

MERCER COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
DECEMBER 21, 2017

MERCER COUNTY
MCDADE ADMINISTRATION BUILDING
640 SOUTH BROAD STREET
ROOM 211
TRENTON, NJ 08650-8068
3:00 PM

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I. Advertising the notice in the Trenton Times, The Trentonian and the Princeton Packet**
- II. Filing advance written notice of this meeting with the Commissioners of the Mercer County Insurance Fund Commission; and**
- III. Posting notice on the Public Bulletin Board of the Office of the County Clerk**

**MERCER COUNTY INSURANCE FUND COMMISSION
AGENDA
OPEN PUBLIC MEETING: DECEMBER 21, 2017
640 S. BROAD STREET, ROOM 211
TRENTON, NJ 08650-8068
3:00 PM**

- ☐ **MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ☐ **ROLL CALL OF COMMISSIONERS**
- ☐ **APPROVAL OF MINUTES:** November 27, 2017 Open MinutesAppendix I
November 27, 2017 Closed MinutesHandout

- ☐ **CORRESPONDENCE:**
 - Acceptance of Terrorism Insurance Coverage.....Appendix II
 - Ace Property & Casualty Insurance Company- Airport Owners & Operators Liability

- ☐ **COMMITTEE REPORTS**
 - Safety Committee:..... Verbal
 - Claims Committee: 2018 Claims Meeting SchedulePage 3

- ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR - PERMA** Pages 4-15

- ☐ **TREASURER – David Miller**
 - Resolution 49-17 December Bill List - Motion.....Page 16

- ☐ **ATTORNEY – Arthur R. Sypek, Jr., Esq.** Verbal

- ☐ **CLAIMS SERVICE –Inservco Insurance Services, Inc. - Motion**
 - Resolution 50-17 Authorizing Disclosure of Liability Claims Check Register..... Pages 17-18
 - Liability Claims Payments 11-1-17 to 11-30-17 Pages 19-20

- ☐ **MANAGED CARE – First MCO**
 - Monthly Summary Report – November.....Page 21

- ☐ **CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report..... Pages 22-24

- ☐ **RISK MANAGER CONSULTANT – Borden Perlman Salisbury & Kelly** Verbal

- ☐ **OLD BUSINESS**
- ☐ **NEW BUSINESS:**

- ☐ **PUBLIC COMMENT**

- ☐ **CLOSED SESSION – Payment Authorization Requests (PARS/SARS)** Pages 25-27
Resolution 51-17 Executive Session for purpose as permitted by the Open Public Meetings Act,
more specifically to discuss PARS/SARS related to pending or anticipated litigation as

identified in the list of claims prepared by third-party claim administrator Inservco Insurance Services, Inc. and attached to this agenda.

☐ Motion for Executive Session

☐ **APPROVAL OF PARS - Motion**

☐ **MEETING ADJOURNMENT**

☐ **NEXT SCHEDULED MEETING: January 22, 2018, MERCER COUNTY, McDADE ADMINISTRATION BUILDING, 640 S. BROAD STREET, TRENTON, NJ 08650-8068 10:30 AM**

Mercer County Insurance Fund Commission
Claims Committee
2018 Meeting Schedule

All meetings will be held prior to the Commission Meeting
on the fourth Monday of the month at 9:30 or 10:00 AM

Time is dependent on the number of claims to review

A notice will be sent by e-mail prior to the meeting

January 22, 2018
February 26, 2018
March 26, 2018
April 23, 2018
May - TBD
June 25, 2018
July 23, 2018
August - TBD
September 24, 2018
October 22, 2018
November 26, 2018
December 20, 2018

MERCER COUNTY INSURANCE FUND COMMISSION

9 Campus Drive, Suite 216
Parsippany, NJ 07054
Telephone (201) 881-7632 Fax (201) 881-7633

Date: December 21, 2017

Memo to: Commissioners of the Mercer County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

- ☐ **2018 Property & Casualty Budget (Pages 6-7)** – At the November 27, 2017 meeting the 2018 Property & Casualty Budget was introduced. In accordance with the regulations the budget was advertised in the Commission's official newspapers. The Public Hearing for the budget will be held at this meeting. Attached on page 6 is a copy of the budget. The budget is in the amount of \$7,888,462. Also attached on page 7 is a copy of the assessments.
 - ☐ **Motion to open the Public Hearing on the 2018 Property & Casualty Budget**
 - ☐ **Discussion of Budget and Assessments**
 - ☐ **Motion to close the Public Hearing**
 - ☐ **Motion to adopt the Property & Casualty Budget for Mercer County Insurance Fund Commission for the 2018 Year and Certify the 2018 Assessments**
- ☐ **Certificate of Insurance Issuance Report** – There were no certificate requests for the month of November.
- ☐ **NJ Excess Counties Insurance Fund (NJCE)** – The NJCE will hold its Reorganizational meeting on February 22, 2018 at 1:00 PM.
- ☐ **MCIFC Property & Casualty Financial Fast Track (Pages 8-9)** – Included in the agenda on pages 8-9 is a copy of the Financial Fast Track for the month of October. As of October 31, 2017 the Commission has a surplus of **\$6,912,376**. Line 10 of the report "Investment in Joint Venture" is Mercer County Insurance Fund Commission's share of equity in the CEL. MCIFC's equity in the CEL as of October 31, 2017 is **\$803,582**. The total cash amount is **\$1,044,156**.
- ☐ **NJ CEL Property and Casualty Financial Fast Track (Pages 10-11)** – Included in the agenda on pages 10-11 is a copy of the CEL Financial Fast Track for the month of October. As of **October 31, 2017** the Fund has a surplus of **\$8,562,766**. The cash balance is **\$24,047,702**.
- ☐ **Claims Tracking Reports (Pages 12-14)** – Included in the agenda on pages 12-14 are copies of the Claim Activity Report and the Claims Management Report Expected Loss Ratio

Analysis report as of November 30, 2017. The Executive Director will review the reports with the Commission.

- ❑ **2018 MCIFC Meeting Dates (Page 15)** – Attached on page 15 for your consideration is the proposed MCIFC Executive Committee Meeting Schedule for 2018. The May meeting date falls on Memorial Day. If a May meeting is needed we will schedule a date at the April meeting. As we did last year the Commission will not meet in August. However, we can schedule a meeting if needed. If the dates are acceptable a resolution will be prepared for approval with the Reorganizational Resolutions in January.

	MERCER COUNTY INSURANCE COMMISSION				
	2018 PROPOSED BUDGET :				
	NJCE Property Option 2: Renew with Property Premium Buffer		Total		
		ANNUALIZED	PROPOSED	Increase/Decrease	
	APPROPRIATIONS	BUDGET FY2017	BUDGET FY2018	\$	%
	I. Claims and Excess Insurance				
	Claims				
1	Property	83,000	75,000	(8,000)	-9.64%
2	Liability	159,000	157,000	(2,000)	-1.26%
3	Auto	134,000	131,000	(3,000)	-2.24%
4	Workers' Comp.	4,709,000	4,455,000	(254,000)	-5.39%
5					
6	Subtotal - Claims	5,085,000	4,818,000	(267,000)	-5.25%
7					
8	Premiums				
9	CEL JIF	2,039,768	2,136,087	96,320	4.72%
10					
11	SubTotal Premiums	2,039,768	2,136,087	96,320	4.72%
12	Total Loss Fund	7,124,767	6,954,087	(170,680)	-2.40%
13					
14	II. Expenses, Fees & Contingency				
15					
16	Claims Adjustment	190,000	190,000	0	0.00%
17	Safety Director	124,440	126,929	2,489	2.00%
18	General Expense				
19	Exec. Director	160,305	163,511	3,206	2.00%
20	Actuary	9,260	9,445	185	2.00%
21	Auditor	7,500	7,650	150	2.00%
22	Attorney	0	0	0	0.00%
23	Treasurer	0	0	0	0.00%
24					
25					
26	Misc. Expense & Contingency	10,000	10,000	0	0.00%
27					
28	Total Fund Exp & Contingency	501,505	507,535	6,030	1.20%
29	Risk Managers	66,000	66,000	0	0.00%
30					
31					
32	XS JIF Ancillary Coverage				
33	POL/EPL	140,215	143,019	2,804	2.00%
34	XS POL/EPL	0	0	0	0.00%
35	Excess Liability	76,544	84,199	7,655	10.00%
36	Crime Program	13,711	13,711	0	0.00%
37	Medical Malpractice	36,031	36,752	721	2.00%
38	Pollution Liability	30,000	30,000	0	0.00%
39	Employed Lawyers Liab	0	0	0	0.00%
40	Cyber Liability/ Special Coverages	47,544	47,544	0	0.00%
41	Aviation	5,615	5,615	0	0.00%
42					
43	Total FUND Disbursements	8,041,932	7,888,462	(153,470)	-1.91%

	MERCER COUNTY INSURANCE COMMISSION												
	2018 PROPOSED ASSESSMENTS -												
		2017			2018			Change \$			Change %		
Member ID	Member Name	NJCE & Commission	Ancillary	Total	NJCE & Commission	Ancillary	Total	NJCE & Commission	Ancillary	Total	NJCE & Commission	Ancillary	Total
NJC023	Mercer County	7,419,538	290,290	7,709,828	7,260,726	300,220	7,560,946	(158,812)	9,930	(148,882)	-2.14%	3.42%	-1.93%
NJC027	Mercer County Improvement Authority	272,734	59,370	332,104	266,896	60,620	327,516	(5,838)	1,250	(4,588)	-2.14%	2.11%	-1.38%
	Grand Totals:	7,692,272	349,660	8,041,932	7,527,622	360,840	7,888,462	(164,650)	11,180	(153,470)	-2.14%	3.20%	-1.91%

MERCER COUNTY INSURANCE COMMISSION							
FINANCIAL FAST TRACK REPORT							
		AS OF		October 31, 2017			
ALL YEARS COMBINED							
		THIS MONTH		YTD CHANGE		PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME		670,161	6,701,610	23,272,864	29,974,475	
2.	CLAIM EXPENSES						
		Paid Claims	254,001	1,363,764	4,490,926	5,854,689	
		Case Reserves	(237,670)	1,036,965	2,541,379	3,578,343	
		IBNR	345,447	380,050	3,082,038	3,462,087	
		Discounted Claim Value	(8,166)	(64,801)	(171,381)	(236,182)	
	TOTAL CLAIMS		353,611	2,715,977	9,942,961	12,658,938	
3.	EXPENSES						
		Excess Premiums	199,119	1,991,190	7,070,368	9,061,557	
		Administrative	46,504	468,822	1,676,363	2,145,185	
	TOTAL EXPENSES		245,623	2,460,012	8,746,731	11,206,742	
4.	UNDERWRITING PROFIT (1-2-3)		70,926	1,525,622	4,583,172	6,108,794	
5.	INVESTMENT INCOME		0	0	0	0	
6.	PROFIT (4 + 5)		70,926	1,525,622	4,583,172	6,108,794	
7.	CEL APPROPRIATION CANCELLATION		0	0	0	0	
8.	DIVIDEND INCOME		0	0	0	0	
9.	DIVIDEND EXPENSE		0	0	0	0	
10.	INVESTMENT IN JOINT VENTURE		2,721	59,615	743,967	803,582	
11.	SURPLUS (6 + 7 + 8)		73,647	1,585,236	5,327,139	6,912,376	
SURPLUS (DEFICITS) BY FUND YEAR							
	2014		49	102,928	2,346,979	2,449,907	
	2015		51	(59,142)	1,917,929	1,858,787	
	2016		56	820,140	1,062,232	1,882,372	
	2017		73,491	721,311		721,311	
TOTAL SURPLUS (DEFICITS)			73,647	1,585,236	5,327,140	6,912,376	
TOTAL CASH						1,044,156	

MERCER COUNTY INSURANCE COMMISSION						
FINANCIAL FAST TRACK REPORT						
		AS OF	October 31, 2017			
ALL YEARS COMBINED						
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
CLAIM ANALYSIS BY FUND YEAR						
FUND YEAR 2014						
	Paid Claims	31,224	76,306	1,747,206	1,823,512	
	Case Reserves	(43,370)	(153,599)	407,154	253,555	
	IBNR	12,146	(27,708)	566,120	538,412	
	Discounted Claim Value	0	1,536	(30,942)	(29,405)	
TOTAL FY 2014 CLAIMS		0	(103,464)	2,689,538	2,586,074	
FUND YEAR 2015						
	Paid Claims	76,298	216,108	1,628,411	1,844,519	
	Case Reserves	(60,587)	38,907	773,291	812,198	
	IBNR	(15,710)	(170,015)	707,161	537,146	
	Discounted Claim Value	0	(450)	(45,233)	(45,683)	
TOTAL FY 2015 CLAIMS		0	84,550	3,063,630	3,148,180	
FUND YEAR 2016						
	Paid Claims	33,393	482,225	1,115,309	1,597,534	
	Case Reserves	2,432	(236,671)	1,360,934	1,124,263	
	IBNR	(35,826)	(1,062,553)	1,808,757	746,203	
	Discounted Claim Value	0	35,026	(95,207)	(60,181)	
TOTAL FY 2016 CLAIMS		0	(781,974)	4,189,793	3,407,819	
FUND YEAR 2017						
	Paid Claims	113,086	589,125		589,125	
	Case Reserves	(136,146)	1,388,327		1,388,327	
	IBNR	384,837	1,640,326		1,640,326	
	Discounted Claim Value	(8,166)	(100,913)		(100,913)	
TOTAL FY 2017 CLAIMS		353,611	3,516,865	0	3,516,865	
COMBINED TOTAL CLAIMS		353,611	2,715,977	9,942,961	12,658,938	

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

NEW JERSEY COUNTIES EXCESS JIF						
FINANCIAL FAST TRACK REPORT						
		AS OF		October 31, 2017		
ALL YEARS COMBINED						
		THIS		YTD		PRIOR
		MONTH		CHANGE		YEAR END
						FUND
						BALANCE
1.	UNDERWRITING INCOME		1,755,721	17,557,208	97,465,900	115,023,108
2.	CLAIM EXPENSES					
		Paid Claims	38,151	509,671	2,721,199	3,230,870
		Case Reserves	(157,302)	990,273	2,624,454	3,614,727
		IBNR	414,036	1,319,083	9,575,203	10,894,286
		Discounted Claim Value	(14,394)	(94,684)	(715,004)	(809,687)
	TOTAL CLAIMS		280,491	2,724,344	14,205,852	16,930,196
3.	EXPENSES					
		Excess Premiums	1,324,972	13,111,723	67,102,915	80,214,638
		Administrative	132,868	1,305,784	7,163,639	8,469,423
	TOTAL EXPENSES		1,457,840	14,417,507	74,266,554	88,684,061
4.	UNDERWRITING PROFIT (1-2-3)		17,389	415,357	8,993,494	9,408,851
5.	INVESTMENT INCOME		2,036	32,246	229,221	261,466
6.	PROFIT (4+5)		19,426	447,603	9,222,714	9,670,317
7.	Dividend		200,000	200,000	300,000	500,000
8.	Cancelled Appropriations		0	0	607,551	607,551
9.	SURPLUS (6-7-8)		(180,574)	247,603	8,315,163	8,562,766
SURPLUS (DEFICITS) BY FUND YEAR						
	2010		(99,920)	(244,057)	722,132	478,075
	2011		(99,866)	12,075	921,187	933,262
	2012		137	(14,238)	554,609	540,371
	2013		248	90,980	1,277,188	1,368,168
	2014		305	(3,308)	2,048,737	2,045,429
	2015		335	169,502	989,944	1,159,445
	2016		383	262,492	1,801,366	2,063,858
	2017		17,804	(25,842)		(25,842)
TOTAL SURPLUS (DEFICITS)			(180,574)	247,603	8,315,163	8,562,765
TOTAL CASH						24,047,702

NEW JERSEY COUNTIES EXCESS JIF				
FINANCIAL FAST TRACK REPORT				
		AS OF	October 31, 2017	
ALL YEARS COMBINED				
CLAIM ANALYSIS BY FUND YEAR				
FUND YEAR 2010				
Paid Claims	410	810	164,355	165,165
Case Reserves	(410)	84,835	1	84,836
IBNR	0	70,000	164,999	234,999
Discounted Claim Value	0	(10,134)	(2,805)	(12,938)
TOTAL FY 2010 CLAIMS	0	145,511	326,550	472,061
FUND YEAR 2011				
Paid Claims	2,960	32,560	396,667	429,227
Case Reserves	(2,960)	(60,335)	407,372	347,037
IBNR	0	(87,225)	380,961	293,736
Discounted Claim Value	0	5,376	(39,146)	(33,770)
TOTAL FY 2011 CLAIMS	0	(109,624)	1,145,854	1,036,230
FUND YEAR 2012				
Paid Claims	3,149	328,260	1,132,971	1,461,231
Case Reserves	(7,793)	(228,806)	430,462	201,656
IBNR	4,644	(101,957)	844,069	742,112
Discounted Claim Value	0	19,383	(69,604)	(50,221)
TOTAL FY 2012 CLAIMS	0	16,881	2,337,897	2,354,778
FUND YEAR 2013				
Paid Claims	4,010	(219,679)	516,427	296,748
Case Reserves	(248,320)	148,974	623,730	772,704
IBNR	244,311	(4,295)	1,009,843	1,005,548
Discounted Claim Value	0	(11,573)	(86,001)	(97,575)
TOTAL FY 2013 CLAIMS	0	(86,573)	2,063,999	1,977,425
FUND YEAR 2014				
Paid Claims	3,372	88,434	268,119	356,553
Case Reserves	81,419	350,011	141,719	491,731
IBNR	(84,791)	(443,445)	1,750,161	1,306,716
Discounted Claim Value	0	13,723	(101,570)	(87,847)
TOTAL FY 2014 CLAIMS	0	8,723	2,058,430	2,067,153
FUND YEAR 2015				
Paid Claims	0	97,809	242,661	340,469
Case Reserves	5,000	231,006	1,021,082	1,252,087
IBNR	(5,000)	(523,814)	2,311,258	1,787,443
Discounted Claim Value	0	31,684	(204,420)	(172,736)
TOTAL FY 2015 CLAIMS	0	(163,316)	3,370,580	3,207,264
FUND YEAR 2016				
Paid Claims	0	0	0	0
Case Reserves	1	250,028	88	250,116
IBNR	(1)	(539,028)	3,113,912	2,574,884
Discounted Claim Value	0	33,338	(211,458)	(178,120)
TOTAL FY 2016 CLAIMS	0	(255,662)	2,902,542	2,646,880
FUND YEAR 2017				
Paid Claims	24,250	181,477		181,477
Case Reserves	15,761	214,560		214,560
IBNR	254,874	2,948,848		2,948,848
Discounted Claim Value	(14,394)	(176,480)		(176,480)
TOTAL FY 2017 CLAIMS	280,491	3,168,405	0	3,168,405
COMBINED TOTAL CLAIMS	280,491	2,724,344	14,205,852	16,930,196

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

Mercer County Insurance Fund Commission									
CLAIM ACTIVITY REPORT									
AS OF	November 30, 2017								
COVERAGE LINE- PROPERTY									
CLAIM COUNT - OPEN CLAIMS									
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	0	0	0	0	0	3	1	23	27
November-17	0	0	0	0	0	3	0	32	35
NET CHGE	0	0	0	0	0	0	-1	9	8
Limited Reserves									\$2,474
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	\$0	\$0	\$0	\$0	\$0	\$50,500	\$7,500	\$16,300	\$74,300
November-17	\$0	\$0	\$0	\$0	\$0	\$58,000	\$0	\$28,600	\$86,600
NET CHGE	\$0	\$0	\$0	\$0	\$0	\$7,500	(\$7,500)	\$12,300	\$12,300
Ltd Incurred	\$0	\$0	\$0	\$0	\$18,499	\$57,975	\$99	\$29,005	\$105,577
COVERAGE LINE- GENERAL LIABILITY									
CLAIM COUNT - OPEN CLAIMS									
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	0	0	0	0	1	11	26	28	66
November-17	0	0	0	0	1	10	24	35	70
NET CHGE	0	0	0	0	0	-1	-2	7	4
Limited Reserves									\$6,073
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	\$0	\$0	\$0	\$0	\$6,386	\$128,143	\$131,600	\$80,000	\$346,129
November-17	\$0	\$0	\$0	\$0	\$6,386	\$127,143	\$198,100	\$93,477	\$425,106
NET CHGE	\$0	\$0	\$0	\$0	\$0	(\$1,000)	\$66,500	\$13,477	\$78,977
Ltd Incurred	\$0	\$0	\$0	\$0	\$8,863	\$166,313	\$207,691	\$94,283	\$477,150
COVERAGE LINE- AUTO LIABILITY									
CLAIM COUNT - OPEN CLAIMS									
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	0	0	0	0	0	3	1	3	7
November-17	0	0	0	0	0	2	1	5	8
NET CHGE	0	0	0	0	0	-1	0	2	1
Limited Reserves									\$21,531
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	\$0	\$0	\$0	\$0	\$0	\$22,150	\$94,595	\$62,000	\$178,745
November-17	\$0	\$0	\$0	\$0	\$0	\$14,650	\$94,595	\$63,000	\$172,245
NET CHGE	\$0	\$0	\$0	\$0	\$0	(\$7,500)	\$0	\$1,000	(\$6,500)
Ltd Incurred	\$0	\$0	\$0	\$0	\$10,891	\$20,965	\$117,228	\$72,314	\$221,399
COVERAGE LINE- WORKERS COMP.									
CLAIM COUNT - OPEN CLAIMS									
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	0	0	0	0	10	21	31	49	111
November-17	0	0	0	0	10	20	31	47	108
NET CHGE	0	0	0	0	0	-1	0	-2	-3
Limited Reserves									\$27,200
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	\$0	\$0	\$0	\$0	\$247,170	\$611,405	\$890,568	\$1,230,027	\$2,979,170
November-17	\$0	\$0	\$0	\$0	\$251,566	\$581,701	\$872,096	\$1,232,252	\$2,937,614
NET CHGE	\$0	\$0	\$0	\$0	\$4,396	(\$29,704)	(\$18,472)	\$2,224	(\$41,556)
Ltd Incurred	\$0	\$0	\$0	\$0	\$2,044,958	\$2,389,255	\$2,483,408	\$1,853,462	\$8,771,083
TOTAL ALL LINES COMBINED									
CLAIM COUNT - OPEN CLAIMS									
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	0	0	0	0	11	38	59	103	211
November-17	0	0	0	0	11	35	56	119	221
NET CHGE	0	0	0	0	0	-3	-3	16	10
Limited Reserves									\$16,387
Year	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
October-17	\$0	\$0	\$0	\$0	\$253,555	\$812,199	\$1,124,263	\$1,388,327	\$3,578,344
November-17	\$0	\$0	\$0	\$0	\$257,951	\$781,495	\$1,164,791	\$1,417,329	\$3,621,565
NET CHGE	\$0	\$0	\$0	\$0	\$4,396	(\$30,704)	\$40,528	\$29,001	\$43,221
Ltd Incurred	\$0	\$0	\$0	\$0	\$2,083,210	\$2,634,509	\$2,808,426	\$2,049,064	\$9,575,209

FUND YEARS 2016 & 2017

Mercer County Insurance Fund Commission															
CLAIMS MANAGEMENT REPORT															
EXPECTED LOSS RATIO ANALYSIS															
AS OF November 30, 2017															
FUND YEAR 2016 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		23			Last Month		22			Last Year		11	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	30-Nov-17		TARGETED	Incurred	Incurred	31-Oct-17		TARGETED	Incurred	Incurred	29-Nov-16	TARGETED
PROPERTY	80,948	99	99	0.12%	80,409	99.33%	7,599	7,599	9.39%	79,886	98.69%	33,500	33,500	41.38%	69,615
GEN LIABILITY	155,896	207,691	207,691	133.22%	121,879	78.18%	141,191	141,191	90.57%	119,892	76.91%	90,496	90,496	58.05%	76,389
AUTO LIABILITY	131,580	117,228	117,228	89.09%	98,762	75.06%	117,228	117,228	89.09%	96,807	73.57%	25,409	25,409	19.31%	59,211
WORKER'S COMP	4,616,644	2,483,408	2,483,408	53.79%	4,280,219	92.71%	2,455,778	2,455,778	53.19%	4,238,175	91.80%	2,200,944	2,200,944	47.67%	2,400,655
TOTAL ALL LINES	4,985,068	2,808,426	2,808,426	56.34%	4,581,269	91.90%	2,721,797	2,721,797	54.60%	4,534,760	90.97%	2,350,349	2,350,349	47.15%	2,605,870
NET PAYOUT %	\$1,643,635					32.97%									
FUND YEAR 2017 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		11			Last Month		10			Last Year		-1	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	30-Nov-17		TARGETED	Incurred	Incurred	31-Oct-17		TARGETED	Incurred	Incurred	29-Nov-16	TARGETED
PROPERTY	83,000	29,005	29,005	34.95%	71,380	86.00%	16,705	16,705	20.13%	63,080	76.00%	0	0	N/A	N/A
GEN LIABILITY	159,000	94,283	94,283	59.30%	77,910	49.00%	80,783	80,783	50.81%	66,780	42.00%	0	0	N/A	N/A
AUTO LIABILITY	134,000	72,314	72,314	53.97%	60,300	45.00%	71,314	71,314	53.22%	53,600	40.00%	0	0	N/A	N/A
WORKER'S COMP	4,709,000	1,853,462	1,853,462	39.36%	2,448,680	52.00%	1,808,649	1,808,649	38.41%	1,977,780	42.00%	0	0	N/A	N/A
TOTAL ALL LINES	5,085,000	2,049,064	2,049,064	40.30%	2,658,270	52.28%	1,977,452	1,977,452	38.89%	2,161,240	42.50%	0	0	N/A	N/A

FUND YEARS 2014 & 2015

Mercer County Insurance Fund Commission																
CLAIMS MANAGEMENT REPORT																
EXPECTED LOSS RATIO ANALYSIS																
						AS OF			November 30, 2017							
FUND YEAR 2014 -- LOSSES CAPPED AT RETENTION																
	Budget	Current		47			Last Month		46			Last Year		35		
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	30-Nov-17		TARGETED	Incurred	Incurred	31-Oct-17		TARGETED	Incurred	Incurred	29-Nov-16		TARGETED
PROPERTY	62,322	18,499	18,499	29.68%	62,322	100.00%	18,499	18,499	29.68%	62,322	100.00%	19,168	19,168	30.76%	62,322	100.00%
GEN LIABILITY	124,157	8,863	8,863	7.14%	118,448	95.40%	8,863	8,863	7.14%	118,031	95.07%	72,352	72,352	58.27%	111,093	89.48%
AUTO LIABILITY	127,016	10,891	10,891	8.57%	117,120	92.21%	10,891	10,891	8.57%	116,647	91.84%	10,891	10,891	8.57%	109,971	86.58%
WORKER'S COMP	4,356,301	2,044,958	2,044,958	46.94%	4,327,738	99.34%	2,038,394	2,038,394	46.79%	4,324,731	99.28%	2,140,485	2,140,485	49.14%	4,265,030	97.90%
TOTAL ALL LINES	4,669,797	2,083,210	2,083,210	44.61%	4,625,628	99.05%	2,076,646	2,076,646	44.47%	4,621,730	98.97%	2,242,895	2,242,895	48.03%	4,548,415	97.40%
NET PAYOUT %	\$1,825,259				39.09%											
FUND YEAR 2015 -- LOSSES CAPPED AT RETENTION																
	Budget	Current		35			Last Month		34			Last Year		23		
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	30-Nov-17		TARGETED	Incurred	Incurred	31-Oct-17		TARGETED	Incurred	Incurred	29-Nov-16		TARGETED
PROPERTY	80,948	57,975	57,975	71.62%	80,948	100.00%	50,475	50,475	62.35%	80,948	100.00%	55,363	55,363	68.39%	80,409	99.33%
GEN LIABILITY	155,896	166,313	166,313	106.68%	139,492	89.48%	167,313	167,313	107.32%	138,390	88.77%	168,273	168,273	107.94%	121,879	78.18%
AUTO LIABILITY	131,580	20,965	20,965	15.93%	113,922	86.58%	28,465	28,465	21.63%	113,080	85.94%	13,920	13,920	10.58%	98,762	75.06%
WORKER'S COMP	4,449,750	2,389,255	2,389,255	53.69%	4,356,520	97.90%	2,410,464	2,410,464	54.17%	4,346,732	97.68%	2,278,691	2,278,691	51.21%	4,125,487	92.71%
TOTAL ALL LINES	4,818,174	2,634,509	2,634,509	54.68%	4,690,882	97.36%	2,656,717	2,656,717	55.14%	4,679,150	97.11%	2,516,248	2,516,248	52.22%	4,426,537	91.87%
NET PAYOUT %	\$1,853,014				38.46%											

MERCER COUNTY INSURANCE FUND COMMISSION
9 CAMPUS DRIVE, SUITE 216
PARSIPPANY, NJ 07054

TO: Members of the Commission

2018 PROPOSED ANNUAL MEETING NOTICE

Pursuant to Chapter 231, Laws of 1975, known as the Open Public Meeting Acts, the following have been designated as meeting dates of the Mercer County Insurance Fund Commission at which the business of said Commission may be formally discussed, decided or acted upon.

<u>TIME</u>	<u>DATE</u>	<u>LOCATION</u>	<u>PURPOSE</u>
10:30 AM	January 22, 2018	County of Mercer 640 South Broad Street, Room 211 Trenton, NJ 08650-0068	Reorganization Meeting
10:30 AM	February 26, 2018	“	Regular Meeting
10:30 AM	March 26, 2018	“	Regular Meeting
10:30 AM	April 23, 2018	“	Regular Meeting
10:30 AM	May - TBD	“	Regular Meeting
10:30 AM	June 25, 2018	“	Regular Meeting
10:30 AM	July 23, 2018	“	Regular Meeting
10:30 AM	September 24, 2018	“	Regular Meeting
10:30 AM	October 22, 2018	“	Regular Meeting
10:30 AM	November 26, 2018	“	Regular Meeting
10:30 AM	December 20, 2018	“	Regular Meeting

In addition such other meetings as may be required shall be scheduled and held, but pursuant to and with such additional notice as may be required by statute.

By: PERMA Risk Management Services
Administrator

MERCER COUNTY INSURANCE FUND COMMISSION

**MERCER COUNTY INSURANCE FUND COMMISSION
BILLS LIST**

Resolution No. 49-17

DECEMBER 2017

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Mercer County Insurance Fund Commission, hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission

FUND YEAR 2017

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000367			
000367	BORDEN PERLMAN SALISBURY&KELLY	INSURANCE CONSULTING FEE 12/2017	5,500.00
			5,500.00
000368			
000368	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 12/2017	13,358.75
			13,358.75
000369			
000369	THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES FEE 12/2017	625.00
			625.00
000370			
000370	INSERVCO INSURANCE SERVICES	MONTHLY CLAIMS SERVICE FEE 12/2017	15,833.33
			15,833.33
000371			
000371	PACKET MEDIA LLC	ACCT: 32129 -12/8/17-DEC MTG & 2018 BDGT	31.50
000371	PACKET MEDIA LLC	ACCT: 32129 - 11/17/17 - MEETING	18.90
			50.40
000372			
000372	21ST CENTURY MEDIA-PHILLY CLUSTER	ACCT: 884004 - 11/14/17 - NOV CLOSED SES	13.65
			13.65
000373			
000373	J.A. MONTGOMERY RISK CONTROL	RISK CONTROL SERVICES 12/2017	10,370.00
			10,370.00
000374			
000374	NJ ADVANCE MEDIA	ACCT: 1153600-11/17 - PUBL HEARING DEC	50.23
			50.23

TOTAL PAYMENTS FY 2017 45,801.36

TOTAL PAYMENTS ALL FUND YEARS \$ 45,801.36

Chairperson

Attest:

Dated:_____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

RESOLUTION NO. 50-17

**MERCER COUNTY INSURANCE FUND COMMISSION
AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

WHEREAS, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter "MCIFC") is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the MCIFC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality, and

WHEREAS, it is necessary and appropriate for the MCIFC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

WHEREAS, the MCIFC is a public agency which must comply with the Open Public Records Act (OPRA) N.J.S.A. 47: 1A-1 to -13; and

WHEREAS, the MCIFC must comply with OPRA and reported New Jersey Case Law interpreting same; and

WHEREAS, the MCIFC did hold a closed session from which the public was excluded on December 21, 2017 at which time certain items were discussed as were referenced in a separate resolution authorizing said closed session and it being determined certain liability & property claim payment information can be made public at this time; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said MERCER County Insurance Fund Commission pursuant to both the Open Public Meetings Act and the Open Public Records Act as follows:

The attached financial transaction logs generated by third party administrator Inservco Insurances Inc. for the period November 1, 2017 to November 30, 2017 and related to all non-workers compensation payments are hereby approved for distribution to the listed claimants and for disclosure to the general public

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on December 21, 2017.

ADOPTD:

ANDREW A. MAIR, CHAIRMAN

DATE

ATTEST:

DATE

Mercer County Ins Fund Comm - 396
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
11/01/2017 Thru 11/30/2017

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
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Inservco Report Terminology

Reporting Name	Business Name	Business Description
Amount/Amt Paid	Amount Paid	Amount actually paid or received
Amount/Amt Requested	Amount Requested	Amount requested to be paid
As Of Date/To Date	Report End Date	Ending date of transactions on report; usually month end
Payment Type	Type	Types of transactions—Computer, Manual, Refund, Recovery, Stop Pay, Void
Report Begin Date	Report Begin Date	Beginning date of transactions on report; usually beginning of month or inception
Trans Date	Transaction Date	Issue date for computer issued payments and add date for all other type entries

Mercer County Ins Fund Comm - 396
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
11/01/2017 Thru 11/30/2017

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Coverage: General Liability										
C	13837	3960001740 001	SHAW, LUTHIEN	11/9/2017	11/9/2017	ATLANTICARE URGENT CARE	11/27/2017	ACCOUNT #17208	23.00	23.00
Total for Coverage: General Liability							Number of entries: 1		23.00	23.00
Total for Mercer County Ins Fund Comm - 396							Number of entries: 1		23.00	23.00



First Managed Care Option, Inc.

First MCO Bill Review Services

MERCER CO INS COMM

Medical Savings by Month

NJ

Month of Reprice Service	Provider Billed Amount	First MCO Repriced	U & C / Fee Schedule	Savings	% of Savings	# of Bills	In Network	Out Of Network	% PPO Penetration	# of Appeals	FMCO Fee	Net Savings
Total 2014	\$822,559	\$509,923	\$814,817	\$312,636	38%	752	618	134	82%	6	\$61,563	\$251,073
Total 2015	\$718,860	\$435,127	\$706,183	\$283,733	39%	695	558	137	80%	18	\$56,661	\$227,072
Total 2016	\$1,310,806	\$661,339	\$1,492,038	\$649,467	50%	1,311	1,172	139	89%	18	\$129,313	\$520,155
Jan-17	\$35,284	\$24,951	\$43,318	\$10,334	29%	80	70	10	88%	0	\$2,067	\$8,267
Feb-17	\$22,389	\$10,423	\$24,993	\$11,966	53%	28	27	1	96%	0	\$2,393	\$9,573
Mar-17	\$42,343	\$55,329	\$115,494	-\$12,986	-31%	77	73	4	95%	2	\$-2,597	\$-10,389
Apr-17	\$22,563	\$16,627	\$26,723	\$5,936	26%	60	53	7	88%	1	\$1,187	\$4,749
May-17	\$138,284	\$37,557	\$149,254	\$100,727	73%	85	61	24	72%	3	\$20,145	\$80,581
Jun-17	\$232,376	\$113,818	\$242,819	\$118,558	51%	121	96	25	79%	0	\$23,712	\$94,847
Jul-17	\$45,857	\$20,056	\$68,748	\$25,801	56%	80	67	13	84%	0	\$5,155	\$20,646
Aug-17	\$44,519	\$21,598	\$53,618	\$22,921	51%	57	39	18	68%	1	\$4,584	\$18,337
Sep-17	\$99,374	\$32,630	\$102,325	\$66,744	67%	67	56	11	84%	2	\$13,349	\$53,395
Oct-17	\$101,585	\$51,109	\$80,262	\$50,476	50%	52	44	8	85%	3	\$10,095	\$40,381
Nov-17	\$28,007	\$18,878	\$28,747	\$9,129	33%	61	57	4	93%	0	\$1,826	\$7,303
Total 2017	\$812,581	\$402,976	\$936,301	\$409,606	50%	768	643	125	84%	12	\$81,916	\$327,690
Total to Date	\$3,664,807	\$2,009,365	\$3,949,339	\$1,655,442	45%	3,526	2,991	535	85%	54	\$329,452	\$1,325,990

Report Run Date:12/01/2017

MCC



**MERCER COUNTY INSURANCE FUND COMMISSION
SAFETY DIRECTOR'S REPORT**

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: December 12, 2017

**November – December 2017
RISK CONTROL ACTIVITIES**

Glenn Prince, Associate Public Sector Director gprince@jamontgomery.com Office: 856-552-4744 Cell: 609-238-3949	Natalie Dougherty, Executive Assistant ndougherty@jamontgomery.com Office: 856-552-4738
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MEETINGS ATTENDED / LOSS CONTROL VISITS CONDUCTED

- **November 27:** Attended the MCIFC Meeting in Trenton.
- **November 27:** Attended the MCIFC Claims Committee meeting in Trenton

UPCOMING MEETINGS / LOSS CONTROL VISITS PLANNED

- **December 13:** Plan to attend the MCIFC Accident Review Panel meeting in Trenton.
- **December 13:** Plan to conduct loss control surveys of the Mercer County Fire Academy and County Court Houses.
- **December 21:** Plan to attend the MCIFC Meeting in Trenton.
- **December 21:** Plan to attend the MCIFC Claims Committee meeting in Trenton

TRAINING CONDUCTED AND SCHEDULED (NOVEMBER 16 THRU DECEMBER)

DATE	CLIENT	TOPIC	TIME
12/1/17	MCIFC - County Parks	PPE	8:00 -10:00 am
12/1/17	MCIFC - County Parks	HazCom w-GHS	10:15- 11:45 am
12/1/17	MCIFC - County Parks	Fire Extinguisher Safety	12:30 - 1:30 pm
12/5/17	MCIFC - County Parks	Snow Plow/Snow Removal	8:00 - 10:00
12/7/17	MCIFC - County Parks	Landscape Safety	9:00 - 12:00 pm
12/7/17	MCIFC - County Parks	Shop & Tool Safety	12:30 - 1:30 pm
12/12/17	MCIFC - County Parks	Snow Plow/Snow Removal	8:00 - 10:00 am
12/12/17	MCIFC - County Parks	Employee Conduct/Violence Prevention	10:15 - 11:45 am
12/12/17	MCIFC - County Parks	BBP	12:30 - 1:30 pm
12/21/17	MCIFC - County Parks	Employee Conduct/Violence Prevention	8:30 - 10:00 am
12/21/17	MCIFC - County Parks	BBP	10:15 - 11:15 am

CEL MEDIA LIBRARY USAGE

No Videos have been utilized in 2017.

SAFETY DIRECTOR BULLETINS

- Disposal of Improperly Discarded Syringes – December 1.

Disposal of Improperly Discarded Syringes

Depending on your department policies, select the option below that best reflects how employees should respond when they discover an improperly discarded syringe. Amend your BBP Exposure Control Plan to reflect these procedures.

OPTION – Do not touch the syringe, but instead notify the proper agency to collect the syringe

There is a possibility that in the course of cleaning our parks, playgrounds, restrooms, and other places around town, that you may discover a syringe that was left there by someone. The syringe could be used for a lawful purpose, such as by a person with diabetes who was careless, or it could have been dropped by a user of illegal drugs. There is no way of telling which, and either way, it does not matter. ALL syringes and other contaminated sharps will be treated as follows:

1. DO NOT HANDLE OR PICK UP THE SYRINGE.
2. Secure the area so that no one intentionally or accidentally come in contact with the syringe. This can mean standing there, placing a cone over it, or by some other means. You can imagine a child in the park, investigating what you were doing and the potentially disastrous outcome if they find the syringe.
3. Call **WHO** [Identify the department your agency will notify to come and properly pick-up and dispose of the syringe and provide the phone number. Also give after- hours or emergency contact numbers.]
4. Notify your supervisor and continue to maintain control of the area until the syringe is removed.

OPTION – Pick-up the syringe and dispose of it properly

There is a possibility that in the course of cleaning our parks, playgrounds, restrooms, and other places around town, that you may discover a syringe that was left there by someone. The syringe could be used for a lawful purpose, such as by a person with diabetes who was careless, or it could have been dropped by a user of illegal drugs. There is no way of telling which, and in the end, it does not matter. ALL syringes and other contaminated sharps will be handled in this manner:

1. NEVER INTENTIONALLY HANDLE A SYRINGE WITH YOUR HANDS, EVEN IF WEARING GLOVES. You must use a tool, such as pliers or a piece of paper / cardboard to pick up a syringe. [Demonstrate sliding paper / cardboard under a syringe.]
2. After picking up the syringe with a tool, drop it into a puncture-resistant container such as a soda or ice-tea bottle with a wide mouth and screw-on cap. [Departments may consider providing proper sharps containers, such as a plastic or cardboard sharp shuttle for employees.]
3. If you are using a make-shift container, place a label on it. [Departments should have a supply of red biohazard labels. **HOLD UP A SAMPLE LABEL.**]
4. Tape the lid or cap in place and you can then throw the bottle in a normal trash container – not a recycling container.
5. Notify your supervisor of the incident.

If you do stick yourself with the syringe, immediately report it to your supervisor

This bulletin is intended for general information purposes only. It should not be construed as legal advice or legal opinion regarding any specific or factual situation. Always follow your organization's policies and procedures as presented by your manager or supervisor. For further information regarding this bulletin, contact your Safety Director at 877.398.3046.

RESOLUTION NO. 51-17

**MERCER COUNTY INSURANCE FUND COMMISSION
AUTHORIZING A CLOSED SESSION TO DISCUSS
PAYMENT AUTHORIZATION REQUESTS (PARS) & SETTLEMENT (SARS)
RELATED TO PENDING OR ANTICIPATED LITIGATION**

WHEREAS, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the MCIFC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality; and

WHEREAS, it is necessary and appropriate for the MCIFC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said MERCER County Insurance Fund Commission pursuant to the Open Public Meetings Act as follows:

The MCIFC shall hold a closed session from which the public shall be excluded on December 21, 2017.

The general nature of the items to be discussed at said closed session shall include the following: the appropriateness of payment of statutorily required workers’ compensation benefits, settlement authority if any or continuing defense of pending or anticipated litigation, discussion of litigation strategy, position the MCIFC will take in said litigation, strengths and weaknesses of MCIFC’s position in said litigation.

The specific litigation is identified by the claim number assigned by Inservco in its capacity as the third-party claims administrator, name of the claimant, date of loss, workers’ compensation petition number and/or court assigned docket number which is set forth in the attached list which list is also appended to the MCIFC monthly meeting agenda for December 21, 2017 which agenda has been timely posted per the Open Public Meetings Act.

The minutes of said closed session shall be made available for disclosure to the public consistent with N.J.S.A. 10:4-13 when the items which are the subject of the closed session discussions are resolved and the reasons for confidentiality as to both the MCIFC and the claimant no longer exist.

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on December 21, 2017.

ADOPTED:

ANDREW A. MAIR, CHAIRMAN

DATE

ATTEST:

DATE

PAYMENT AUTHORIZATION REQUESTS

December 21, 2017

<u>Claim #</u>	<u>Claimant</u>	<u>Type of Claim</u>	<u>PAR/SAR</u>
3960000862	Joseph DiClaudio	Worker Compensation	PAR
3960001289	Jeanette Torres	Worker Compensation	SAR

APPENDIX I

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – November 27, 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 Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Amy Zeiders Keith Platt Conner Strong & Buckelew Michelle Leighton Michael Cusack Greg Hunt
Managed Care Services	First MCO Kelly Royce
CEL Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	Arthur Sypek, Esq. Paul Adezio, Esq.
Safety Director	J.A. Montgomery Risk Control Glenn Prince

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 OCTOBER 23, 2017

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF
OCTOBER 23, 2017**

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

In response to Chairman Mair's inquiry regarding training on wood chippers, Mr. Prince advised he would discuss the training during closed session.

In response to Chairman Mair's inquiry regarding continued training on excessive force at the Corrections Center, Mr. Prince stated the Claims Committee just had a discussion on this topic and he planned to meet with the Warden to discuss their recommendations. Mr. Prince advised J. A. Montgomery recently presented a program for the Wardens Conference in Atlantic City and they distributed their flyers for all corrections departments recommending the training program.

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Prince reported the Safety & Accident Review Committee last met on October 18th and was scheduled to meet again December 20th.

CLAIMS COMMITTEE: Ms. Leighton 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 introduction of the 2018 Property & Casualty Budget.

2018 PROPERTY & CASUALTY BUDGET INTRODUCTION: Executive Director referred to a copy of the proposed 2018 Property & Casualty Budget which was included in the agenda. Executive Director advised lines 1-4 represented figures from the actuary based on the loss history. Executive Director stated he was pleased to report the loss funds were decreased by slightly higher than 5%. Executive Director advised the CELJIF premium was up primarily due to the change in property program due to losses. In response to Chairman Mair's inquiry regarding the buffer insurance, Executive Director explained the carrier, Zurich, wanted to increase the deductible from \$100,000 to \$250,000. Executive Director advised the Finance Committee of the CELJIF did not want the underlying Commissions or standalone Counties to take on any additional retention in the property area. Executive Director stated if they were not successful with the negotiations with Zurich, the CELJIF would assume the additional retention.

Executive Director reviewed the expense portion of the budget along with the ancillary coverages. Executive Director noted the underwriting manager estimated the excess liability premium to increase by 10% as the current carrier, National Casualty, was leaving the public entity business.

Executive Director reported the 2018 budget amount was \$7,888,462 a decrease of \$153,470 compared to the 2017 budget or 1.91%. Chairman Mair noted the majority of the reduction was in the loss funds and thanked the Claims Committee, Ms. Walker and everyone else involved.

Executive Director asked if anyone had any questions regarding the budget and then requested a motion to introduce the 2018 budget.

MOTION TO INTRODUCE THE 2018 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$7,888,462 AND SCHEDULE A PUBLIC HEARING ON DECEMBER 20, 2017 AT THE MERCER COUNTY MCDADE BUILDING, 640 S. BROAD STREET, TRENTON, NJ AT 10:30 AM

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 October. Executive Director advised there were two certificate of insurances issued during October. 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 October 26, 2017 and introduced the 2018 Budget and was adopted on November 16, 2017. Executive Director advised the Fund Commissioners adopted a resolution authorizing the release of a \$200,000 dividend from the 2010 and 2011 Fund Years. Executive Director noted a summary of both meetings would appear in the next agenda. Executive Director reported the CELJIF would meet again on February 22, 2018.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director advised the September Financial Fast Track was included in the agenda. The Commission had a surplus of \$6,838,729 as of September 30, 2017. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$800,861 of the surplus was the MCIFC's share of the CELJIF equity.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the September Financial Fast Track was included in the agenda. As of September 30, 2017 the Fund had a surplus of \$8,743,340 and the cash balance was \$24,194,197. 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 October 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 reviewed the actuary projections compared to the actual amounts for all Fund Years. Executive Director asked if anyone had any questions on the claim monitoring reports.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP: Ms. Leighton reported the sixth annual Joint Insurance Claims Committees Best Practice Workshop took place on November 1st and there was great attendance. Ms. Leighton advised there would be a discussion at the Coverage Committee Meeting in December to discuss guidance on responding to cyber incidents. Ms. Leighton advised the focus of the workshop was on Cyber Liability and noted there were presentations by Rutgers, AIG, and a Breach Coach. Mr. Cooney and Mr. Hrubash also discussed Cyber Coverage. Ms. Leighton noted she received positive feedback and thanked everyone for their participation.

Ms. Leighton introduced Michael Cusack a Senior Claim Consultant at Conner Strong & Buckelew. Ms. Leighton advised Mr. Cusack was previously a claims adjuster at Ace Group Insurance and an attorney in Pennsylvania and New Jersey. Ms. Leighton noted Mr. Cusack was joining her team filling the vacancy of Danielle Batchelor.

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 November Bill List, Resolution 46-17 was included in the agenda.

**MOTION TO APPROVE RESOLUTION 46-17, NOVEMBER BILL LIST
IN THE AMOUNT OF \$54,953.60**

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. Sypek 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 47-17, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for October 1, 2017 to October 31, 2017.

**MOTION TO APPROVE RESOLUTION 47-17 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

Moved:	Commissioner Hughes
Second:	Chairman Mair
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 \$101,585 for the month of October. First MCO repriced the bills to \$51,109 for a total savings of \$50,476 or 50%. Ms. Royce advised the penetration rate was 85%. Chairman Mair stated the penetration rate exceeded his expectations and was pleased.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the October – November Risk Control Activity Report which was included in the agenda. Mr. Prince advised he would also discuss an accident investigation during closed session.

RISK MANAGER CONSULTANT: Mr. Borden introduced Megan Sweigart of his office and advised she would be working with him on the Commission account.

Correspondence Made Part of Minutes.

OLD BUSINESS:

NEW BUSINESS: Chairman Mair advised they had used volunteer Civil Air Patrol Cadets for an Emergency Drill at the airport. One of the cadets hurt his collarbone in the exercise and did not have health insurance. Chairman Mair indicated he should have further information to discuss at the next meeting. Mr. Sypek indicated this was a requirement of the FAA every three years. Mr. Sypek advised he would review and make a recommendation.

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 48-17 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 48-17 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 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: 11:26 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary

APPENDIX II



POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance Coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury- in consultation with the Secretary of Homeland Security, and the Attorney General of the United States- to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND, DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

☒ I hereby elect to purchase terrorism coverage for a prospective premium of \$1,497

☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

X Andrew Mair
Policyholder/Applicant's Signature

ACE PROPERTY AND CASUALTY INSURANCE COMPANY
Insurance Company

County of Mercer / Trenton-Mercer Airport
Print Name

To be advised when policy purchased
Policy Number

ANDREW MAIR
Date 12/7/12



SPECIALTY CASUALTY - AVIATION
1100 Poydras Street, Suite 2150, New Orleans, LA. 70163-1121
Direct Tel (504) 310 - 3609 Fax (504) 310 - 3610

TO: - Irene Weaber
True & Associates, Westfield, NJ

DATE: November 29, 2017

FAX: - 908-232-5761

FROM: Ann M. Carrero
RISK ID: 114010

AIRPORT OWNERS AND OPERATORS LIABILITY QUOTATION
With
ACE PROPERTY AND CASUALTY INSURANCE COMPANY
(AA- S&P, A++ XV Best)

In accordance with your request, we are pleased to provide the following quotation:

Please read this quotation carefully, as the limits, coverage and other terms and conditions may vary significantly from those requested in your submission and/or from the expiring policy. Terms and conditions that are not specifically mentioned in this quotation are not included. The terms and conditions of this quotation supersede the submitted insurance specifications and all prior quotations and binders. Actual coverage will be provided by and in accordance with the policy as issued.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is reflected in the policy or in an agreement signed by someone authorized to bind the insurer.

This quotation has been constructed in reliance on the data provided in the submission. A material change or misrepresentation of that data voids this quotation.

This quotation is not a binder of insurance. In no event will this quotation remain open beyond 30 days from the quote issuance date shown above or the coverage effective date, whichever comes first.

This quotation is subject to the Insured's producer being duly licensed in his/her resident state; in addition, the producer must hold a non-resident license in the state in which the Insured is domiciled if different from the producer's resident state.

The U.S. Foreign Account Tax Compliance Act, commonly known as "FATCA", became the law in the U.S. in March of 2010 and becomes effective July 1, 2014. Pursuant to FATCA, brokers, producers, agents and/or clients may need to obtain withholding certificates, such as Forms W-8 or W-9, from insurance companies. For information on how to obtain the applicable withholding certificate from Chubb insurance companies, please go to <http://www.chubbgroup.com/us-en/assets/www.chubbgroup.com-w-9.pdf>.

NAMED

INSURED: County of Mercer / Trenton-Mercer Airport

NAMED 640 South Broad Street
INSURED'S Trenton, NJ 08611
ADDRESS:

PERIOD: From: January 1, 2018 To: January 1, 2019
both days at 12.01a.m. Local Time at the address of the Named Insured.

INTEREST: The Insured's legal liability, to which this policy applies, arising out of the Insured's Airport operations at the following airport location(s):

FAA ID	State	Name
TTN	NJ	Trenton - Mercer County Airport

SUM \$100,000,000 each occurrence/offense in respect of Bodily Injury, Personal and Advertising Injury and
INSURED: Property Damage combined, subject to the following limitations:

Products-Completed Operations Annual Aggregate Limit	\$100,000,000
Personal Injury and Advertising Injury Annual Aggregate limit	\$50,000,000
Malpractice Annual Aggregate Limit	\$50,000,000
Extended Coverage - War, Hi-jacking and Other Perils Annual Aggregate Limit	\$100,000,000
Fire Damage Limit Any One Fire	\$50,000
Medical Expense Limit Any One Person	\$10,000
Hangarkeepers not "in flight" Limit Any One occurrence	Not Insured
Hangarkeepers not "in flight" Limit Any One Aircraft	Not Insured
Non-Owned Aircraft Liability	\$100,000,000

DEDUCTIBLE Nil each occurrence or offense, but not to exceed Nil annual aggregate.

CONDITIONS: The Airport Owners and Operators General Liability Policy contains, inter alia, the following exclusion clauses:

War, Hi-Jacking and Other Perils Exclusion Clause
Noise, Pollution and Other Perils Exclusion Clause

The policy is also subject to the following:

30 days notice of cancellation, non-renewal or reduction in coverage by Insurer, but
10 days notice for non-payment of premium. This provision does not override the Automatic
Termination review or cancellation provisions of endorsements AAP 203 or AAP 237.

The policy may be cancelled or nonrenewed subject to the terms of the following endorsement
AAP NJ (02/99) New Jersey Changes - Cancellation and Nonrenewal

Schedule of Policy Forms applicable to airports and locations in: NEW JERSEY

Form Reference and Edition	Title
AAP 200 (07-10)	Airport Owners and Operators General Liability Policy - Jacket
AAP 201 (11-99)	Airport Owners and Operators General Liability Policy - Declarations
AAP 201S (11-99)	Airport Owners and Operators General Liability Policy - - Schedule of Endorsements
AAP 202 (11-99)	Airport Owners and Operators General Liability Policy - Policy Provisions
AAP 203 (02-08)	Extended Coverage - War, Hi-jacking and Other Perils Endorsement
AAP 204 (11-03)	Amendment of Noise and Pollution and Other Perils Exclusion
AAP 207 (11-04)	Additional Insured - Designated Person or Organization In favor of: County of Mercer
AAP 220 (11/99)	Immunity Waiver Endorsement
AAP 234 (11/99)	Airport Limited Enhanced Coverage Endorsement
AAP 237 (11/99)	Nuclear Risks Exclusion Clause

AAP 248	(11/99)	Volunteers Endorsement
AAP 256	(11/99)	Date Recognition Exclusion Endorsement
AAP 255	(03-08)	Date Recognition Limited Coverage Endorsement
AAP 270	(01-15)	Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
AAP 273	(11-03)	Pollution Endorsement
AAP 275	(01-15)	Limited Terrorism Coverage Endorsement
AAP 277	(01-06)	Silica And Silica-Related Dust Exclusion
AAP 284	(05-11)	Mutual Aid Endorsement
		Contract with: Any agreement for fire and/or police aid or support entered into by the Named Insured and any State, City, County or other governmental subdivision for the purpose of mutual aid.
		Contract Date: As stated and signed too, within the above agreements.
AAP 294	(06-06)	Land Acquisition Endorsement
ALL-21101	(11-06)	Trade or Economic Sanctions Endorsement
AAP 306	(03-08)	Infringement of Copyright, Patent, Trademark or Trade Secret Endorsement
AAP 307	(03-08)	Amendment to Supplementary Payments (Court Cost) Endorsement
9001-NJ	(11-00)	New Jersey Changes - Loss Information

ANNUAL
GL PREMIUM \$29,942

ANNUAL TRIA
PREMIUM: \$1,497

ANNUAL WAR
PREMIUM: \$1,497 Reducing to \$748 if TRIA coverage also purchased

The War and TRIA coverages and premiums are quoted on an "if required" basis and may be rejected by the Insured
Taxes/Fees will be charged in addition to premiums for airports and locations in subject jurisdictions as follows

TAXES ETC. : 0.60% New Jersey Property Liability Guarantee Assn. Assessment

Please note that you do not have authority to bind the above insurance. Please contact us if you wish to bind this
Insurance. We look forward to receiving your instructions and thank you for your inquiry

On behalf of ACE Property and Casualty Insurance Company

By Ann M. Carrero
Ann M. Carrero
Authorized Representative