

**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