. Mr. Borden reported that coverage was tabled for this year and it was discussed that once the events were announced in February or March the larger events would be considered.

**CORRESPONDENCE: None**

**SAFETY COMMITTEE:** Mr. Prince reported the Safety & Accident Review Committee last met on October 18<sup>th</sup> and approximately 5 accidents were reviewed. Mr. Prince stated a fire drill was also conducted and the next meeting was scheduled for November 15<sup>th</sup>. In response to Chairman Mair’s inquiry regarding training on use of force for the Correction Officers, Mr. Prince responded the officers were familiar with the guidelines and with the implementation of more and more cameras in the law enforcement communities he found the numbers are coming down. Mr. Prince advised he advocated the use of cameras because they accurately document exactly what transpired and forces professionalism.

**CLAIMS COMMITTEE:** Mr. Hunt advised he was reporting on behalf of Michelle Leighton and reported the Claims Committee met prior to the Commission meeting and the payment authority requests would be discussed during closed session.

**EXECUTIVE DIRECTOR REPORT:** Executive Director reported there were two action items during his report today and the first was the 2016 Audit Report. Executive Director introduced Mr. Miles of Bowman and Company, LLP and asked him to present the draft 2016 audit. Executive Director advised he would seek approval of the audit if the Commissioners agreed.

**2016 AUDIT REPORT AS OF DECEMBER 31, 2016:** Mr. Miles distributed draft copies of the 2016 Audit Report as of December 31, 2016. Mr. Miles reviewed the highlights of the audit and noted there were no findings or recommendations. Mr. Miles expressed his appreciation and assistance provided to his office during the audit and thanked the Commission for the opportunity to serve as the auditor. Mr. Miles advised that concluded his report unless anyone had any questions.

**MOTION TO APPROVE RESOLUTION 42-17 CERTIFICATION OF ANNUAL REPORT FOR PERIOD ENDING DECEMBER 31, 2016**

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

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** Executive Director reported on the Certificate of Insurance Report for the month of September. Executive Director advised there was one certificate of insurance issued during September. Executive Director asked if anyone had any questions on the report.

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

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

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director reported the CEL met on September 28, 2017 and a summary report of the meeting was included in the agenda. Executive Director advised he would provide some of the highlights of the meeting and stated the Board of Fund Commissioners approved the 2016 Audit and appointed Bowman & Company, LLP for Payroll Auditing Services. Executive Director reported the renewal documentation was received from Burlington and Atlantic Counties to continue their membership in the CEL. Executive Director noted renewal documents were also sent to the Cumberland and Salem Counties. Executive Director stated Sussex and Essex Counties were being quoted for potential new membership. Lastly, Executive Director advised the CEL was scheduled to meet again on October 26<sup>th</sup> to introduce the 2018 Budget.

**MCIFC 2018 BUDGET:** Executive Director reported the 2018 MCIFC Budget would be introduced at the November 27<sup>th</sup> meeting and budget adoption was scheduled for the December 20<sup>th</sup> meeting.

**CLASH COVERAGE:** Executive Director advised the Chairman asked to have a discussion on Clash Coverage which the CEL confirmed at their last meeting and asked the Chairman if he had any questions. Chairman Mair indicated they discussed the coverage internally and asked Mr. Borden if the coverage was redundant of their existing coverage. Executive Director advised the difference was the clash coverage was automatically built in for liability coverage and explained if there were a combination of a liability loss and auto loss in any one occurrence the clash coverage was available. Executive Director advised at the CEL level it brings in the worker compensation as well. Executive Director noted at the Commission there would only be one retention and then the CEL would respond. Mr. Borden advised there was no additional cost for this and improved the coverage. In response to Chairman Mair's inquiry, Executive Director advised there was no additional cost as the actuary had already contemplated the fact that this was being done.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director advised the August Financial Fast Track was included in the agenda. The Commission had a surplus of \$6,094,277 as of August 31, 2017. Executive Director also referred to line 10 of the report, “Investment in Joint Venture” and indicated \$707,627 of the surplus was the MCIFC’s share of the CELJIF equity.

**NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the August Financial Fast Track was included in the agenda. As of August 31, 2017 the Fund had a surplus of \$7,698,993 and the cash balance was \$25,581,140. Executive Director advised the CEL Finance Committee would be discussing any eligible dividends when they met. In response to Mr. Borden’s inquiry, Executive Director advised there were no closed out years and believed the dividends issued in the past were for Fund Years 2010 and 2011. Executive Director indicated the 2014 Fund year when Mercer joined was not performing well. Executive Director did not believe there would be a dividend for Mercer. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

**CLAIMS TRACKING REPORTS:** Executive Director advised the Claims Tracking Reports for the month of September were included in the agenda. Executive Director reported he reviewed the Claim Activity Report and did not see any anomalies. Executive Director referred to the Claims Management Report Expected Loss Ratio Analysis which were included in the agenda. Executive Director advised all of the Fund Years were performing well. Executive Director noted this could result in a reduced budget for 2018 due to an assessment of the loss funds. In response to Mr. Borden’s inquiry regarding the CEL dividend Executive Director advised it was based on contributions to the CEL. Executive Director asked if anyone had any other questions on the claim reports.

**2018 AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE:** Executive Director advised the 2018 Auto ID Cards and the WC Posting Notices would be sent to each member entity representative for distribution the beginning of December. Executive Director noted the CEL Underwriting Manager’s Teams would review any certificates which need to be re-issued for the 2018 renewal.

Executive Director asked Greg Hunt of Conner Strong & Buckelew to discuss the next two items of his report.

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP:** Mr. Hunt reported as mentioned at the last meeting the Workshop was scheduled for November 1, 2017 at the Conner Strong & Buckelew office in Marlton. Mr. Hunt advised the focus this year was on Cyber Liability including Coverage, Risk Management and Available Resources. Mr. Hunt referred to a copy of the workshop agenda which was included in the agenda and encouraged the attendance of individuals from the IT departments.

**REPORTING OF CLAIMS TO CLAIMS MADE POLICIES PRIOR TO 12/31/17 EXPIRATION:** Mr. Hunt referred to a copy of the letter that was included in the agenda. Mr. Hunt explained the policies listed in the letter provided coverage on a discovery or claims made and reported basis. Mr. Hunt 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. Mr. Hunt requested that any claims be reported to Conner Strong & Buckelew no later than Monday, 12/18/17.

**SUBROGATION:** Executive Director reported at the last meeting a discussion was held on the possibility of utilizing a subrogation firm. Executive Director advised Inservco prepared a report of open cases and a further discussion would take place during closed session.

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 43-17 was included in the agenda.

**MOTION TO APPROVE RESOLUTION 43-17, OCTOBER BILL LIST IN THE AMOUNT OF \$45,732.57**

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Yes, 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. Fowlkes reported she would present the PARS during closed session. Ms. Fowlkes advised Resolution 44-17, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for September 1, 2017 to September 30, 2017.

**MOTION TO APPROVE RESOLUTION 44-17 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

**MANAGED CARE:** Ms. Royce advised she would review her report which was included in the agenda. Ms. Royce reported bills were received in the amount of \$99,374 for the month of September. First MCO repriced the bills to \$32,630 for a total savings of \$66,744 or 67%. Ms. Royce advised the penetration rate was 84%. Ms. Royce advised she had been attempting to work with Capital Health and reported last week they were finally able to submit a proposal. Ms. Royce indicated she was now working with one person at the hospital. Ms. Royce noted she was going to continue to pursue working with the hospital in an attempt to obtain a contract and would keep the Commission updated of her progress.

**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 advised there were 39 courses scheduled for the Corrections Department and some of the courses were

scheduled in the evening to accommodate everyone. Mr. Prince noted the agenda also included a Safety Director Bulletin on Fire Prevention. Mr. Prince advised the bulletin included tips for your work place and also at home. Mr. Prince advised that concluded his report unless there were any questions. Chairman Mair reported the Sheriff Department was in the process of presenting an active shooter program. Mr. Prince indicated they had a template available for an emergency action plan and advised he would send to Ms. Hughes for distribution.

**RISK MANAGER CONSULTANT:** Mr. Borden advised he did not have anything to report at this time.

Correspondence Made Part of Minutes.

**OLD BUSINESS:** Ms. Hughes stated the annual Safety Day was scheduled for November 2, 2017 and the Sheriff's Department would conduct CPR training in the morning and then J.A. Montgomery would conduct several different training sessions in the afternoon.

**NEW BUSINESS: None**

**PUBLIC COMMENT:**

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

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

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 45-17 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 45-17 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

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

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 10: 54 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary