

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – February 27, 2017  
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 ( <i>arrived at 10:40</i> )
Lillian Nazzaro	Present ( <i>left at 10:40</i> )

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Matthew Baron</b> <b>Keith Platt</b> <b>Amy Zeiders</b>
	Conner Strong & Buckelew <b>Danielle Batchelor</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>Arthur R. Sypek, Jr.</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  
Ana-Eliza T. Bauersachs, Esq., Capehart Scatchard, PA  
Susan Schaefer, Susan Schaefer, LLC  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF JANUARY 27, 2017**

Chairman Mair reported he had a correction to the open minutes. Chairman Mair advised on page 3 where he had referred to the use of the GIS (Geographic Information System) the correct word was mitigate and not litigate.

Chairman Mair also requested that Mr. Borden discuss the status of the Under Ground Storage Tank coverage during his report.

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF  
JANUARY 27, 2017 WITH THE CORRECTION AS NOTED BY  
CHAIRMAN MAIR**

Moved:	Chairman Mair
Second:	Commissioner Nazzaro
Vote:	3 Yes, 0 Nays

**CORRESPONDENCE: NONE**

**SAFETY COMMITTEE:** Mr. Prince reported the Safety & Accident Review Committee last met on February 15<sup>th</sup> and the next meeting was scheduled for March 15, 2017.

**CLAIMS COMMITTEE:** Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and there were four PARS to present during closed session.

**EXECUTIVE DIRECTOR REPORT:** Executive Director reported he did not have any action items for his report today and would review the informational items.

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** Executive Director reported on the Certificate of Insurance Report for the period of 1/1/17 to 1/31/17. There were 65 certificates issued for this period. A copy of the report was included in Appendix II of the agenda.

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director advised the CELJIF held their Reorganization Meeting on February 23, 2017. Executive Director reported Ross Angilella was elected as Chairman and John Kelly was elected as Secretary. The Board of Commissioners appointed Wilmington Trust to provide Asset Manager Services. A resolution was adopted to offer membership to the County of Monmouth. Executive Director advised a Coverage Committee was also formed at the CEL level and the Underwriting Manager would contact the Risk Managers to see if they wanted to participate in the Committee. The Commissioners on the Committee are Gerald White, John Kelly and Jeannette Kessler. Executive Director advised the CEL was going to issue an RFQ for a payroll auditor. Executive Director noted the CEL was scheduled to meet again on April 27, 2017.

**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 \$5,327,420 as of December 31, 2016. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$744,150 of the surplus was the MCIFC's share of the CELJIF equity. Executive Director noted the cash balance was \$797,533.

**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, 2016 the Fund had a surplus of \$8,316,420 and a total cash figure of \$19,865,780. 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 January was included in the agenda. Executive Director reported he reviewed the Claim Activity Report and noted there were 6 new property claims and 7 new worker compensation claims. Mr. Platt advised there was an influx of auto physical damage claims. Executive Director reviewed the Claims Management Report Expected Loss Ratio Analysis report and advised this report compared the actuary's projections of the loss funds versus the actual figures. Executive Director noted the first three years were doing exceptionally well.

**2017 PROFESSIONAL SERVICE CONTRACTS:** Executive Director advised the Request for Proposals for the Third Party Claims Administrator was posted on the County of Mercer Website. Executive Director noted the responses were due on March 10, 2017 at 11:00 AM. In response to Executive Director's inquiry regarding the status of the Professional Service Contracts, Chairman Mair advised he believed they were going to award those as non fair and open. Executive Director noted Ms. Coffee was handling the contracts and had been out of the office and he expected her back tomorrow.

**POTENTIAL NEW MEMBERSHIP:** Executive Director reported Conner Strong & Buckelew had reached out to the Mercer County Vo-Tech and Special Services School Districts, however had not received a response yet. Executive Director advised he understood that Chairman Mair was now involved. Chairman Mair advised he was trying to schedule a meeting to talk to the schools.

**2017 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES:** Executive Director reported the CEL renewal policies would be available electronically through the Conner Strong & Buckelew secure website. Executive Director advised an e-mail would be sent out to the authorized representatives with the instructions to access the website when the policies were available. Executive Director noted the limit/retention schematics and Plan of Risk Management would also be available on the website. Executive Director stated the policies were expected to be available by 4/1/17.

**2017 ASSESSMENT BILLS:** Executive Director advised the 2017 Assessment Bills were e-mailed to the member entities and the first payment was due on March 15, 2017.

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 February Bill List, Resolution 16-17, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 16-17, FEBRUARY BILL LIST  
IN THE AMOUNT OF \$1,489,078.88**

Moved:	Chairman Mair
Second:	Commissioner Walker
Vote:	3Ayes, 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.

**CLAIMS SERVICE:**

Ms. Fowlkes advised she would present the PARS during closed session and Ms. Zeiders would discuss the Liability Stewardship Report.

Ms. Zeiders distributed copies of the Liability Stewardship Report and referred to the Executive Summary page of the report. Ms. Zeiders advised she would highlight some of the items in the report. There were a total of 859 liability and property claims for the years 2014, 2015 and 2016. Ms. Zeiders noted there was a downward trend in the amount of liability and property claims filed with the Commission. During 2014 the majority of the claims were general liability with 237 and the next highest was auto physical damage claims with 81. For the policy year 2015 the majority of claims were general liability with 123 and then auto physical damage claims with 92. Ms. Zeiders advised for 2016 the highest claims were for auto physical damage claims with 100 claims and there were a total of 90 general liability claims.

Ms. Zeiders reported the number of claims filed with the Commission did decrease, however the incurred losses had steadily increased from \$41,920.92 in 2014 to \$158,056.70 in 2015 and to \$243,198.82 in 2016. However, the actual paid to date have not seen a similar increase. Ms. Zeiders advised they would continue to watch the paid to date as it developed. Ms. Zeiders continued to highlight the Observations, Conclusions and Suggestions on pages 3 and 4 of the report. Ms. Zeiders asked if anyone had questions regarding the report.

Executive Director advised Resolution 17-17, 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, 2017 to January 31, 2017.

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

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

**MANAGED CARE:** Ms. Royce reported for the month of January provider bills were received in the amount of \$35,284 and First MCO repriced the bills to \$24,951 for a savings of \$10,334 or

29%. Ms. Royce advised the PPO penetration for the month of January was 88%. Ms. Royce pointed out that the savings of 29% was low although the penetration was high. Ms. Royce explained the claims were being directed into the network and advised some of the providers especially Robert Wood Johnson were not billing what they would normally charge but billing the amount that they knew would be paid or the contracted rate. Therefore the reports are not showing a savings. Ms. Royce 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 reported the agenda also included a bulletin on NJ PEOSH Recording and Reporting of Occupational Injuries and Illnesses along with a matrix of the Injury Reporting Requirements. Mr. Prince also referred to the information included in the agenda regarding a 16 minute webinar to ensure your organization is compliant with PEOSH's latest rules, regulations and record-keeping requirements.

Mr. Prince advised the excess carrier, BRIT, had increased the funding for the Safety Grant to \$35,000 for the 2017 CELJIF Program. Mr. Prince reported at the CEL meeting he proposed five grants of \$7,000 each and inquired if there was any type of safety incentive program that County was interested in. Mr. Prince advised he would be available to assist with any potential ideas the County might have.

**RISK MANAGER CONSULTANT:** Mr. Borden advised he had three items to discuss. Mr. Borden stated with regard to the Underground Storage Tank Coverage he believed the Brinkerhoff report was received. This report would provide an assessment of the County's tank. Mr. Borden reported he was talking with Leslie Floyd, County Planning Director, and was assisting her with a comprehensive property schedule. Lastly Mr. Borden advised he had a calendar reminder to discuss the event cancellation coverage; however the Parks had not posted their calendar yet. Mr. Adezio offered to reach out to see if anything was scheduled.

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:	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:	Chairman Mair
Second:	Commissioner Walker

Vote: 3 Ayes, 0 Nays

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 18-17 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 18-17 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

**MOTION TO AUTHORIZE PAYMENT AUTHORITY/SETTLEMENT AUTHORITY REQUESTS DISCUSSED IN CLOSED SESSION EXCEPT FOR CLAIM # 39600000710**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:06 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary