

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – January 22, 2018  
Mercer County  
McDade Administration Building  
640 South Broad Street  
Trenton, NJ 08650-0068  
10:30 AM**

Meeting was called to order by Vice Chair Hughes. Ms. Dodd read the Open Public Meetings notice into record.

**ROLL CALL OF COMMISSIONERS:**

Andrew A. Mair	Excused
K. Megan Clark Hughes	Present
Raissa Walker	Present
Lillian Nazzaro ( <i>Alternate</i> )	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Amy Zeiders</b>
	Conner Strong & Buckelew <b>Greg Hunt</b>
Managed Care Services	First MCO <b>Jessica Alters</b>
CEL Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Doug Borden</b> <b>Megan Sweigart</b>
Attorney	<b>Paul Adezio, Esq.</b>
Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>

**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 DECEMBER 21, 2017**

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF DECEMBER 21, 2017**

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

**CORRESPONDENCE:**

**SAFETY COMMITTEE REPORTS:** Mr. Prince advised the Safety Committee last met on January 17<sup>th</sup> and was scheduled to meet again on February 21<sup>st</sup>. Mr. Prince advised 18 claims were reviewed at the last meeting.

**CLAIMS COMMITTEE:** Mr. Cusack reported the EPL coverage was rewritten from AIG to Chubb Insurance Company. Mr. Cusack advised he distributed a handout with information on Chubb’s background and their resource tool, “EPL Assist”. Insureds have the opportunity to seek out expert advice and counsel as a benefit of the program. Mr. Cusack reported the Cyber coverage was also written from AIG to Chubb. Mr. Cusack referred to the second handout which reviewed the steps for reporting any Cyber Claims. Mr. Cusack pointed out if there was a cyber incident the breach coach retention drops to “zero dollars” and expressed the importance of contacting the Chubb Cyber Incident Response Coach Hotline. Mr. Cusack advised the Claims Committee met prior to the Commission meeting and the payment authority requests would be presented during closed session. Mr. Cusack advised that concluded his report unless there were any questions.

**EXECUTIVE DIRECTOR REPORT:** Executive Director reported there were four action items during his report today and the first was Reorganization Resolutions.

**REORGANIZATION RESOLUTIONS:** Executive Director advised copy of the Reorganization Resolutions were included in the agenda. Executive Director stated he would review all of the Resolutions and then they could be approved by consent. Executive Director reviewed the following Resolutions:

- Resolution 1-18 Appointing MCIFC Commissioners
- Resolution 2-18 Appointing CEL Commissioner & Alternate
- Resolution 3-18 Appointing Treasurer
- Resolution 4-18 Appointing Commission Attorney
- Resolution 5-18 Designating Authorized Depositories for Fund Assets
- Resolution 6-18 Designating Authorized Signatures for Commission Bank Account
- Resolution 7-18 Designating Custodian of Records

- Resolution 8-18 Designating Official Newspapers
- Resolution 9-18 Establishing Cash Management Plan
- Resolution 10-18 Authorizing Commission Treasurer to Process Payments & Expenses
- Resolution 11-18 Plan of Risk Management for 2018

Executive Director asked if anyone had any questions regarding the Resolutions and then requested a motion for approval.

**MOTION TO APPROVE REORGANIZATION RESOLUTIONS 1-18 TO 11-18**

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

**COMMISSION ATTORNEY:** Executive Director advised he wanted to thank Mr. Sypek for his services as the Commission Attorney over the past years and wished him well with his retirement. Mr. Sypek stated he wanted to thank everyone he had worked with through the Commission and everyone’s effort and fine work relating to the Commission. Mr. Sypek stated he leaves the Commission in good hands with Mr. Adezio and Ms. Nazzaro.

**2018 MCIFC MEETING DATES:** Executive Director referred to a copy of the 2018 Annual Meeting Schedule which was included in the agenda. Executive Director noted a draft copy was presented last month and if the Commissioners were agreeable to the dates Resolution 12-18 was included in the agenda for approval.

**MOTION TO ADOPT RESOLUTION 12-18, FIXING PUBLIC MEETING DATES FOR THE YEAR 2018**

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

**EMPLOYEE DISHONESTY COVERAGE RENEWAL:** Executive Director reported the Employee Dishonesty Coverage policy with Selective Insurance Company renewed on January 1, 2018. Executive Director advised the policy covered the positions of Executive Director, Third Party Administrator and the Treasurer. Executive Director noted the annual premium was \$2,214 which was slightly less than last year’s premium.

**MOTION TO APPROVE EXPENDITURE FOR EMPLOYEE DISHONESTY COVERAGE IN THE AMOUNT OF \$2,214**

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

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the month of December

was in the Appendix III section of the agenda. Executive Director advised there were 57 certificate of insurances issued during the month which included the renewal certificates.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT FOR THE MONTH OF DECEMBER**

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

Executive Director stated the rest of his report was informational and advised that concluded his report unless anyone had any questions.

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Vice Chair advised the Treasurer was not present. Vice Chair advised the January Bill List, Resolution 13-18 was included in the agenda.

**MOTION TO APPROVE RESOLUTION 13-18, JANUARY BILL LIST IN THE AMOUNT OF \$48,717.49**

Moved:	Chairman Mair
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 14-18, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for December 1, 2017 to December 31, 2017.

**MOTION TO APPROVE RESOLUTION 14-18 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

Ms. Fowlkes advised she would review the Stewardship Reports in Closed Session.

**MANAGED CARE:** Ms. Alters advised she would review her report which was included in the agenda. Ms. Alters reported bills were received in the amount of \$45,687 for the month of December. First MCO repriced the bills to \$25,810 for a total savings of \$19,877 or 44%. Ms. Alters provided an update on Capital Health and advised they are pushing for a greater percentage of savings whereas they were asking for a per diem so the negotiations are continuing. They are hoping to have a contract shortly.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the December - January Risk Control Activity Report which was included in the agenda. Mr. Prince referred to the Training Schedule included in the agenda and advised the focus was on the County Parks. Mr. Prince also referred to the Safety Director Bulletin, "Conducting Motor Vehicle Record Checks" which was included in the agenda. Mr. Prince asked if there were any questions and then concluded his report.

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

Correspondence Made Part of Minutes.

**OLD BUSINESS: None**

**NEW BUSINESS:** Executive Director suggested Inservco present their Stewardship Reports at this time.

Ms. Zeiders advised she would discuss the Liability Stewardship Report and referred to page 3 of the report, Observations, Conclusions, Suggestions. Ms. Zeiders reported a Claim Summary by Policy Period for the past 3 years was included in the report on page 5. Ms. Zeiders indicated there were 268 claims in 2015, 269 in 2016 and for 2017 the claims dropped to 235. In response to Ms. Nazzaro's inquiry Ms. Zeiders advised the report included all claims including pothole claims. Executive Director requested a supplement report showing the litigate claims. Ms. Zeiders continued to review the report with the Commission. Overall, Ms. Zeiders advised the Auto Physical Damage Claims had the most volume with 321 and General Liability Claims with 302 for all three years. The highest paid to date was in the Auto Liability and General Liability Claims.

Ms. Fowlkes advised the Workers Compensation Report included an Executive Summary and should would highlight some of the information included in the report. Ms. Fowlkes reported the location with the highest net incurred to date was the Corrections Center with 105 were medical only and 47 were lost time. Ms. Fowlkes noted the second highest was Parks with 94 medical only and 11 were lost time. The industry standard for reporting of medical only and lost time claims is an 80/20 split and Ms. Fowlkes advise the Commission is well within the guidelines. Ms. Fowlkes referred to page 8 of the report and pointed out the claims for 2017 have not matured yet and at the end of the year there were 5 additional claims. Ms. Fowlkes pointed out the highest number of claims occurred on Wednesdays with a total of 132 claims. Ms. Fowlkes advised the average number of days to report a claim has fluctuated over the years and she expressed the importance of timely claim reporting indicating the departments needed to report to Ms. Hughes as soon as possible. Ms. Fowlkes reported she was concerned about the 51 claims for "Motor Vehicle" and distributed a report with the backup information. Ms. Fowlkes continued to review the report and asked if anyone had any questions on the report.

**PUBLIC COMMENT:**

**MOTION TO OPEN THE MEETING TO THE PUBLIC**

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Yes, 0 Naves

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 Yes, 0 Nays

**CLOSED SESSION:** Vice Chair Hughes read and requested a motion to approve Resolution 15-18 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 15-18 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

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

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

**MOTION TO NOT TO AUTHORIZE A SETTLEMENT IN THE MICHELLE KEMLER VS MERCER COUNTY CASE**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:17 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary