

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – March 3, 2016
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:00 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
Attorney	Arthur Sypek, Esq. Paul Adezio, Esq.
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Thomas J. Walls, Jr. Capehart Scatchard, PA
Susan Schaefer, Susan Schaefer, LLC
Rachel Chwastek, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF JANUARY 25, 2016

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF
JANUARY 25, 2016**

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

CORRESPONDENCE: Executive Director advised there was no correspondence; however he wanted to introduce, Rachel Chwastek, of his Marlton office. Executive Director noted Ms. Chwastek worked on some of the southern Commission accounts.

SAFETY COMMITTEE: Mr. Prince reported there were two recent Safety Committee meetings. Mr. Prince advised his associate, Barry Sloane, attended the DOT Safety Committee meeting on January 20th and the Accident Review Committee met on February 17th. Mr. Prince noted the next Safety and Accident meeting was scheduled for March 16, 2016. Chairman Mair commented he noted there was a lot of activity for the DOT and Parks Department and would appreciate any suggestions that would benefit the other departments. Mr. Prince indicated he was meeting with Mr. Sloane to discuss opportunities for the other departments.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and discussed five PARS that would be presented during closed session. Ms. Batchelor advised that concluded her report unless anyone had any questions.

EXECUTIVE DIRECTOR REPORT: Executive Director reported he had two action items for his report.

RISK MANAGEMENT PLAN: Executive Director referred to a copy of the 2016 Risk Management Plan which was included in Appendix II of the agenda. Executive Director advised the pertinent changes were highlighted in yellow. Executive Director noted the pertinent changes were the (1) increase in the worker compensation retention to \$300,000 from \$250,000, (2) the CEL authorized the purchase of a non owned aircraft policy, and (3) the flood limits were increased to \$75 million from \$50 million. In response to Chairman Mair's inquiry regarding the pollution coverage, Mr. Borden advised the County was still collecting information for the application. Commissioners Hughes advised she had some additional information and would send to Mr. Borden and Mr. Moraski. Executive Director asked if anyone had any questions regarding the Risk Management Plan and requested a motion to adopt Resolution 17-16.

MOTION TO ADOPT 17-16, PLAN OF RISK MANAGEMENT FOR 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 January 19, 2016 to February 15, 2016. There were three (3) certificates of insurances issued during this 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

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL held its 2016 Reorganization meeting on February 25, 2016. Executive Director advised the Fund Commissioners adopted the respective reorganization resolutions. PERMA was re-appointed as Executive Director, J.A. Montgomery as the Safety Director and Conner Strong & Buckelew as the Underwriting Manager. Executive Director noted a summary report of the meeting would appear in the next agenda. Chairman Mair stated that he participated in the meeting by teleconference however, it was difficult to hear. Executive Director advised his office was aware of the difficulties and was working on a solution to improve the quality of the call. Chairman Mair noted the CEL instituted a penalty for any delinquent payments. Executive Director advised there was a recommendation to include an interest rate for delinquent assessments. In response to Chairman Mair’s inquiry, Executive Director advised the CEL Treasurer indicated the interest rate of 6% mirrored the percentage rate charged by Counties for late payments made by local municipalities and stated the statute number. Executive Director noted there was a call scheduled after the Commission meeting to discuss the matter and he had invited the CEL Executive Director, Mr. Kickham, to participate.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the December Financial Fast Track was included in the agenda. The Commission had a surplus of \$3,486,757 as of December 31, 2015. Executive Director also referred to line 9 of the report, “Investment in Joint Venture” and indicated \$375,218 of the surplus was the MCIFC’s share of the CEL JIF equity. Executive Director noted the total cash balance was \$562,572.

NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the December Financial Fast Track was included in the agenda. Executive Director advised as of December 31, 2015 the Fund had a surplus of \$5,906,279 and a total cash figure of \$17,194,034. 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 January 31, 2016. Executive Director advised he reviewed the “Claims Activity Report” and noted there were 4 new property claims opened in 2015 and seven property

claims in 2016. Executive Director advised there were twelve new liability claims opened and eight worker compensation claims for 2015 and five in 2016. Executive Director asked Inservco to review this information. Executive Director also reviewed the "Claims Management Report Expected Loss Ration Analysis" report. Executive Director advised this report was another method to determine how the Commission was operating. Executive Director advised the actual amount of claims for 2015 was 50.63% while the actuary projection was 69.87%. Executive Director asked if anyone had questions on the claim reports.

2016 ASSESSMENT BILLS: Executive Director advised the 2016 Assessment Bills were e-mailed to the member entities and the first payment was due on March 15, 2016.

INSERVCO STEWARDSHIP REPORT: Executive Director advised Inservco would present their stewardship report with their other reports.

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 February Bill List, Resolution 18-16, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 18-16, FEBRUARY BILL LIST
IN THE AMOUNT OF \$1,477,645.91**

Moved:	Commissioner Walker
Second:	Commissioner Hughes
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 but asked if there would be any discussions regarding possible concerns or changes involving the Correction Center. Chairman Mair advised the Executive Director had requested some data. Executive Director stated he would need loss data and the corresponding exposures to give to the actuary to determine the effect on the loss funds at the Commission and the CEL level. Executive Director advised the excess carriers needed to be engaged also.

CLAIMS SERVICE:

Executive Director reported Ms. Fowlkes would review the Stewardship Report with the Commission. Executive Director advised this was an annual report which provided an overview of the pertinent claim information in order to better manage the Commission program. Ms. Fowlkes stated the report included an Executive Summary and advised the report was based on the 2014 and 2015 Fund Years. Ms. Fowlkes note the Correction Center had the most claims of any location with 128 claims. The Parks Commission had the second most claims with 64 however there had been an improvement with the start up of the light duty program. Ms. Fowlkes pointed out that the location with the highest net incurred to date was the Correction Center followed by the Parks Commission. Ms. Fowlkes indicated that the highest number of claims occurred on Wednesday

and Thursday. Ms. Fowlkes thought this could be possible due to the shift work and thought the Safety Committee could evaluate this finding. Ms. Fowlkes noted the highest net incurred for part of body was “Multiple Body Parts” with 95 claims followed by the “Knee”. Ms. Fowlkes advised she pointed out some of the highlights of the report and encouraged everyone to review the report and if anyone had any questions to reach out to her or Ms. Staci Ulp, Vice President-Client Services. In response to the Executive Director’s inquiry, Mr. Sypek advised the Board of Social Services employs approximately 600 and many are out in the field.

Executive Director advised Resolution 19-16, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of January 1, 2016 to January 31, 2016. Ms. Dodd noted there were no checks issued for this period.

**MOTION TO APPROVE RESOLUTION 19-16 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 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 January provider bills were received in the amount of \$155,061 and First MCO re-priced the bills to \$83,394 for a savings of \$71,667 or 46% with 69% PPO penetration. Ms. Isabella noted even though the penetration was lower there was still a substantial savings. Ms. Isabella advised that concluded her report unless anyone had any questions.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the January - February Risk Control Activity Report which was included in the agenda. Mr. Prince referred to a copy of the Loss Control Report which was included in Appendix III of the agenda for the new Mercer County Prosecutor’s Office at 240 W. State Street. Mr. Prince advised his office was revising one of the Safety Directors Bulletins to reflect the recent recall of certain airbags and the bulletin would send out electronically. Mr. Prince noted there was also a recent recall of child safety seats. Mr. Prince advised several sheriffs’ department in the program might be using the seats for free distribution and or training programs. Mr. Prince indicated the bulletins would be revised and sent out electronically. In response to the Executive Director’s comment, Mr. Prince advised the BRIT program previously provided a \$10,000 safety grant to be split between the ten members, however the amount had been increased to \$30,000 for the members to utilize. Mr. Prince said members should forward their requests for any safety related items to him for submission to the BRIT program for approval. Mr. Prince advised the County would make the purchase, then submit the bills to BRIT for approval, and if approved there would be a 50% reimbursement of the purchase cost. Chairman Mair stated he would discuss the Active Shooting Training with Commissioner Walker. 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, however, wanted to mentioned his office was hosting an Active Shooter Training Program in the afternoon with the Philadelphia Insurance Company at Green Acres from 1:00 to 4:00. Mr. Borden advised there were 20 still seats available. Mr. Prince wanted to add that his office was following new State Legislature that would create a new category of police officers, “Class Three” designated

to provide security at both public and private schools. Mr. Prince advised he would keep the Commission updated on the proposed legislature.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: In response to Executive Director's inquiry, Chairman Mair advised he had not actively discussed the alternate Commissioner but would discuss further with Mr. Sypek. Executive Director advised the appointment would require a freeholder resolution.

PUBLIC COMMENT:

MOTION TO OPEN THE MEETING TO THE PUBLIC

Moved:	Chairman Mair
Second:	Commissioner Hughes
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 20-16 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 20-16 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

MOTION TO APPROVE THE PARS/SARS DISCUSSED IN CLOSED SESSION

Moved:	Commissioner Hughes
Second:	Chairman Mair

Vote:

3 Ayes, 0 Nays

MOTION TO ADJOURN:

Moved: Commissioner Hughes

Second: Chairman Mair

Vote: 3 Ayes, 0 Nays

MEETING ADJOURNED: 10:53 AM

Minutes prepared by:

Cathy Dodd, Assisting Secretary