

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – December 28, 2019  
Mercer County  
McDade Administration Building  
640 South Broad Street  
Trenton, NJ 08650-0068  
10:30 AM**

Meeting was called to order by Chairman Mair. Ms. Dodd read the Open Public Meetings notice into record.

**ROLL CALL OF COMMISSIONERS:**

Andrew A. Mair	Present
K. Megan Clark Hughes	Present
Raissa Walker	Excused
Lillian Nazzaro ( <i>Alternate</i> )	Present (arrived at 10:54 am)

**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> <b>Yvonne Frey</b>  Qual-Lynx  PERMA <b>Robyn Walcoff</b> <b>Jen Conicella</b>
Managed Care Services	First MCO <b>Suzanne Rajsteter</b>
NJCE Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Jeff Martin</b> <b>Diane Purcell</b>
Attorney	<b>Stephanie D’Amica, Esq.</b>
Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>

**ALSO PRESENT:**

Ana- Eliza Bauersachs, Esq. Capehart Scatchard, PA  
Stephanie D'Amica, Esq.. County Counsel Office  
Susan Schaefer, Susan Schaefer, LLC  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF OCTOBER 28, 2019**

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF  
OCTOBER 28, 2019**

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

**CORRESPONDENCE:** None

**SAFETY COMMITTEE REPORTS:** Mr. Prince advised the Safety Committee last met yesterday and reviewed 32 incidents for the months of October, November and December. Mr. Prince advised the next meeting was scheduled for January 15, 2020. Mr. Prince advised that concluded his report unless there were any questions.

**CLAIMS COMMITTEE:** Ms. Walcoff reported the Claims Committee met just prior to the Commission Meeting and the PARS would be presented during closed session. Ms. Walcoff referred to a copy of the 2020 Claims Committee Schedule which was included in the agenda.

Ms. Walcoff introduced Jennifer Conicella and advised she joined PERMA Risk Management as a Senior Associate Claims Consultant. Executive Director reported Jennifer came from Amerihealth and AmTrust and had 13 years of Workers' Compensation claims adjustment experience. Executive Director noted Ms. Conicella's contact information was included in the agenda. Executive Director noted Conner Strong & Buckelew would be a claim consultant and serve as an additional resource.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised he had three action items for his report.

**2020 PROPERTY & CASUALTY BUDGET:** Executive Director referred to a copy of the 2020 Property & Casualty Budget that was included in the agenda. Executive Director noted there was a revision to the Claims Adjustment line. The revised figure was \$195,700 and the new total of the budget was \$6,791,556.

Executive Director reviewed the loss funds and noted there was a decrease in the loss funds of \$1,041,187 over last year's budget. Executive Director advised this was due to a reduction in the liability, auto and worker compensation loss funds by the Actuary resulting from the overall performance of the Insurance Commission. Executive Director reported the property loss funds increased due to the 2020 property MCIFC self-insured retention increase from \$100,000 to \$250,000. Executive Director advised a copy of the budget was previously sent to the Chairman and Treasurer for their review.

Executive Director reported the NJCE portion of the budget was approved on November 21, 2019. Executive Director advised the premium was increased primarily due to the Property and Excess Property premiums increasing based on both the high loss ratio and hardening property market.

Executive Director referred to a copy of the proposed assessments for the member entities which was included in the agenda. Executive Director advised the annual assessments would be billed in three installments and payable as follows: 40% due on 3/15/20, 30% on 5/15/20 and 30% on 10/15/20. Executive Director noted the Fund Office would advertise the proposed 2020 budget in the applicable newspapers. Executive Director asked if anyone had any questions and requested a motion to introduce the budget and schedule a public hearing.

**MOTION TO INTRODUCE THE 2020 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$6,791,556 AND SCHEDULE A PUBLIC HEARING ON JANUARY 27, 2020 AT THE MERCER COUNTY MCDADE BUILDING, 640 S. BROAD STREET, TRENTON, NJ AT 10:30 AM**

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

**NJCE DIVIDEND:** Executive Director reported the NJCE declared a \$2,000,000 dividend for the 2012 through 2016 Fund Years. Executive Director advised the County's shares was \$88,072 and the Improvement Authority was \$5,027. Executive Director advised a dividend credit would appear on the first 2020 assessment billing for the applicable amount.

**MCIFC DIVIDEND:** Executive Director reported he was pleased to announce there were dividend options available to the Commission from Fund Years 2014, 2015 and 2016. Executive Director advised a handout was distributed at the start of the meeting outlining three different option amounts. Executive Director reviewed the dividend options and advised any dividends would be applied to the receivable. Executive Director stated he was not asking for any authorization today and would place the dividend options on the next agenda. Ms. Dodd advised she would e-mail a copy of the dividend options to the Treasurer.

**CERTIFICATE OF INSURANCE REPORT:** Executive Director advised the October Certificate of Insurance Report was included in the agenda. Executive Director reported there were 4 certificates issued for the month of October.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORTS FOR THE MONTH OF OCTOBER.**

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

**EMPLOYEE DISHONESTY COVERAGE RENEWAL:** Executive Director advised the Employee policy with Selective Insurance Company renewed on January 1, 2020. Executive Director advised the policy covered the positions of Executive Director, Third Party Administrator and the Treasurer. Executive Director reported the annual premium was \$1,856 and was \$15.00 higher than last year's premium. Executive Director noted the cost for the coverage would be paid out of the miscellaneous and contingency budget line.

**MOTION TO APPROVE EXPENDITURE FOR EMPLOYEE DISHONESTY  
COVERAGE IN THE AMOUNT OF \$1,856**

Moved: Chairman Mair  
Second: Commission Hughes  
Roll Call Vote: 2 Yes, 0 Nays

**NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE):** Executive Director reported the NJCE met on October 24, 2019 and a summary report of the meeting was included in the agenda. Executive Director noted at this meeting the Board of Fund Commissioners adopted a resolution authorizing the release of a dividend in the amount of \$2,000,000. Executive Director advised the NJCE also met on November 21, 2019 and a summary report of the meeting was included in the agenda. Executive Director noted the NJCE adopted the 2020 Budget in the amount of \$24,751,509. Executive Director advised the NJCE was scheduled to hold their Reorganization Meeting on February 27, 2020.

**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 \$12,468, 963 as of September 30, 2019. Executive Director also referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,626,504 of the surplus was the MCIFC’s share of the NJCE equity.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the September Financial Fast Track was included in the agenda. As of September 30, 2019 the Fund had a surplus of \$17,851,003 and the cash balance was \$32,194,328.

**CLAIMS TRACKING REPORTS:** Executive Director advised the Claims Tracking Reports for the month of September were included in the agenda. Executive Director referred to a copy of the Claims Management Report Expected Loss Ratio Analysis Report and reviewed the actuary’s projections compared to the actual losses. Executive Director noted the report supported the Financial Fast Track as all of the Fund Years were running below the actuary’s projections.

**2020 MEETING SCHEDULE:** Executive Director referred to a copy of the proposed 2020 MCIFC Executive Committee Meeting Schedule for 2020. Executive Director advised there would be no meetings in May, August or November. Executive Director reported meetings could be scheduled when needed with proper notice.

**INSURANCE GUIDELINES:** Executive Director reported the Chairman wanted to have a discussion on the Mercer County Rowing Center and PSE&G Wire Pull – Helicopter Landing Zones. Executive Director advised he asked Mr. Cooney, NJCE Underwriting Manager to attend the meeting. Mr. Cooney reported he had made some recommendations advising the County should attempt to maintain its current indemnification position since it is the lessor. Mr. Cooney advised he also gave some recommendations to Mr. Adezio regarding PSE&G. Ms. D’Amica advised PSE&G is using helicopters to install all new towers but using the Park as a staging area and legal wants to ensure their insurance is sufficient. Mr. Cooney advised Mercer is in a good position in terms of the insurance they have along with the recommendations and guidelines he provided to the County.

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Mr. Mair advised the Treasurer was not present. Mr. Mair advised the November & December Bill Lists, Resolution 43-19 and 44-19 were included in the agenda.

**MOTION TO APPROVE RESOLUTION 43-19, NOVEMBER BILL LIST**

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

**MOTION TO APPROVE RESOLUTION 44-19 DECEMBER BILL LIST**

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

Executive Director advised the monthly Treasurer Reports were included in the agenda.

**ATTORNEY:** Ms. D’Amica advised there was no report from legal.

**CLAIMS SERVICE:** Ms. Fowlkes reported she would present the PARS during closed session. Ms. Fowlkes advised Resolution 45-19, Disclosure of Liability Claims Check Register, was included in the agenda along with copies of the check registers for October 1, 2019 to October 31, 2019.

**MOTION TO APPROVE RESOLUTION 45-19 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTERS**

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

**MANAGED CARE:** Ms. Rajsteter advised First MCO’s report was included in the agenda and she would review the figures for the months of October and November as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
October	\$ 193,798	\$ 17,838	\$ 175,960	91%	86	68	79%
November	\$ 270,894	\$ 91,665	\$ 285,108	66^%	70	61	87%

Ms. Rajsteter advised that concluded her report unless there were any questions.

**NJCE SAFETY DIRECTOR:** Mr. Prince reported the Safety’s Director Report for October through September was included in the agenda. Mr. Prince advised the report also included the 32 Training Sessions conducted for the period of October 21<sup>st</sup> through December 10<sup>th</sup>. Mr. Prince reported prior to the meeting, he spoke to Ms. Hughes regarding the uptick in motor vehicle accidents in the DOT and Department of Corrections. Mr. Prince advised they just recently developed their safe driving and bus applications and would contact the departments to participate in the training. Mr. Prince advised the courses were instruction led. Mr. Prince advised that concluded his report unless there were any questions.

**RISK MANAGER CONSULTANT:** Mr. Martin introduced Diane Pursell of his office and advised she would take over as the liaison for Borden Perlman as he moved on to his next adventure.

Correspondence Made Part of Minutes.

**OLD BUSINESS: None**

**NEW BUSINESS:** Executive Director advised as a token of the Commission's appreciation he wanted to present Chairman Mair with a clock and wished him the best on his retirement. Chairman Mair thanked everyone.

**PUBLIC COMMENT:**

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

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

Seeing no member of the public wishing to speak Chairman Mair asked for a motion to close the public comment portion of the meeting.

**MOTION TO CLOSE THE MEETING TO THE PUBLIC**

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

**CLOSED SESSION:** Mr. Mair read and requested a motion to approve Resolution 46-19 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 46-19 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 REQUEST/SETTLEMENT AUTHORITY REQUEST AS DISCUSSED IN CLOSED SESSION**

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

**MOTION TO ADJOURN:**

Moved:  
Second:  
Vote:

Chairman Mair  
Commissioner Hughes  
3 Yes, 0 Nays

**MEETING ADJOURNED: 11:53 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary