

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – January 29, 2020
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08650-0068
10:30 AM**

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

ROLL CALL OF COMMISSIONERS:

Lillian Nazzaro, Esq.	Present
K. Megan Clark Hughes	Present
Raissa Walker	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Amy Zeiders Yvonne Frey
	PERMA Jennifer Conicella
Managed Care Services	First MCO Suzanne Rajsteter
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Borden Perlman Salisbury & Kelly Diane Purcell Matt Moraski
Attorney	Paul Adezio, Esq.
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Ana-Eliza T. Bauersachs, Capehart Scatchard, PA
Susan Schaefer, Susan Schaefer, LLC
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF DECEMBER 19, 2019

Ms. Dodd noted that Mr. Mair was not at today’s meeting, Ms. Hughes was at the December meeting and Ms. Nazzaro attended the December meeting, however arrived late. Ms. Dodd advised in another Commission, Commission Attorney suggested approving the minutes if the Commissioner who attended the meeting had reviewed the minutes and approved the other Commissioner could base the approval on the other Commissioner’s decision. Executive Director asked Commission Attorney if he agreed and Commission Attorney said the minutes could be approve by one Commissioner.

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF DECEMBER 19, 2019

Moved: Chair Nazzaro
Second: Commissioner Hughes
Vote: 2 Yes, 0 Nays

CORRESPONDENCE: None

SAFETY COMMITTEE REPORTS: Mr. Prince advised the Safety and Accident Review Committee last met on January 15, 2020. The next meeting was scheduled for February 19th and would be attended by his colleague Barry Sloane.

CLAIMS COMMITTEE: Ms. Conicella reported the Claims Committee did not meet and the PARS would be presented during session.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and there were five action items.

REORGANIZATION RESOLUTIONS: Executive Director reported today was the Reorganization Meeting of the Commission and referred to copies of the resolutions which were included in the agenda. Executive Director advised with the Chair’s permission he would review the Resolutions and request approval as a consent. Executive Director read and reviewed Resolutions 1-20 through 12-20 as noted below.

- Resolution 1-20 Appointing MCIFC Commissioners
- Resolution 2-20 Appointing NJCE Commissioner & Alternate
- Resolution 3-20 Appointing Treasurer
- Resolution 4-20 Appointing Commission Attorney
- Resolution 5-20 Designating Authorized Depositories for Fund Assets
- Resolution 6-20 Designating Authorized Signatures for Commission Bank Account
- Resolution 7-20 Designating Custodian of Records
- Resolution 8-20 Designating Official Newspapers
- Resolution 9-20 Establishing Cash Management Plan*
- Resolution 10-20 Authorizing Commission Treasurer to Process Payments & Expenses

Resolution 11-20 Utilizing Mercer County Approve Counsel
Resolution 12-20 Plan of Risk Management for 2020

Executive Director advised on Resolution 1-20, the alternate Commissioner was TBD. Chair Nazarro asked that her name include Esq. In response to Executive Director's inquiry, Chair Nazarro confirmed she would serve as the NJCE Commissioner and Ms. Walker as the alternate.

Executive Director noted the Cash Management Plan had been amended to reference the NJ Statutes that list the permissible investments as opposed to actually listing each permissible investment. This will reduce the human error factor.

Executive Director advised the 2020 Plan of Risk Management, Resolution 12-20, was attached in Appendix II of the agenda. Executive Director reported the Plan was an overview of the Commission's coverage, risks retained by the Commission, reserving philosophy, method of assessing member contributions, claims payment authority, etc. The changes were highlighted in yellow.

In response to the Chair's inquiry, Executive Director advised there was no cap on the resolution. Ms. Dodd advised the expenses were the items included on the monthly bill list. Ms. Dodd noted that the checks were sent to the Commission Treasurer for his signature and then the bill list appeared in the next agenda for approval.

Executive Director asked if anyone had any questions on the resolutions and requested a motion for approval.

MOTION TO APPROVE REORGANIZATION RESOLUTIONS NUMBER 1-20 THROUGH 12-20

Moved:	Commissioner Walker
Second:	Chair Nazarro
Roll Call Vote:	3 Yes, 0 Nays

2020 MCIFC MEETING DATES: Executive Director referred to a copy of the 2020 MCIFC Meeting dates which were included in the agenda. Executive Director noted there were no meetings scheduled for May, August and November. Executive Director advised if the Commissioners agreed with the meeting dates Resolution 13-20 was included in the agenda for approval.

MOTION TO ADOPT RESOLUTION 13-20, FIXING PUBLIC MEETING DATES FOR THE YEAR 2020

Moved:	Commissioner Walker
Second:	Chair Nazarro
Call Vote:	3 Yes, 0 Nays

2020 PROPERTY & CASUALTY BUDGET: Executive Director reported the 2020 Property & Casualty Budget was introduced at the December Commission Meeting. Executive Director advised the budget was advertised in the Commission's official newspapers and today was the Public Hearing. Executive Director referred to a copy of the budget in the amount of \$6,791,566 which was included

in the agenda and noted there were no changes to the budget since introduction. Executive Director advised a copy of the assessments were also included in the agenda.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2020 PROPERTY & CASUALTY BUDGET

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

MOTION TO CLOSE THE PUBLIC HEARING

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

MOTION TO ADOPT THE PROPERTY & CASUALTY BUDGET FOR MERCER COUNTY INSURANCE FUND COMMISSION FOR THE 2020 YEAR AND CERTIFY THE 2020 ASSESSMENTS

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

MCIFC DIVIDEND: Executive Director advised there were dividend options available to the Commission for Fund Years 2014, 2015 and 2016. Executive Director noted the Treasurer was funding the losses on a cash basis and not an accrual basis. Executive Director reported the dividend would reduce the assessment and the credit would be applied to the receivable. After a brief discussion it was agreed this item would be tabled until the next meeting.

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 included in the agenda. Executive Director advised there were 2 certificate of insurances issued during December.

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

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

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE would hold its Reorganization Meeting on February 27, 2020 at 1:00 PM at the Camden County College Regional Emergency Training Center. Executive Director advised the meeting was also available through teleconference. Chair Nazzaro advised she might attend the first meeting and requested information on the address.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director advised the November Financial Fast Track was included in the agenda. The Commission had a surplus of \$12,481,892 as of November 30, 2019. Executive Director also referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,533,202 of the surplus was the MCIFC’s share of the NJCE equity.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the November Financial Fast Track was included in the agenda. As of November 30, 2019 the Fund had a surplus of \$16,697,668 and the cash balance was \$30,922,259. Executive Director noted the NJCE had issued dividends in the amount of \$3,607,551.

CLAIMS TRACKING REPORTS: Executive Director advised the Claims Tracking Reports for the month of November 30, 2019 were included in the agenda. Executive Director referred to the Expected Loss Ratio report and advised this report compared how the Commission was performing versus the actuary’s projections. Executive Director reviewed the reports with the Commission.

2020 EXCESS INSURANCE RENEWAL OVERVIEW: Executive Director referred to the memorandum from the Underwriting Manager which was included in the agenda. Executive Director advised the insurance marketplace had been hardening over the past few years. Executive Director also advised the NJCE had experienced a high frequency of property losses over the last several years which caused the need for increased retentions and premium rates. Executive Director reported the casualty market experienced the same hardening and after the NJCE had set their budget, Brit along with all other Excess Casualty insurers, cut back their limits from \$15,000,000/\$20,000,000 to \$10,000,000/\$20,000,000. Brit did return the premium for that layer of insurance in the amount of \$240,000, however that amount was far below the new market’s premium for that layer of insurance. Executive Director advised Old Republic provided the only quotation for this layer at the \$1,000,000 premium mark. They will also replace Argonaut’s layer. Executive Director advised the differential is approximately \$750,000 and at the next NJCE meeting a recommendation would be made to the Board for the NJCE to absorb the difference due to their surplus. Executive Director noted this was another benefit of participating in a JIF because commercial markets would collect that additional premium right away.

2020 MEL MRHIF AND NJCE EDUCATIONAL SEMINAR: Executive Director reported the 10th annual seminar was scheduled for Friday, May 1, 2020 beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. Executive Director reviewed the agenda items and speakers and indicated the seminar qualified for Continuing Educational Credits. Executive Director advised a copy of the enrollment form was included in the agenda.

Executive Director advised that concluded his report unless there were any questions.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chair Nazzaro advised the Treasurer was not present. Chair Nazzaro advised the January Bill List, Resolution 14-20 was included in the agenda. In response to Commission Attorney’s inquiry, Executive Director advised the Commission presented Mr. Mair a clock.

MOTION TO APPROVE RESOLUTION 14-20, JANUARY BILL LIST

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 congratulated Chair Nazzaro on her appointment. Mr. Adezio advised the Commissioners should be appointed by the Freeholders. Mr. Adezio noted he and Ms. Dodd discovered there were no resolutions for the appointments. Chair Nazzaro indicated there was only a resolution for the alternate.

CLAIMS SERVICE: Ms. Fowlkes advised Resolution 15-20, Disclosure of Liability Claims Check Registers was included in the agenda along with a copies of the check registers for December 1, 2019 to December 31, 2019.

MOTION TO APPROVE RESOLUTION 15-20 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTERS

Moved: Commissioner Walker
 Second: Chair Nazzaro
 Vote: 3 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 month of December and the total 2019 figures as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
December	\$ 54,321	\$ 69,407	\$ (5,086)	-8%	54	36	67%
2019 Totals	\$ 2,069,874	\$ 1,022,019	\$ 1,047,855	51%	1,041	892	86%

Ms. Rajsteter reported there were two claims petitions that settled in December. Ms. Rajsteter explained the settlements count directly to that month’s savings as all of the bills were processed then. Ms. Rajsteter advised both billings were with Capital Health, emergency surgeries. Ms. Rajsteter advised that concluded her report unless there were any questions.

NJCE SAFETY DIRECTOR: Mr. Prince advised a copy of the Safety’s Director Report for December through January was included in the agenda. Mr. Prince advised last month he was provided with a report of the increased motor vehicle accidents. Mr. Prince advised his associate, Mr. Palsi, contacted Mr. Barkley to advise some of the training programs that were available. Chair Nazzaro advised Mr. Barkley was no longer at the County and the contact should be Mr. Pucci. Mr. Prince advised last month a Safety Director Bulletin was issued for First Amendment Audits. Mr. Prince advised they’ve seen groups that try to infiltrate public entities to gain access to the buildings. Mr. Prince advised they were developing training programs to better inform on how to respond in the event they try to gain access to the buildings. Mr. Prince advised once the program was completed Mr. Prince advised that concluded the report unless anyone had any questions.

RISK MANAGER CONSULTANT: Ms. Purcell advised she wanted to take this opportunity to reintroduce herself. Ms. Purcell reported she replaced Mr. Martin who is now the mayor of Hamilton. Ms. Purcell also introduced Matt Moraski of her office and advised he also worked on the account. Ms. Purcell advised her office participated in the call with Amtrak regarding the Lincoln Bridge Project. Ms. Purcell reported her office reviewed some certificates for the use of Mercer County Parks relating to the helicopter usage. Ms. Purcell advised that concluded her report unless there were any questions. Mr. Adezio thanked Ms. Purcell for their assistance.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

CLOSED SESSION: Chair Nazzaro read and requested a motion to approve Resolution 16-20 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 16-20 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

Executive Director spoke about the Claims Committee Meeting schedule and timing. Chair Nazzaro advised this subject would be discussed among the Commissioners.

MOTION TO AUTHORIZE PAYMENT AUTHORITY REQUESTS AND SETTLEMENT REQUESTS DISCUSSED IN CLOSED SESSION FOR

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:41AM

Minutes prepared by:

Cathy Dodd, Assisting Secretary