

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – September 25, 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	Present
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 Keith Platt Amy Zeiders (<i>via teleconference</i>) Conner Strong & Buckelew Michelle Leighton
Managed Care Services	First MCO
CEL Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	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 JULY 24, 2017

Chairman Mair noted he had a few comments and inquiries regarding the minutes. In response to Chairman Mair’s inquiry regarding the actuary’s projections in the claims report, Executive Director advised it was too soon to be concerned about the current year and indicated the report might have improved since July.

Chairman Mair reported that he was told that “no swimming” signs were posted. Chairman Mair informed Mr. Borden they discussed the Event Insurance internally and given the restraints on the coverage a decision was made not to pursue. Chairman Mair then asked for a motion to approve the minutes.

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF JULY 24, 2017

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

Executive Director noted that when he reviews the claim reports he will point out that the year Chairman Mair questioned earlier had improved.

CORRESPONDENCE: Executive Director referred to a copy of Bulletin NJCE 17-02 from the NJCE Underwriting Manager which was included in the agenda with respect to self-deployment for Hurricane Harvey and Irma. Executive Director advised there was a process for providing assistance through the State and information on the Emergency Management Assistance Compact was included in the agenda.

SAFETY COMMITTEE: Mr. Prince reported the Safety & Accident Review Committee conducted meetings on July 19th, August 16th and September 20th. Mr. Prince advised at the last meeting the Committee discussed 15 incidents.

In response to Chairman Mair’s comment regarding the safety of wood chippers Mr. Prince advised his associate Barry Sloan had gone out to the Parks Department on several occasions and also completed an accident investigation relating to a wood chipper claim settlement that would be discussed during closed session today. Mr. Prince noted recommendations were made in his investigation.

CLAIMS COMMITTEE: Ms. Leighton reported the Claims Committee met prior to the Commission meeting and there were nine payment authority requests to discuss during closed session. Ms. Leighton mentioned the sixth annual Joint Insurance Claims Committees Best Practices Workshop was scheduled for November 1st at the Conner Strong & Buckelew office in Marlton. Ms. Leighton advised the focus this year was specifically on Cyber Liability including

Coverage, Risk Management and Available Resources. Ms. Leighton noted an e-mail invitation would be sent out shortly. Ms. Leighton advised that concluded her report unless there were any questions.

EXECUTIVE DIRECTOR REPORT: Executive Director reported there were two action items during his report today and some informational items.

CLAIMS COMMITTEE CHARTER: Executive Director advised the first item was a revision to the Claims Committee Charter to reflect some member representative changes. Executive Director referred to a copy of the revised Charter and indicated Danielle Batchelor, Matt Baron and Alma Ortiz were deleted and Jackie Tolbert, Amy Zeiders and Keith Platt were added. Executive Director reported the agenda included Resolution 37-17, Amendment to the Claims Committee Charter and requested a motion to adopt.

MOTION TO ADOPT RESOLUTION 37-17 AMENDMENT TO THE CLAIMS COMMITTEE CHARTER

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the months of July and August. Executive Director advised there was one certificate of insurance issued for July and six certificates for August. Executive Director asked if anyone had any questions on the report.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director advised the CEL was scheduled to meet again on September 28, 2017. Executive Director reported the CEL would introduce their 2018 Budget on October 26, 2017 and Budget Adoption was scheduled for November 16, 2017. Executive Director noted the Mercer County Insurance Fund Commission Budget would be introduced at the November 27th meeting.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the June and July Financial Fast Tracks were included in the agenda. The Commission had a surplus of \$6,050,816 as of July 31, 2017. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$693,004 of the surplus was the MCIFC's share of the CELJIF equity.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the June and July Financial Fast Tracks were included in the agenda. As of July 31, 2017 the Fund had a surplus of \$7,595,744 and the cash balance was \$23,011,699. 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 August were included in the agenda. Executive Director reported he reviewed the Claim Activity Report and did not see any anomalies. Executive Director referred to page 26 of the agenda and reviewed the Claims Management Report Expected Loss Ratio Analysis report for the Fund years of 2016 and 2017. In response to Chairman Mair's earlier comments Executive Director pointed out that the actuary's projection for the 2017 Fund were at 27% and the actual was now 16%. Executive Director pointed out the 2014 and 2015 Fund Years were also doing well. Executive Director asked if anyone had any other questions on the claim reports.

2018 RENEWAL APPLICATION AND UPDATED EXPOSURE INFORMATION: Executive Director thanked everyone involved for their efforts in returning the renewal applications and exposure information for the 2018 renewal.

2016 AUDIT REPORT AS OF DECEMBER 31, 2016: Executive Director advised Mr. Jim Miles of Bowman & Company, LLP would attend the October meeting to present the 2016 Commission Audit.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP: Executive Director stated Ms. Leighton spoke earlier regarding the Workshop which was scheduled for Wednesday, November 1, 2017 at the Conner Strong & Buckelew office in Marlton.

Executive Director reported two memorandums from the Underwriting Manager were distributed at the start of the meeting. Executive Director advised the Underwriting Manager was requesting a review of the property values to ensure accurate and detailed information including construction, occupancy, protection and exposure (COPE) data for locations over \$20 million.

Executive Director advised the second memorandum related to Cyber limits. Executive Director reported the Underwriting Manager would provide quotes for \$5M and \$10M. Executive Director noted currently the County had limits of \$2M. In response to Chairman Mair's inquiry, Executive Director advised the cyber coverage would not assist on any EPL claims.

Ms. Dodd advised she would e-mail Mr. Borden a copy of both memorandums.

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 August Bill List, Resolution 38-17 and September Bill List, 39-17 were included in the agenda.

MOTION TO APPROVE RESOLUTION 38-17, AUGUST BILL LIST IN THE AMOUNT OF \$45,739.80

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

**MOTION TO APPROVE RESOLUTION 39-17 SEPTEMBER BILL LIST
IN THE AMOUNT OF \$45,705.91**

Moved: Commissioner Walker
Second: Commissioner Hughes
Vote: 3 Yes, 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: Ms. Fowlkes reported she would present the PARS during closed session. Ms. Fowlkes advised Resolution 40-17, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the periods of July 1, 2017 to July 31, 2017 and August 1, 2017 to August 31, 2017.

**MOTION TO APPROVE RESOLUTION 40-17 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

MANAGED CARE: Executive Director reported a representative from First MCO was not in attendance and referred to the Managed Care report which was included in the agenda. Executive Director advised the PPO penetration rate for August was 68%. In response to Executive Director's inquiry, Ms. Fowlkes indicated there were recent claims where the injured workers went to Capital Health which was not in the network. Executive Director advised further discussions would follow in closed session.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the July – September Risk Control Activity Report which was included in the agenda along with the training schedule for the month of September. Mr. Prince noted there were over fifty sessions available and some were in the evening. Mr. Prince advised there were three Safety Bulletins included in the agenda, Preventing Heat-Related Illness - A Team Approach, Ticks and Tick-borne Diseases and September is National Preparedness Month. Mr. Prince noted the September bulletin included information on several resources available and their websites. Mr. Prince advised that concluded his report unless there were any questions.

RISK MANAGER CONSULTANT: Mr. Borden advised he did not have anything to report at this time.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Executive Director reported Chairman Mair wanted to talk about subrogation and Ms. Dodd distributed a handout from Clark & DiStefano. Chairman Mair advised the law firm aggressively pursued subrogation claims and did not know if there were any opportunities to recover any funds in addition to funds that were already recovered. Ms. Bauersachs reported at the workers' compensation level they also reserve their section 40 lien rights and if it was a claim that they thought the other attorney was not going after a third party a discussion was held. If the other attorney was not pursuing a third party claim it usually meant they did not believe it would exceed the verbal threshold. Executive Director asked if there were any reports that provided information regarding subrogation efforts. Mr. Platt indicated if there was a liability subrogation available and Inservco was unsuccessful they would notify the County's Counsel for further action. After a brief discussion it was agreed that Inservco would prepare a report and the topic would be discussed again next month.

PUBLIC COMMENT:

MOTION TO OPEN THE MEETING TO THE PUBLIC

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

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 41-17 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 41-17 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

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

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:13 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary