

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – April 24, 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 10:39</i>)

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Keith Platt Amy Zeiders
Managed Care Services	Conner Strong & Buckelew Danielle Batchelor
CEL Underwriting Manager	First MCO Mary Bresadola
Risk Management Consultant	Conner Strong & Buckelew
Attorney	Borden Perlman Salisbury & Kelly Paul Adezio, Esq.
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

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 MARCH 27, 2017

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF MARCH 27, 2017

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

CORRESPONDENCE: NONE

SAFETY COMMITTEE: Mr. Prince reported the Safety & Accident Review Committee last met on April 19th and eleven claims were reviewed. Mr. Prince noted the next meeting was scheduled for May 17, 2017. Mr. Prince advised during his Safety Director Report he would discuss some other material regarding prisoner transportation updated policies and best practices which would be beneficial in the future.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and reviewed four PARS for closed session. Ms. Batchelor advised that concluded her report unless there were any questions.

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the month of March. There were 5 certificates issued for this period.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

MERCER COUNTY APPROVED COUNSEL: Executive Director referred to a copy of Resolution 22-17, Utilizing Mercer County Approved Counsel for the County Insurance Commission which was included in the agenda. Executive Director advised the intent of the resolution was to utilize the approved County Counsel for the Commission. At the last meeting it was determined on occasion the Commission might have a need for legal services to handle certain claims. Executive Director advised the resolution was reviewed by the Commission Attorney. Executive Director asked if anyone had any questions and requested a motion.

In response to Chairman Mair's comment, Mr. Adezio agreed and advised he would draft some contracts for the approved counsel. Chairman Mair noted this situation preceded the Commission and carried forward professional relationships which have not necessarily been established by contract. Chairman Mair advised this would be reviewed for not only the Commission but the County.

MOTION TO ADOPT RESOLUTION 22-17, UTILIZING MERCER COUNTY APPROVED COUNSEL FOR THE COUNTY INSURANCE COMMISSION

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

2017 TPA APPOINTMENT: Executive Director reported the TPA responses were reviewed and evaluated by the County Commissioners and asked for their recommendations. Chairman Mair advised he had given the Executive Director a written summary. Ms. Hughes advised she recommended Inservco and Chairman Mair said he also recommended Inservco although mathematically on his sheet it was a tie between Inservco and PMA. Chairman Mair indicated it was unanimous that Inservco be reappointed. Executive Director requested a motion.

MOTION TO APPOINT INSERVCO INSURANCE SERVICES, INC. FOR TPA SERVICES

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

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CELJIF was scheduled to meet on Thursday, April 27, 2017 at 1:00 PM. A summary report of the meeting would appear in the next agenda. Chairman Mair advised he might not be available to participate in the call.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director advised the February Financial Fast Track was included in the agenda. The Commission had a surplus of \$4,949,929 as of February 28, 2017. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$715,008 of the surplus was the MCIFC's share of the CELJIF equity. Executive Director noted the cash balance was \$749,610.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the February Financial Fast Track was included in the agenda. As of February 28, 2017 the Fund had a surplus of \$8,120,383 and the cash balance was \$14,011,062. 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 March was included in the agenda. Executive Director noted there was a significant amount of activity on property claims between February and March. Mr. Platt advised there were numerous auto property damage claims attributable to the winter storm. Executive Director also noted there was an uptick in worker compensation claims. Ms. Fowlkes indicated there were some

slip and fall claims, two spit in the eye claims and a laceration to the finger claim. In response to Chairman Mair's inquiry, Mr. Prince advised all of the claims were reviewed the Safety and Accident Committee. Mr. Prince noted they were also reviewing the claim involving the manhole cover and he would have more information regarding the claim next month. He would also discuss devices that are available on the market to reduce this type of exposure. 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 actual amount of claims for all of the years were lower than the actuary projected resulting in a surplus.

2016 AUDIT: Executive Director reported the Commission had a need for auditor services to prepare the 2016 Commission Audit. Executive Director advised the auditor contract does not expire until September 21, 2017. Executive Director noted the 2016 budget included the fee for auditor services. Executive Director suggested that we start the process now but would leave that decision up to the Commissioners. Chairman Mair reported unless he was advised otherwise by legal, it was his intent not to go out for a competitive process for the auditor. In response to Executive Director's inquiry Chairman Mair asked the Executive Director to obtain an updated proposal from the auditor.

2017 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES: Executive Director reported on April 10th the CEL Underwriting Manager distributed an e-mail providing login information and instructions to access the Conner Strong & Buckelew website to view the insurance policies and endorsements. Executive Director advised if anyone had any difficulties with the website they should contact the Fund Office for assistance.

MANDATORY SEAT BELTS: Executive Director reported Mr. Prince planned on discussing seat belts during his Safety Director report.

Executive Director advised that concluded his report unless anyone had any questions.

It was noted that Ms. Walker was now in attendance.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Chairman Mair advised the April Bill List, Resolution 23-17, was included in the agenda.

MOTION TO APPROVE RESOLUTION 23-17, APRIL BILL LIST IN THE AMOUNT OF \$46,723.94

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Ayes, 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: Executive Director advised Resolution 24-17, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of March 1, 2017 to March 31, 2017.

**MOTION TO APPROVE RESOLUTION 24-17 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

MANAGED CARE: Ms. Bresadola reported for the month of March, provider bills were received in the amount of \$42,343 and First MCO repriced the bills to \$55,329 for a total savings of \$12,986 CR or a 31CR%. Ms. Bresadola explained there was an appeal for a hospital bill that was not processed promptly which resulted in additional money owed to the hospital. The contract term required the payment be made in full but after negotiations it was reduced. Ms. Bresadola advised the PPO penetration for the month of March was 95% which was very good.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the March - April Risk Control Activity Report which was included in the agenda along the training schedule for April. Mr. Prince advised last month he was asked to research policies, procedures and accreditations standards for prisoner and inmate transportation. Mr. Prince reported he consulted with a variety of sources including the NJ State Department of Corrections and other policies around the State and this would be made part of the Risk Control initiatives during the upcoming months when he meets with the Correction's, Sheriff's and Prosecutor's Department to advise the best practices and their recommendations in terms of prisoner transportation and protecting the interest of the County.

Also NJ Statute, Title 39, Motor Vehicle Code mandates all passengers of a vehicle be seat-belted at the time they are being transported or as passengers in motor vehicles. Mr. Prince noted there were some devices installed in some of the vans, transportation vehicles, and there were after market devices seat belts and items of that nature that would secure passenger as they were being transported such as fiber glass inserts or stainless inserts which were in the back of vans. Mr. Prince recommended when it was time to purchase new vehicles that information was included in the specifications so the vendors could address those issues. Chairman Mair asked if Mr. Prince's report was available prior to the next Commission meeting he would like to meet with Mr. Prince separately.

RISK MANAGER CONSULTANT: Mr. Borden advised he did not have anything to discuss.

Correspondence Made Part of Minutes.

OLD BUSINESS: Chairman Mair advised he was meeting internally with the Director of DOT&I (Department of Transportation and Infrastructure) and the Engineer to discuss the pattern of claims involving pot holes.

Chairman Mair also advised there have been discussions on non-owned aircraft, drones insurance coverage. Chairman Mair reported there was probably a need to use drones by the Planning Department to generate planning documents and also had a request from the Emergency Communication for the use of drones. Chairman Mair advised they were forbidden in the Parks. Chairman Mair advised this would be a topic of conversation for later.

NEW BUSINESS: None

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

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 25-17 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 25-17 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

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

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:57 AM

Minutes prepared by:

Cathy Dodd, Assisting Secretary