

**MERCER COUNTY INSURANCE FUND COMMISSION  
AGENDA AND REPORTS  
JANUARY 29, 2020**

**MERCER COUNTY  
MCDADE ADMINISTRATION BUILDING  
640 SOUTH BROAD STREET  
ROOM 211  
TRENTON, NJ 08650-8068  
10:30 AM**

**OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE**

**In accordance with the Open Public Meetings Act, notice of this meeting was given by:**

- I. Advertising the notice in the Trenton Times, The Trentonian and the Princeton Packet**
- II. Filing advance written notice of this meeting with the Commissioners of the Mercer County Insurance Fund Commission; and**
- III. Posting notice on the Public Bulletin Board of the Office of the County Clerk**

**MERCER COUNTY INSURANCE FUND COMMISSION  
AGENDA  
OPEN PUBLIC MEETING: JANUARY 29, 2020  
640 S. BROAD STREET, ROOM 211  
TRENTON, NJ 08650-8068  
10:30 AM**

- ☐ **MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ☐ **ROLL CALL OF COMMISSIONERS**
- ☐ **APPROVAL OF MINUTES:** December 19, 2019 Open Minutes.....Appendix I  
December 19, 2019 Closed Minutes .....Handout
  
- ☐ **CORRESPONDENCE:**
  
- ☐ **COMMITTEE REPORTS**
  - Safety Committee:..... Verbal
  - Claims Committee: ..... Verbal
  
- ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR - PERMA** ..... Pages 3-35
  
- ☐ **TREASURER – David Miller**
  - Resolution 14-20 January Bill List - Motion..... Pages 36
  - November Treasurer Reports ..... Pages 37-38
  
- ☐ **ATTORNEY – Paul Adezio, Esq.**..... Verbal
  
- ☐ **CLAIMS SERVICE –Inservco Insurance Services, Inc. - Motion**
  - Resolution 15-20 Authorizing Disclosure of Liability Claims Check Register.....Page 39
  - Liability Claim Payments 12-1-19 to 12-31-19 ..... Pages 40-41
  
- ☐ **MANAGED CARE – First MCO**
  - Monthly Summary Report – December .....Page 42
  
- ☐ **NJCE SAFETY DIRECTOR – J.A. Montgomery Risk Control**
  - Monthly Report.....Page 43
  
- ☐ **RISK MANAGER CONSULTANT – Borden Perlman Salisbury & Kelly**
  - Monthly Report..... Verbal
  
- ☐ **OLD BUSINESS**
- ☐ **NEW BUSINESS:**
- ☐ **PUBLIC COMMENT**
  
- ☐ **CLOSED SESSION – Payment Authorization Requests (PARS)** .....Pages 44-46  
Resolution 16-20 Executive Session for purpose as permitted by the Open Public Meetings Act,  
more specifically to discuss PARS/SARS related to pending or anticipated litigation as  
identified in the list of claims prepared by third-party claim administrator Inservco Insurance  
Services, Inc. and attached to this agenda.
  - ☐ Motion for Executive Session

☐ APPROVAL OF PARS - Motion

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☐ MEETING ADJOURNMENT

☐ NEXT SCHEDULED MEETING: **February 24, 2020, MERCER COUNTY, McDADE  
ADMINISTRATION BUILDING, 640 S. BROAD STREET, TRENTON, NJ 08650-8068  
10:30 AM**

## MERCER COUNTY INSURANCE FUND COMMISSION

9 Campus Drive, Suite 216  
Parsippany, NJ 07054  
Telephone (201) 881-7632 Fax (201) 881-7633

Date: January 29, 2020

Memo to: Commissioners of the Mercer County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

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- ☐ **Reorganization Resolutions (Pages 6-19)** – The MCIFC is required to reorganize at the January Executive Committee meeting as per the Commission Rules & Regulations. Listed below are the necessary Reorganization Resolutions which are included in the agenda on pages 6-19. With the Chair's permission, Executive Director will review the Resolutions and ask to approve as a consent.

Resolution 1-20	Appointing MCIFC Commissioners.....	Page 6
Resolution 2-20	Appointing NJCE Commissioner & Alternate.....	Page 7
Resolution 3-20	Appointing Treasurer .....	Page 8
Resolution 4-20	Appointing Commission Attorney.....	Page 9
Resolution 5-20	Designating Authorized Depositories for Fund Assets.....	Page 10
Resolution 6-20	Designating Authorized Signatures for Commission Bank Account .....	Page 11
Resolution 7-20	Designating Custodian of Records .....	Page 12
Resolution 8-20	Designating Official Newspapers .....	Page 13
Resolution 9-20	Establishing Cash Management Plan* .....	Pages 14-17
Resolution 10-20	Authorizing Commission Treasurer to Process Payments & Expenses .....	Page 18
Resolution 11-20	Utilizing Mercer County Approved Counsel.....	Page 19
Resolution 12-20	Plan of Risk Management for 2020.....	Appendix II

\*The Cash Management Plan has 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.

The 2020 Plan of Risk Management is attached in Appendix II of the agenda. The Plan is 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 are highlighted in yellow.

### ☐ **Motion to approve Reorganization Resolutions Number 1-20 through 12-20**

- ☐ **2020 MCIFC Meeting Dates (Pages 20-21)** – Attached on page 20 is a copy of the 2020 Annual Meeting Schedule which was presented at the December meeting. There are no meetings scheduled for May, August and November. If the Commissioners agree with the meeting schedule, attached on page 21 is Resolution 13-20 adopting the meeting dates for 2020.

- ☐ **Motion to adopt Resolution 13-20, Fixing Public Meeting dates for the year 2020**
  
- ☐ **2020 Property & Casualty Budget (Pages 22-23)** – At the December 19, 2019 Commission Meeting the 2020 Property & Casualty Budget was introduced. In accordance with the regulations the budget was advertised in the Commission’s official newspapers. The Public Hearing for the budget will be held at this meeting. Attached on page 22 is a copy of the budget. The budget is in the amount of **\$6,791,566**. There are no changes to the budget since introduction. Also attached on page 23 is a copy of the assessments.
  - ☐ **Motion to open the Public Hearing on the 2020 Property & Casualty Budget**
  - ☐ **Discussion of Budget and Assessments**
  - ☐ **Motion to close the Public Hearing**
  - ☐ **Motion to adopt the Property & Casualty Budget for Mercer County Insurance Fund Commission for the 2020 Year and Certify the 2020 Assessments**
  
- ☐ **MCIFC Dividend (Page 24)** – As discussed last month there are dividend options available to the Commission for Fund Years 2014, 2015 and 2016. Attached on page 24 of the agenda is a copy of the available options. We will ask the Commissioners which option they approve. The Dividend will appear as a credit on the 2020 assessment billing and will be applied to the outstanding receivable.
  - ☐ **Motion to open a dividend in the amount of \$\_\_\_\_\_**
  
- ☐ **Certificate of Insurance Request (Page 25)** – Attached on page 25 is the certificate of issuance report from the NJCE listing the certificates issued for the month of December. There were 2 certificate of insurances issued during the month of December.
  - ☐ **Motion to approve the certificate of insurance report for the month of December**
  
- ☐ **NJ Excess Counties Insurance Fund (NJCE) -** The NJCE 2020 Reorganization Meeting is scheduled for February 27, 2020 at 1:00 PM at the Camden County College Regional Emergency Training Center.
  
- ☐ **MCIFC Property & Casualty Financial Fast Track (Pages 26-27)** – Included in the agenda on pages 26-27 is a copy of the Financial Fast Track for the month of November. As of **November 30, 2019** the Commission has a surplus of **\$12,481,892**. Line 10 of the report “Investment in Joint Venture” is Mercer County Insurance Fund Commission’s share of equity in the NJCE. MCIFC’s equity in the NJCE as of November 30, 2019 is **\$1,533,202**. The total cash balance is **\$2,245,174**.
  
- ☐ **NJCE Property and Casualty Financial Fast Track (Pages 28-29)** – Included in the agenda on pages 28-29 is a copy of the NJCE Financial Fast Track for the month of

November. As of **November 30, 2019** the Fund has a surplus of **\$16,697,668**. Line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of \$3,607,551. The cash balance is **\$30,922,259**.

- ❑ **Claims Tracking Reports (Pages 30-32)** - Included in the agenda on pages 30-32 are copies of the Claim Activity Report and the Claims Management Report Expected Loss Ratio Analysis report as of November 30, 2019. The Executive Director will review the reports with the Commission.
- ❑ **2020 Excess Insurance Renewal Overview (Pages 33-34)** Included in the agenda on pages 33-34 is a copy of a letter from the Underwriting Manager. The Executive Director and Underwriting Manger will review the letter at the meeting.
- ❑ **2020 MEL MRHIF and NJCE Educational Seminar (Page 35)** - The 10th annual seminar is scheduled for Friday, May 1, 2020 beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. Attached on page 35 is a copy of the enrollment form.

**RESOLUTION NO. 1-20**

**MERCER COUNTY INSURANCE FUND COMMISSION**

**CERTIFYING THE APPOINTMENT OF  
CHAIRPERSON AND VICE CHAIRPERSON**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**BE IT RESOLVED** by the MERCER COUNTY INSURANCE FUND COMMISSION that the following persons have been appointed as Chairperson and Vice-Chairperson:

<u>Lillian L. Nazzaro</u>	Chair
<u>Raissa Walker</u>	Vice Chair
<u>K. Megan Clark Hughes</u>	Commissioner
_____	TBD

**BE IT FURTHER RESOLVED** that the Chair and Vice Chair shall serve for a one year term through 2021 reorganization of the Commission and until their successors shall be appointed and qualified

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 2-20**

**MERCER COUNTY INSURANCE FUND COMMISSION APPOINTING A  
COMMISSIONER AND ALTERNATE TO THE NEW JERSEY COUNTIES EXCESS  
JOINT INSURANCE FUND FOR FUND YEAR 2020**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the New Jersey Counties Excess Joint Insurance Fund (hereinafter the Fund) is duly constituted as a joint insurance fund; and

**WHEREAS**, the Fund by-laws require each member Insurance Fund Commission to appoint one (1) commissioner to the Fund; and

**WHEREAS**, \_\_\_\_\_ is an employee of the Commission and the Commission having deemed it appropriate to designate \_\_\_\_\_ as commissioner to the Fund; and

**NOW THEREFORE BE IT RESOLVED** by the Commissioners of said Commission Andrew A. Mair is designated commissioner to the New Jersey Counties Excess Joint Insurance Fund for the Fund year 2020.

**FURTHER THEREFORE BE IT RESOLVED** by the Commissioners of said Commission **Raissa Walker** is designated as the alternate commissioner to the New Jersey Counties Excess Joint Insurance Fund for the Fund year 2020.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**



**RESOLUTION NO. 3-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
DESIGNATING COMMISSION TREASURER**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the MCIFC requires the services of a Treasurer, and

**WHEREAS**, David Miller has demonstrated the skill and possesses the qualifications to perform the duties of Treasurer for the County Insurance Commission;

**WHEREAS**, the Commission authorizes the appointment of **David Miller** as MCIFC Treasurer for the term commencing upon adoption of the within resolution through 2021 MCIFC Reorganization; and

**BE IT FURTHER RESOLVED** that David Miller shall receive no compensation to serve as Treasurer to the MCIFC.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 4-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
DESIGNATING COMMISSION ATTORNEY**

MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the MCIFC requires the services of an Attorney, and

**WHEREAS**, **Paul Adezio** has demonstrated the skill and possesses the qualifications to perform the duties of Commission Attorney for the Insurance Fund Commission;

**WHEREAS**, the Commission authorizes the appointment of **Paul Adezio** as MCIFC Attorney for the term commencing upon adoption of the within resolution through 2021 MCIFC reorganization; and

**BE IT FURTHER RESOLVED** that Paul Adezio shall receive no compensation to serve as Commission Attorney to the MCIFC.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 5-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
DESIGNATING AUTHORIZED DEPOSITORIES FOR FUND ASSETS**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**BE IT RESOLVED** that TD Bank is hereby designated as the depository for assets of the Fund or any other Bank with a location in Mercer County subject to the Governmental Unit Deposit Protection Act, “GUDPA”.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 6-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS**

**BE IT RESOLVED** by the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter the Commission) that all funds of the Commission shall be withdrawn from the official named depositories by check, which shall bear the signatures of at least two (2) of the following persons who are duly authorized pursuant to this resolution, except for those checks in the amount of \$100,000 or more and in that instance at least three signatures shall be required; and

**BE IT FURTHER RESOLVED** that the funds in the amount of \$2,500 or less, withdrawn from the official named depositories by check prepared by the Commission's Claims Administrator for the purposes of satisfying workers compensation claims, such checks shall bear the signature of at least one (1) of the following persons who are duly authorized pursuant to this resolution.

<u>Lillian L. Nazzaro</u>	Chair
<u>Raissa Walker</u>	Vice Chair
<u>K. Megan Clark Hughes</u>	Commissioner
<u>David Miller</u>	Treasurer

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 7-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
APPOINTING AGENT FOR SERVICE OF PROCESS AND CUSTODIAN OF RECORDS  
FOR THE COMMISSION  
FOR THE YEAR 2020**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the MCIFC has deemed it necessary and appropriate to formally organize for the 2020 commission year; and

**NOW THEREFORE** be it resolved by the MERCER COUNTY INSURANCE FUND COMMISSION that **PERMA Risk Management Services** is hereby appointed as agent for service of process upon the MCIFC, at its office located at 9 Campus Drive, Suite 216, Parsippany, NJ 07054 for the year 2020 or until its successor has been appointed and qualified. Said appointment shall be at no cost to the MCIFC.

**BE IT FURTHER RESOLVED** that PERMA Risk Management Services shall also be the Custodian of Records at no cost to the MCIFC.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 8-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
DESIGNATING OFFICIAL NEWSPAPERS FOR THE COMMISSION**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the MCIFC has deemed it necessary and appropriate to formally organize for the 2020 commission year; and

**BE IT RESOLVED** by the MERCER COUNTY INSURANCE FUND COMMISSION, (hereinafter the MCIFC) the Trenton Times, the Trentonian, and the Princeton Packet are hereby designated as the official newspapers for the Commission and all official notices required to be published shall be published in all newspapers.

**BE IT FURTHER RESOLVED** that the designation of official newspapers shall be effective upon adoption of the within resolution for the term of one year through the 2020 re-organization of the MCIFC.

**BE IT FURTHER RESOLVED** that in the case of special meetings or emergency meetings, the Executive Director of the MCIFC shall give notice of said meetings to the Trenton Times, the Trentonian, and the Princeton Packet.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 9-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
ESTABLISHING CASH MANAGEMENT PLAN**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**BE IT RESOLVED** that the attached Cash and Investment Management Plan, is hereby adopted.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

## MERCER COUNTY INSURANCE FUND COMMISSION

### 2020 CASH MANAGEMENT AND INVESTMENT POLICY

#### 1.) **Cash Management and Investment Objectives**

The MERCER COUNTY INSURANCE FUND COMMISSION's (hereinafter referred to as the Commission) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the Commission's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Commission year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds/commissions, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the Commission's economic surplus.

#### 2.) **Permissible Investments**

Investments shall be limited to the investments authorized under New Jersey Statutes 40A:5-15.1.

#### 3.) **Authorized Depositories**

In addition to the above, the Commission is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). The designated Bank must have a branch in Mercer County.

The Commission is also authorized to invest its assets in the New Jersey Cash Management Fund.



4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Committee. Such asset managers shall be discretionary trustees of the COMMISSION.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages, which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Commission's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the Commission shall be delivered electronically or physically to the Commission's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the Commission.

7.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the Commission's annual audit.

8.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Commission Actuary and reviewed by the Executive Director and the Treasurer.

9.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Commission, the following procedure is to be followed:

- a.)* The Treasurer endorses the check to the Commission and deposits it into the Commission account.
- b.)* The Treasurer notifies the payer and requests that in the future any check be made payable to the Commission.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Executive Committee by the Treasurer at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to Commission operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks, which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the Commission.

**RESOLUTION NO. 10-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
AUTHORIZING COMMISSION TREASURER TO PROCESS  
CONTRACTED PAYMENTS AND EXPENSES**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Fund Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the Board of Commissioners has deemed it necessary and appropriate to provide authorization to the Commission Treasurer to pay certain Commission contracted payments and expenses during the month(s) when the Commission does not meet; and

**WHEREAS**, payment by the Commission Treasurer of contracted payments and expenses for the month(s) in which the Commission does not meet shall be ratified by the Commission at its next regularly scheduled meeting; now, therefore,

**BE IT RESOLVED** by the Board of Commissioners of the Mercer County Insurance Fund Commission that the Commission Treasurer is hereby authorized to process the contracted payments and Commission expenses for all months in which the Commission does not meet during the year 2020.

**BE IT FURTHER RESOLVED** that the Board of Commissioners of the Mercer County Insurance Fund Commission shall ratify the contracted payments and Commission expenses so paid by the Commission Treasurer pursuant to the Resolution at its next regularly scheduled monthly meeting.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**MERCER COUNTY INSURANCE FUND COMMISSION**

**UTILIZING MERCER COUNTY APPROVED COUNSEL FOR THE COUNTY INSURANCE  
COMMISSION**

**WHEREAS**, the Mercer County Insurance Fund Commission is responsible for providing a defense to certain claims brought against its members in accordance with the Commission's coverage documents; and

**WHEREAS**, the County of Mercer maintains an approved counsel list for the County to defend its various departments and employees, and

**WHEREAS**, the Mercer County Insurance Fund Commission has a need for the services of various law firms listed below:

- Bridges & Snell, LLC
- Capehart & Scatchard
- Genova Burns, LLC
- Lenox, Socey, Formidoni, Giordano, Lang, Carrigg & Casey, LLC
- Riker Danzig Scherer Hyland & Perretti, LLP
- Trimboli & Prusinowski, LLC

to defend the Commission in various third party liability and workers compensations cases, and

**WHEREAS**, the Board of Commissioners of the Mercer County Insurance Fund Commission are desirous of utilizing the County of Mercer's approved counsel list;

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Mercer County Insurance Fund Commission that the Commission agrees to utilize the approved counsel list of the County of Mercer for its defense of certain claims against Commission members as may be adopted from time to time. The assignment of specific claims for defense shall be made by the Commission, on advice from the County Counsel's office.

ADOPTED by the MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTD:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**MERCER COUNTY INSURANCE FUND COMMISSION**  
**9 CAMPUS DRIVE, SUITE 216**  
**PARSIPPANY, NJ 07054**

TO: Members of the Commission

**2020 ANNUAL MEETING NOTICE**

Pursuant to Chapter 231, Laws of 1975, known as the Open Public Meeting Acts, the following have been designated as meeting dates of the Mercer County Insurance Fund Commission at which the business of said Commission may be formally discussed, decided or acted upon.

<u>TIME</u>	<u>DATE</u>	<u>LOCATION</u>	<u>PURPOSE</u>
10:30 AM	January 29, 2020	County of Mercer 640 South Broad Street, Room 211 Trenton, NJ 08650-0068	Reorganization Meeting
10:30 AM	February 24, 2020	“	Regular Meeting
10:30 AM	March 23, 2020	“	Regular Meeting
10:30 AM	April 27, 2020	“	Regular Meeting
10:30 AM	June 22, 2020	“	Regular Meeting
10:30 AM	July 27, 2020	“	Regular Meeting
10:30 AM	September 28, 2020	“	Regular Meeting
10:30 AM	October 26, 2020	“	Regular Meeting
10:30 AM	December 17, 2020	“	Regular Meeting

In addition such other meetings as may be required shall be scheduled and held, but pursuant to and with such additional notice as may be required by statute.

**By: PERMA Risk Management Services**  
**Administrator**

**MERCER COUNTY INSURANCE FUND COMMISSION**

**RESOLUTION NO. 13-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
2020 REGULAR MEETING SCHEDULE**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the Open Public Meetings Act of the State of New Jersey, N.J.S.A.10:4-6 et seq. requires public bodies to adopt an annual schedule of regular meetings and to furnish the public with notice of said schedule in a manner more specifically said forth in said Act; and

**NOW THEREFORE BE IT RESOLVED** by the Commissioners of said MERCER County Insurance Fund Commission as follows:

1. The schedule of regular meetings of the MCIFC for the year 2020 annexed hereto and made a part hereof be and is hereby adopted;
2. Copies of said annual schedule of regular meetings shall be posted and shall continue to be posted throughout the year on the bulletin board in the vestibule of the Administration Building Trenton, New Jersey;
3. Copies of said annual schedule of regular meetings shall be provided to The Trentonian, Trenton Times and the Princeton Packet newspapers for publication;
4. A copy of said annual schedule of regular meetings shall be filed with the MERCER County Clerk.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTED:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

MERCER COUNTY INSURANCE FUND COMMISSION		
2020 CERTIFIED BUDGET		
	APPROPRIATIONS	CERTIFIED ASSESSMENTS
	<b>I. Claims and Excess Insurance</b>	
	<b>Claims</b>	
1	Property	132,813
2	Liability	149,000
3	Auto	116,000
4	Workers' Comp.	3,069,000
5		
6	<b>Subtotal - Claims</b>	<b>3,466,813</b>
7		
8	<b>Premiums</b>	
9	CEL JIF	2,450,134
10		
11	<b>SubTotal Premiums</b>	<b>2,450,134</b>
12	<b>Total Loss Fund</b>	<b>5,916,947</b>
13		
14	<b>II. Expenses, Fees &amp; Contingency</b>	
15		
16	Claims Adjustment	195,700
17	Safety Director	132,705
18	General Expense	
19	Exec. Director	170,117
20	Actuary	7,959
21	Auditor	9,826
22	Attorney	-
23	Treasurer	-
24		
25		
26	Misc. Expense & Contingency	10,000
27		
28	<b>Total Fund Exp &amp; Contingency</b>	<b>526,307</b>
29	Risk Managers	66,000
30		
31		
32	CEL JIF Ancillary Coverage	
33	POL/EPL	117,631
34	Crime Policy	15,651
35	Medical Malpractice	46,073
36	Pollution Liability	51,438
37	Employed Lawyers Liab	-
38	Cyber Liability/ Special Cov	41,855
39	Aviation	9,664
40		
41	<b>Total FUND Disbursements</b>	<b>6,791,566</b>

	MERCER COUNTY INSURANCE FUND COMMISSION											
	2020 CERTIFIED ASSESSMENTS											
					Assessments by Line							
Member ID	Member Name	MCIC Assmt	NJC Assmt	Total	Property	Liability	Auto	Workers' Comp.	NJC	E&C	RMC	Total
NJC023	Mercer County	3,993,137	2,531,321	6,524,458	76,191	92,614	112,403	3,060,206	2,531,321	588,015	63,708	6,524,458
NJC027	Mercer County Improvement Authority	65,983	201,125	267,108	56,622	56,386	3,597	8,794	201,125	(61,707)	2,292	267,108
	Grand Totals:	4,059,120.34	2,732,445.86	6,791,566.20	132,813.00	149,000.00	116,000.00	3,069,000.00	2,732,445.86	526,307.34	66,000.00	6,791,566.20



Mercer County Insurance Commission Dividend Options 2019 Budget Season				
<b>Option 1 - \$ 500,000</b>				
Fund Year 2014	\$ 500,000			
Total	\$ 500,000			
	Fund Year 2016	Fund Year 2015	Fund Year 2014	Total
<b>Member Name</b>	Amount	Amount	Amount	Amount
Mercer County			\$ 489,792.87	\$ 489,792.87
Mercer County Improvement Authority			\$ 10,207.13	\$ 10,207.13
Grand Totals:	\$ -	\$ -	\$ 500,000.00	\$ 500,000.00
<b>Option 2 - \$ 1,000,000</b>				
Fund Year 2014	\$ 1,000,000			
Total	\$ 1,000,000			
	Fund Year 2016	Fund Year 2015	Fund Year 2014	Total
<b>Member Name</b>	Amount	Amount	Amount	Amount
Mercer County			\$ 979,585.75	\$ 979,585.75
Mercer County Improvement Authority			\$ 20,414.25	\$ 20,414.25
Grand Totals:	\$ -	\$ -	\$ 1,000,000.00	\$ 1,000,000.00
<b>Option 3 - \$ 1,500,000</b>				
Fund Year 2014	\$ 1,500,000			
Total	\$ 1,500,000			
	Fund Year 2016	Fund Year 2015	Fund Year 2014	Total
<b>Member Name</b>	Amount	Amount	Amount	Amount
Mercer County			\$ 1,469,378.62	\$ 1,469,378.62
Mercer County Improvement Authority			\$ 30,621.38	\$ 30,621.38
				\$ -
Grand Totals:	\$ -	\$ -	\$ 1,500,000.00	\$ 1,500,000.00

From 12/1/2019 To 1/1/2020

**Mercer County Insurance Comm.  
Certificate of Insurance Monthly Report**

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID	Coverage
H - Sanda Properties, LLC c/o HAVCO  I - Mercer County Improvement Authority	& State of New Jersey 80 Hamilton Avenue, 2nd Floor Trenton, NJ 08611	Company D: XS Liability \$5,000,000 XS of \$15,000,000 Policy Term: 1/1/19 to 1/1/20 Policy # TBD Company E: XS Workers Compensation Statutory xs \$1,000,000 XS Employers Liability \$5,000,000 xs \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy #SP4056379 RE: Epic Cheer event taking place on 12/07/19 - 12/08/19 Sanda Properties, LLC c/o HAVCO & State of New Jersey are an Additional Insured on the above referenced Commercial General Liability and Excess Liability Policies as respect to use of Parking Lot #3 for Epic Cheer event taking place on 12/07/19 - 12/08/19 at the Cure insurance Arena.	12/6/2019  #2358814	GL AU EX WC OTH
H - Sanda Properties, LLC c/o HAVCO  I - Mercer County Improvement Authority	& State of New Jersey 80 Hamilton Avenue, 2nd Floor Trenton, NJ 08611	Company D: XS Liability \$5,000,000 XS of \$15,000,000 Policy Term: 1/1/19 to 1/1/20 Policy # TBD Company E: XS Workers Compensation Statutory xs \$1,000,000 XS Employers Liability \$5,000,000 xs \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy #SP4056379 RE: Hot Wheels Monster Truck event on 12/27, 12/28 & 12/29 Sanda Properties, LLC c/o HAVCO & State of New Jersey are an Additional Insured on the above referenced Commercial General Liability and Excess Liability Policies as respect to use of Parking Lot #3 for Hot Wheels Monster Truck event taking place on 12/27, 12/28 & 12/29 at the Cure insurance Arena.	12/19/2019  #2379587	GL AU EX WC OTH
<b>Total # of Holders: 2</b>				

MERCER COUNTY INSURANCE COMMISSION						
FINANCIAL FAST TRACK REPORT						
		AS OF	November 30, 2019			
ALL YEARS COMBINED						
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
1.	UNDERWRITING INCOME		639,631	7,035,939	39,200,662	46,236,601
2.	CLAIM EXPENSES					
		Paid Claims	222,745	2,712,337	8,607,798	11,320,135
		Case Reserves	(194,753)	138,406	3,371,815	3,510,221
		IBNR	298,116	166,840	2,780,441	2,947,281
		Discounted Claim Value	(2,895)	19,645	(164,942)	(145,297)
	TOTAL CLAIMS		323,213	3,037,227	14,595,112	17,632,339
3.	EXPENSES					
		Excess Premiums	215,182	2,367,002	11,954,709	14,321,711
		Administrative	48,278	528,934	2,807,320	3,336,254
	TOTAL EXPENSES		263,460	2,895,936	14,762,029	17,657,966
4.	UNDERWRITING PROFIT (1-2-3)		52,958	1,102,775	9,843,521	10,946,296
5.	INVESTMENT INCOME		0	0	0	0
6.	PROFIT (4 + 5)		52,958	1,102,775	9,843,521	10,946,296
7.	CEL APPROPRIATION CANCELLATION		0	0	0	0
8.	DIVIDEND INCOME		0	95,494	22,069	117,562
9.	DIVIDEND EXPENSE		0	(93,099)	(22,069)	(115,168)
10.	INVESTMENT IN JOINT VENTURE		(93,302)	378,022	1,155,179	1,533,202
11.	SURPLUS (6 + 7 + 8 - 9)		(40,344)	1,483,192	10,998,700	12,481,892
SURPLUS (DEFICITS) BY FUND YEAR						
	2014		721	202,532	2,433,230	2,635,762
	2015		(83,905)	(304,537)	2,243,378	1,938,841
	2016		(42,603)	237,456	2,307,201	2,544,657
	2017		3,871	(11,971)	2,675,148	2,663,177
	2018		8,926	493,917	1,339,743	1,833,660
	2019		72,645	865,795		865,795
TOTAL SURPLUS (DEFICITS)			(40,344)	1,483,192	10,998,700	12,481,892
TOTAL CASH						2,245,174

MERCER COUNTY INSURANCE COMMISSION						
FINANCIAL FAST TRACK REPORT						
		AS OF		November 30, 2019		
ALL YEARS COMBINED						
		THIS MONTH		YTD CHANGE	PRIOR YEAR END	FUND BALANCE
CLAIM ANALYSIS BY FUND YEAR						
FUND YEAR 2014						
	Paid Claims	58	146,468	1,919,054	2,065,522	
	Case Reserves	3,942	(90,089)	288,151	198,062	
	IBNR	(4,000)	(235,822)	400,196	164,374	
	Discounted Claim Value	0	23,477	(35,376)	(11,899)	
TOTAL FY 2014 CLAIMS		0	(155,966)	2,572,025	2,416,058	
FUND YEAR 2015						
	Paid Claims	29,809	370,355	2,004,477	2,374,831	
	Case Reserves	(22,527)	12,940	437,940	450,881	
	IBNR	(7,281)	(129,860)	303,737	173,877	
	Discounted Claim Value	0	9,480	(27,187)	(17,707)	
TOTAL FY 2015 CLAIMS		(0)	262,915	2,718,967	2,981,881	
FUND YEAR 2016						
	Paid Claims	5,008	289,536	2,085,902	2,375,438	
	Case Reserves	(2,591)	(429,924)	822,231	392,307	
	IBNR	(2,417)	(74,650)	160,316	85,665	
	Discounted Claim Value	0	10,770	(22,666)	(11,896)	
TOTAL FY 2016 CLAIMS		0	(204,268)	3,045,783	2,841,514	
FUND YEAR 2017						
	Paid Claims	4,825	365,188	1,456,623	1,821,811	
	Case Reserves	(16,269)	(306,845)	853,171	546,326	
	IBNR	11,445	(75,062)	359,760	284,697	
	Discounted Claim Value	0	7,095	(26,370)	(19,275)	
TOTAL FY 2017 CLAIMS		0	(9,624)	2,643,183	2,633,560	
FUND YEAR 2018						
	Paid Claims	14,322	585,243	1,141,742	1,726,985	
	Case Reserves	(15,312)	(56,611)	970,322	913,710	
	IBNR	990	(940,471)	1,556,433	615,961	
	Discounted Claim Value	0	17,230	(53,342)	(36,112)	
TOTAL FY 2018 CLAIMS		0	(394,610)	3,615,154	3,220,545	
FUND YEAR 2019						
	Paid Claims	168,723	955,547		955,547	
	Case Reserves	(141,996)	1,008,935		1,008,935	
	IBNR	299,380	1,622,706		1,622,706	
	Discounted Claim Value	(2,895)	(48,407)		(48,407)	
TOTAL FY 2019 CLAIMS		323,213	3,538,781	0	3,538,781	
COMBINED TOTAL CLAIMS		323,213	3,037,227	14,595,112	17,632,339	

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

NEW JERSEY COUNTIES EXCESS JIF						
FINANCIAL FAST TRACK REPORT						
		AS OF	November 30, 2019			
ALL YEARS COMBINED						
		THIS	YTD	PRIOR	FUND	
		MONTH	CHANGE	YEAR END	BALANCE	
1.	UNDERWRITING INCOME		1,972,314	21,695,452	139,838,292	161,533,744
2.	CLAIM EXPENSES					
		Paid Claims	522,236	1,135,648	3,794,828	4,930,476
		Case Reserves	(98,812)	760,641	5,641,230	6,401,871
		IBNR	57,342	1,350,529	8,032,894	9,383,423
		Discounted Claim Value	(29,338)	(292,448)	(1,272,066)	(1,564,514)
	TOTAL CLAIMS		451,428	2,954,369	16,196,887	19,151,256
3.	EXPENSES					
		Excess Premiums	1,248,556	13,731,657	97,129,691	110,861,348
		Administrative	204,278	1,805,314	10,482,471	12,287,785
	TOTAL EXPENSES		1,452,833	15,536,971	107,612,162	123,149,133
4.	UNDERWRITING PROFIT (1-2-3)		68,052	3,204,111	16,029,244	19,233,355
5.	INVESTMENT INCOME		32,571	574,334	497,530	1,071,864
6.	PROFIT (4+5)		100,623	3,778,445	16,526,774	20,305,219
7.	Dividend		0	2,000,000	1,607,551	3,607,551
8.	SURPLUS (6-7-8)		100,623	1,778,445	14,919,223	16,697,668
SURPLUS (DEFICITS) BY FUND YEAR						
	2010		873	(235,301)	777,092	541,791
	2011		8,942	(497,301)	878,879	381,579
	2012		1,593	(189,103)	1,184,534	995,431
	2013		2,647	(607,220)	2,027,740	1,420,519
	2014		3,489	381,415	2,492,972	2,874,387
	2015		3,754	(384,943)	1,162,564	777,621
	2016		4,481	297,722	3,256,376	3,554,098
	2017		4,433	(190,308)	2,011,827	1,821,519
	2018		4,827	827,829	1,127,237	1,955,066
	2019		65,584	2,375,656		2,375,656
TOTAL SURPLUS (DEFICITS)			100,623	1,778,445	14,919,222	16,697,667
TOTAL CASH						30,922,259

NEW JERSEY COUNTIES EXCESS JIF				
FINANCIAL FAST TRACK REPORT				
		AS OF	November 30, 2019	
ALL YEARS COMBINED				
	THIS	YTD	PRIOR	FUND
	MONTH	CHANGE	YEAR END	BALANCE
<b>CLAIM ANALYSIS BY FUND YEAR</b>				
<b>FUND YEAR 2010</b>				
Paid Claims	0	0	171,840	171,840
Case Reserves	0	0	(0)	(0)
IBNR	0	1,650	9,666	11,316
Discounted Claim Value	0	(58)	(1,005)	(1,063)
<b>TOTAL FY 2010 CLAIMS</b>	<b>0</b>	<b>1,592</b>	<b>180,501</b>	<b>182,093</b>
<b>FUND YEAR 2011</b>				
Paid Claims	(5,763)	27,823	488,982	516,805
Case Reserves	(1,900)	45,188	461,457	506,645
IBNR	0	200,426	39,375	239,801
Discounted Claim Value	0	(2,496)	(53,088)	(55,583)
<b>TOTAL FY 2011 CLAIMS</b>	<b>(7,663)</b>	<b>270,941</b>	<b>936,726</b>	<b>1,207,667</b>
<b>FUND YEAR 2012</b>				
Paid Claims	693	16,863	1,533,507	1,550,370
Case Reserves	(693)	(11,085)	87,538	76,453
IBNR	0	(44,820)	126,579	81,759
Discounted Claim Value	0	8,051	(22,910)	(14,859)
<b>TOTAL FY 2012 CLAIMS</b>	<b>0</b>	<b>(30,992)</b>	<b>1,724,714</b>	<b>1,693,722</b>
<b>FUND YEAR 2013</b>				
Paid Claims	5,551	54,487	520,298	574,786
Case Reserves	(5,551)	223,539	507,306	730,846
IBNR	0	(110,632)	226,103	115,471
Discounted Claim Value	0	(9,631)	(77,544)	(87,175)
<b>TOTAL FY 2013 CLAIMS</b>	<b>0</b>	<b>157,764</b>	<b>1,176,165</b>	<b>1,333,928</b>
<b>FUND YEAR 2014</b>				
Paid Claims	569	(5,284)	447,238	441,954
Case Reserves	(569)	(322,360)	655,655	333,295
IBNR	0	(285,246)	472,893	187,647
Discounted Claim Value	0	47,197	(91,782)	(44,585)
<b>TOTAL FY 2014 CLAIMS</b>	<b>0</b>	<b>(565,693)</b>	<b>1,484,004</b>	<b>918,311</b>
<b>FUND YEAR 2015</b>				
Paid Claims	(812)	365,465	395,960	761,425
Case Reserves	(4,360)	(250,811)	2,462,260	2,211,449
IBNR	5,172	87,511	603,828	691,339
Discounted Claim Value	0	5,499	(223,216)	(217,716)
<b>TOTAL FY 2015 CLAIMS</b>	<b>0</b>	<b>207,664</b>	<b>3,238,832</b>	<b>3,446,497</b>
<b>FUND YEAR 2016</b>				
Paid Claims	250,142	314,498	0	314,498
Case Reserves	(240,141)	118,171	530,313	648,484
IBNR	(9,859)	(991,310)	1,132,357	141,048
Discounted Claim Value	0	97,994	(170,405)	(72,411)
<b>TOTAL FY 2016 CLAIMS</b>	<b>142</b>	<b>(460,647)</b>	<b>1,492,266</b>	<b>1,031,619</b>
<b>FUND YEAR 2017</b>				
Paid Claims	2,160	40,686	25,647	66,333
Case Reserves	(1,711)	432,804	640,084	1,072,888
IBNR	(449)	(162,706)	2,126,369	1,963,663
Discounted Claim Value	0	(37,058)	(247,426)	(284,483)
<b>TOTAL FY 2017 CLAIMS</b>	<b>0</b>	<b>273,727</b>	<b>2,544,674</b>	<b>2,818,401</b>
<b>FUND YEAR 2018</b>				
Paid Claims	2,317	27,109	211,356	238,465
Case Reserves	(2,216)	(129,397)	296,617	167,220
IBNR	(101)	(688,481)	3,295,723	2,607,243
Discounted Claim Value	0	62,774	(384,692)	(321,917)
<b>TOTAL FY 2018 CLAIMS</b>	<b>0</b>	<b>(727,995)</b>	<b>3,419,005</b>	<b>2,691,010</b>
<b>FUND YEAR 2019</b>				
Paid Claims	267,379	294,001		294,001
Case Reserves	158,329	654,591		654,591
IBNR	62,579	3,344,137		3,344,137
Discounted Claim Value	(29,338)	(464,721)		(464,721)
<b>TOTAL FY 2019 CLAIMS</b>	<b>458,949</b>	<b>3,828,008</b>	<b>0</b>	<b>3,828,008</b>
<b>COMBINED TOTAL CLAIMS</b>	<b>451,428</b>	<b>2,954,369</b>	<b>16,196,887</b>	<b>19,151,256</b>
This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.				

**Mercer County Insurance Fund Commission**

**CLAIM ACTIVITY REPORT**

**AS OF November 30,2019**

**COVERAGE LINE- PROPERTY**

**CLAIM COUNT - OPEN CLAIMS**

Year	2014	2015	2016	2017	2018	TOTAL
October-19	0	0	0	0	11	23
November-19	0	0	0	0	9	18
NET CHGE	0	0	0	0	-2	-5
Limited Reserves						<b>\$3,896</b>
Year	2014	2015	2016	2017	2018	TOTAL
October-19	\$0	\$0	\$0	\$0	\$60,500	\$75,720
November-19	\$0	\$0	\$0	\$0	\$56,000	\$70,120
NET CHGE	\$0	\$0	\$0	\$0	(\$4,500)	(\$5,600)
Ltd Incurred	\$19,066	\$1,802	\$99	\$75,405	\$131,140	\$242,384

**COVERAGE LINE- GENERAL LIABILITY**

**CLAIM COUNT - OPEN CLAIMS**

Year	2014	2015	2016	2017	2018	TOTAL
October-19	1	4	2	6	12	46
November-19	0	4	2	6	9	44
NET CHGE	-1	0	0	0	-3	-2
Limited Reserves						<b>\$7,228</b>
Year	2014	2015	2016	2017	2018	TOTAL
October-19	\$1,000	\$134,889	\$101,142	\$37,377	\$24,700	\$319,838
November-19	\$0	\$134,889	\$101,142	\$37,377	\$23,500	\$318,038
NET CHGE	(\$1,000)	\$0	\$0	\$0	(\$1,200)	(\$1,800)
Ltd Incurred	\$78,677	\$198,049	\$117,091	\$43,217	\$27,194	\$487,379

**COVERAGE LINE- AUTO LIABILITY**

**CLAIM COUNT - OPEN CLAIMS**

Year	2014	2015	2016	2017	2018	TOTAL
October-19	0	0	1	1	2	10
November-19	0	0	1	1	2	10
NET CHGE	0	0	0	0	0	0
Limited Reserves						<b>\$6,845</b>
Year	2014	2015	2016	2017	2018	TOTAL
October-19	\$0	\$0	\$930	\$60,000	\$2,000	\$65,685
November-19	\$0	\$0	\$600	\$60,000	\$2,000	\$68,454
NET CHGE	\$0	\$0	(\$330)	\$0	\$0	\$2,770
Ltd Incurred	\$10,891	\$6,969	\$25,898	\$71,310	\$14,153	\$152,242

**COVERAGE LINE- WORKERS COMP.**

**CLAIM COUNT - OPEN CLAIMS**

Year	2014	2015	2016	2017	2018	TOTAL
October-19	8	11	12	20	26	150
November-19	8	11	12	19	23	136
NET CHGE	0	0	0	-1	-3	-14
Limited Reserves						<b>\$22,453</b>
Year	2014	2015	2016	2017	2018	TOTAL
October-19	\$193,120	\$338,520	\$292,826	\$465,219	\$841,822	\$3,243,732
November-19	\$198,062	\$315,992	\$290,565	\$448,949	\$832,210	\$3,053,609
NET CHGE	\$4,942	(\$22,527)	(\$2,261)	(\$16,269)	(\$9,612)	(\$190,123)
Ltd Incurred	\$2,154,529	\$2,618,892	\$2,624,657	\$2,178,206	\$2,468,208	\$13,947,929

**TOTAL ALL LINES COMBINED**

**CLAIM COUNT - OPEN CLAIMS**

Year	2014	2015	2016	2017	2018	TOTAL
October-19	9	15	15	27	51	229
November-19	8	15	15	26	43	208
NET CHGE	-1	0	0	-1	-8	-21
Limited Reserves						<b>\$16,876</b>
Year	2014	2015	2016	2017	2018	TOTAL
October-19	\$194,120	\$473,409	\$394,898	\$562,596	\$929,022	\$3,704,975
November-19	\$198,062	\$450,881	\$392,307	\$546,326	\$913,710	\$3,510,222
NET CHGE	\$3,942	(\$22,527)	(\$2,591)	(\$16,269)	(\$15,312)	(\$194,753)
Ltd Incurred	\$2,263,163	\$2,825,712	\$2,767,745	\$2,368,138	\$2,640,696	\$14,829,935

## FUND YEARS 2017 2018 2019

Mercer County Insurance Fund Commission																
CLAIMS MANAGEMENT REPORT																
EXPECTED LOSS RATIO ANALYSIS																
AS OF November 30, 2019																
FUND YEAR 2017 -- LOSSES CAPPED AT RETENTION																
	Budget	Current		35		MONTH	Last Month		34		MONTH	Last Year		23		MONTH
		Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED
		Incurred	Incurred	30-Nov-19			Incurred	Incurred	31-Oct-19			Incurred	Incurred	29-Nov-18		
PROPERTY	83,000	75,405	75,405	90.85%	83,000	100.00%	75,405	75,405	90.85%	83,000	100.00%	76,405	76,405	92.05%	82,448	99.33%
GEN LIABILITY	159,000	43,217	43,217	27.18%	142,269	89.48%	43,217	43,217	27.18%	141,145	88.77%	70,269	70,269	44.19%	124,306	78.18%
AUTO LIABILITY	134,000	71,310	71,310	53.22%	116,017	86.58%	71,310	71,310	53.22%	115,160	85.94%	75,780	75,780	56.55%	100,578	75.06%
WORKER'S COMP	4,709,000	2,178,206	2,178,206	46.26%	4,610,339	97.90%	2,189,651	2,189,651	46.50%	4,599,981	97.68%	2,133,956	2,133,956	45.32%	4,365,845	92.71%
TOTAL ALL LINES	5,085,000	2,368,138	2,368,138	46.57%	4,951,625	97.38%	2,379,582	2,379,582	46.80%	4,939,285	97.13%	2,356,410	2,356,410	46.34%	4,673,176	91.90%
NET PAYOUT %	\$1,821,811				35.83%											
FUND YEAR 2018 -- LOSSES CAPPED AT RETENTION																
	Budget	Current		23		MONTH	Last Month		22		MONTH	Last Year		11		MONTH
		Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED
		Incurred	Incurred	30-Nov-19			Incurred	Incurred	31-Oct-19			Incurred	Incurred	29-Nov-18		
PROPERTY	74,417	131,140	131,140	176.22%	73,922	99.33%	135,640	135,640	182.27%	73,440	98.69%	140,840	140,840	189.26%	63,999	86.00%
GEN LIABILITY	157,000	27,194	27,194	17.32%	122,743	78.18%	28,394	28,394	18.09%	120,741	76.91%	75,205	75,205	47.90%	76,930	49.00%
AUTO LIABILITY	131,000	14,153	14,153	10.80%	98,326	75.06%	14,153	14,153	10.80%	96,380	73.57%	10,416	10,416	7.95%	58,950	45.00%
WORKER'S COMP	4,455,000	2,468,208	2,468,208	55.40%	4,130,354	92.71%	2,463,498	2,463,498	55.30%	4,089,782	91.80%	1,810,565	1,810,565	40.64%	2,316,600	52.00%
TOTAL ALL LINES	4,817,417	2,640,696	2,640,696	54.82%	4,425,345	91.86%	2,641,686	2,641,686	54.84%	4,380,344	90.93%	2,037,025	2,037,025	42.28%	2,516,479	52.24%
NET PAYOUT %	\$1,726,985				35.85%											
FUND YEAR 2019 -- LOSSES CAPPED AT RETENTION																
	Budget	Current		11		MONTH	Last Month		10		MONTH	Last Year		-1		MONTH
		Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED
		Incurred	Incurred	30-Nov-19			Incurred	Incurred	31-Oct-19			Incurred	Incurred	29-Nov-18		
PROPERTY	75,000	14,873	14,873	19.83%	64,500	86.00%	15,833	15,833	21.11%	57,000	76.00%	0	0	N/A	N/A	N/A
GEN LIABILITY	160,000	23,151	23,151	14.47%	78,400	49.00%	22,751	22,751	14.22%	67,200	42.00%	0	0	N/A	N/A	N/A
AUTO LIABILITY	132,000	23,021	23,021	17.44%	59,400	45.00%	19,421	19,421	14.71%	52,800	40.00%	0	0	N/A	N/A	N/A
WORKER'S COMP	4,141,000	1,903,437	1,903,437	45.97%	2,153,320	52.00%	1,879,749	1,879,749	45.39%	1,739,220	42.00%	0	0	N/A	N/A	N/A
TOTAL ALL LINES	4,508,000	1,964,482	1,964,482	43.58%	2,355,620	52.25%	1,937,754	1,937,754	42.98%	1,916,220	42.51%	0	0	N/A	N/A	N/A
NET PAYOUT %	\$955,547				21.20%											



## FUND YEARS 2014 2015 2016

Mercer County Insurance Fund Commission															
CLAIMS MANAGEMENT REPORT															
EXPECTED LOSS RATIO ANALYSIS															
AS OF															
November 30, 2019															
FUND YEAR 2014 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		71		MONTH	Last Month		70		MONTH	Last Year		59	
		Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	30-Nov-19			Incurred	Incurred	31-Oct-19			Incurred	Incurred	29-Nov-18	TARGETED
PROPERTY	62,322	19,066	19,066	30.59%	62,322	100.00%	19,066	19,066	30.59%	62,322	100.00%	18,499	18,499	29.68%	62,322
GEN LIABILITY	124,157	78,677	78,677	63.37%	119,982	96.64%	79,677	79,677	64.17%	120,121	96.75%	8,863	8,863	7.14%	120,506
AUTO LIABILITY	127,016	10,891	10,891	8.57%	123,305	97.08%	10,891	10,891	8.57%	123,437	97.18%	10,891	10,891	8.57%	121,862
WORKER'S COMP	4,356,301	2,154,529	2,154,529	49.46%	4,356,301	100.00%	2,149,529	2,149,529	49.34%	4,356,301	100.00%	2,087,251	2,087,251	47.91%	4,350,211
TOTAL ALL LINES	4,669,797	2,263,163	2,263,163	48.46%	4,661,910	99.83%	2,259,163	2,259,163	48.38%	4,662,181	99.84%	2,125,503	2,125,503	45.52%	4,654,900
NET PAYOUT %	\$2,065,101				44.22%										
FUND YEAR 2015 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		59		MONTH	Last Month		58		MONTH	Last Year		47	
		Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	30-Nov-19			Incurred	Incurred	31-Oct-19			Incurred	Incurred	29-Nov-18	TARGETED
PROPERTY	80,948	1,802	1,802	2.23%	80,948	100.00%	1,802	1,802	2.23%	80,948	100.00%	(25)	(25)	-0.03%	80,948
GEN LIABILITY	155,896	198,049	198,049	127.04%	151,311	97.06%	198,049	198,049	127.04%	151,253	97.02%	58,923	58,923	37.80%	148,727
AUTO LIABILITY	131,580	6,969	6,969	5.30%	126,240	95.94%	6,969	6,969	5.30%	125,914	95.69%	6,969	6,969	5.30%	121,328
WORKER'S COMP	4,449,750	2,618,892	2,618,892	58.85%	4,443,529	99.86%	2,611,610	2,611,610	58.69%	4,442,198	99.83%	2,380,719	2,380,719	53.50%	4,420,574
TOTAL ALL LINES	4,818,174	2,825,712	2,825,712	58.65%	4,802,028	99.66%	2,818,431	2,818,431	58.50%	4,800,313	99.63%	2,446,586	2,446,586	50.78%	4,771,577
NET PAYOUT %	\$2,374,830				49.29%										
FUND YEAR 2016 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		47		MONTH	Last Month		46		MONTH	Last Year		35	
		Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual		TARGETED	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	30-Nov-19			Incurred	Incurred	31-Oct-19			Incurred	Incurred	29-Nov-18	TARGETED
PROPERTY	80,948	99	99	0.12%	80,948	100.00%	99	99	0.12%	80,948	100.00%	99	99	0.12%	80,948
GEN LIABILITY	155,896	117,091	117,091	75.11%	148,727	95.40%	117,091	117,091	75.11%	148,204	95.07%	139,563	139,563	89.52%	139,492
AUTO LIABILITY	131,580	25,898	25,898	19.68%	121,328	92.21%	26,228	26,228	19.93%	120,838	91.84%	33,228	33,228	25.25%	113,922
WORKER'S COMP	4,616,644	2,624,657	2,624,657	56.85%	4,586,374	99.34%	2,621,910	2,621,910	56.79%	4,583,187	99.28%	2,734,955	2,734,955	59.24%	4,519,918
TOTAL ALL LINES	4,985,068	2,767,745	2,767,745	55.52%	4,937,377	99.04%	2,765,328	2,765,328	55.47%	4,933,177	98.96%	2,907,846	2,907,846	58.33%	4,854,280
NET PAYOUT %	\$2,375,438				47.65%										

**MEMORANDUM**  
**New Jersey Counties Excess Joint Insurance Fund**

**TO:** New Jersey Counties Excess Joint Insurance Fund Commissioners

**FROM:** Underwriting Manager

**DATE:** January 14, 2020

**SUBJECT:** 2020 Excess Insurance Renewal Overview

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In the Property segment, the past three years brought about very significant and numerous natural disasters around the globe. Underwriting profits were significantly affected, and the market saw many adjustments to underwriting guidelines. In addition, capacity has shrunk, terms and conditions tightened and pricing has increased. Overall, underwriters need more premium and need to more appropriately underwrite risks, and they are looking for the best accounts possible.

In addition to the tough insurance market, the NJCE has experienced a high frequency of property losses over the last several years generating significant losses and the need for increased retentions and premium rate. The NJCE loss ratio in the past three years alone is 118%, with two of those years over 140%. Our incumbent market has worked very well with the NJCE through these rough years, but the increases still have not caught up to the losses. As such, the NJCE saw a retention increase for 2020 from \$250,000 to \$1,000,000, in addition to a slight rate increase. Our Excess Property and Flood programs have also been increasing in the past few years, similar to the rest of the marketplace. We heavily market the program annually to ensure we are receiving the most favorable results.

As noted above, the insurance marketplace has been hardening over the past few years, but has been doing it in segments. While we have seen Automobile Liability increase for many years (although the NJCE was not affected), we had not seen any hardening in the Excess Casualty market for public entities. Virtually unannounced, we saw sudden hardening just in December of 2019.

Brit, along with basically all other Excess Casualty insurers, cut back its limits from \$15,000,000/\$20,000,000 to \$10,000,000/\$20,000,000. Brit appropriately returned the premium charged to us for those limits (\$240,000); however, this amount is far below this new market's premium for that layer of insurance (\$1,000,000). In addition to the pricing issue, we also experienced a very limited amount of participants in the market. Old Republic provided the only quotation for this full layer at the \$1,000,000 premium mark, and Old Republic will also be replacing Argonaut's current layer. Although we saw drastic and unexpected premium increases in this line of coverage, we were able to obtain some better coverage with Old Republic, including larger Aggregates for most members and full drop-down coverage.

It is important to note that the year-over-year increase we saw this year is only a one-time adjustment due to filling the gap created by Brit and paying the normal market price for the gap layer. There may be increases in the future, but no anticipated large adjustments like this renewal. Despite unfortunate results from the Casualty market, we achieved better than expected results in nearly all of our other lines of coverage. For instance, POL/EPL came in at about a net 4% increase versus the expected 7%. One of the benefits of the JIF is the insulation from significant increases that standalone clients have experienced in this market.

We will continue to closely monitor the marketplace and provide timely updates to the NJCE. We can expect the market to continue its hardening pattern, so we will continue to adjust our marketing to ensure the NJCE is positioned as best as possible into the future.

Following is a general comparison of the budgeted not-to-exceed premiums versus the actual premiums, which reflects what is noted above.

“Budget Initial” are the originally budgeted premiums based on expiring exposures.

“Budget Adjusted” are the budgeted adjusted for exposure changes.

“Actual” are the premiums as ultimately negotiated.

	<b>Budget Initial</b>	<b>Budget Adjusted</b>	<b>Actual</b>	<b>Delta</b>
Property	\$ 6,671,371	\$ 6,671,371	\$ 6,689,129	\$ 17,758
XS Flood	\$ 500,691	\$ 554,845	\$ 481,050	\$ (73,795)
Liability	\$ 3,924,402	\$ 3,924,402	\$ 3,698,836	\$ (225,566)
Excess Liability	\$ 611,653	\$ 611,653	\$ 1,664,679	\$ 1,053,026
WC Buffer	\$ 1,045,289	\$ 1,129,713	\$ 1,186,199	\$ 56,486
WC	\$ 2,080,846	\$ 2,089,930	\$ 2,088,942	\$ (988)
POL/EPL	\$ 1,211,835	\$ 1,265,334	\$ 1,177,780	\$ (87,554)
Crime	\$ 167,469	\$ 173,833	\$ 163,805	\$ (10,028)
Med/Mal	\$ 775,608	\$ 896,023	\$ 855,364	\$ (40,659)
Law yers	\$ 165,360	\$ 161,982	\$ 154,198	\$ (7,784)
NOA	\$ 67,198	\$ 67,200	\$ 36,960	\$ (30,240)
Cyber	\$ 390,672	\$ 390,747	\$ 416,509	\$ 25,762
Fee	\$ 435,096	\$ 435,096	\$ 435,096	\$ -
	<b>\$ 18,047,490</b>	<b>\$ 18,372,129</b>	<b>\$ 19,048,547</b>	<b>\$ 676,418</b>

## 2020 MEL, MRHIF & NJCE Educational Seminar

Friday, May 1, 9:00 to 4:00

National Conference Center at the East Windsor Holiday Inn  
399 Monmouth Street, East Windsor, N.J. 08520, Turnpike Exit 8

The MEL (Municipal Excess Liability Joint Insurance Fund), MRHIF (Municipal Reinsurance Health Fund) and the NJCE (NJ Counties Excess Liability Fund) are sponsoring the 10<sup>th</sup> annual educational seminar for commissioners, municipal, county and authority personnel, risk managers and other professionals. This seminar is eligible for the following continuing educational credits:

- CFO/CMFO, Public Works and Clerks:
- Insurance Producers and Purchasing Agents:
- Accountants (CPA's) and Lawyers (CLE):
- TCH Water Supply & Wastewater Licensed Operator Training:
- RPPO and QPA

### Topics

- Local Government's Role in Addressing the Opioid Crisis (Sheriff James Gannon)
- The Local Officials Ethics Act (Director Melanie Walter and Nick Bennett)
- Protecting Child Abuse and S-477 (Fred Semrau Esq and Joe Hrubash)
- Fire Fighter Cancer Presumption in Workers Compensation (John Geaney Esq.)
- Controlling Health Care Costs (Sean Critchley)
- Ethics in Employment Practices for Governmental Entities (Heather Steinmiller Esq.)

REGISTRATION: RSVP by Friday, April 24    **Space Limited**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Credits being applied for: \_\_\_\_\_

Seven digit P/C Insurance Producer License # (if applicable) \_\_\_\_\_

Phone: \_\_\_\_\_ cell: \_\_\_\_\_ e-mail: \_\_\_\_\_

E-mail registrations to: [cdodd@permainc.com](mailto:cdodd@permainc.com)



# MERCER COUNTY INSURANCE FUND COMMISSION BILLS LIST

**Resolution No. 14-20**

**JANUARY 2020**

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Mercer County Insurance Fund Commission, hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Commission

**FUND YEAR 2019**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
✓000564			
✓000564	PERMA RISK MANAGEMENT SERVICES	POSTAGE 12/19	5.15
			<b>5.15</b>
✓000565			
✓000565	21ST CENTURY MEDIA-PHILLY CLUSTER	ACCT#896855 12/19	33.25
			<b>33.25</b>
✓000566			
✓000566	NJ ADVANCE MEDIA	ACCT#1159386 - AD - 12/19	56.32
			<b>56.32</b>
✓000567			
✓000567	TROPHY KING OF PARSIPPANY	CLOCK W/ ENGRAVING 12/13/2019	81.00
			<b>81.00</b>
		<b>Total Payments FY 2019</b>	<b>175.72</b>

**FUND YEAR 2020**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
✓000568			
✓000568	BORDEN PERLMAN SALISBURY&KELLY	INSURANCE CONSULTING FEE 1/20	5,500.00
			<b>5,500.00</b>
✓000569			
✓000569	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 1/20	14,176.42
			<b>14,176.42</b>
✓000570			
✓000570	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 1/20	663.25
			<b>663.25</b>
✓000571			
✓000571	INSERVCO INSURANCE SERVICES	CLAIMS SERVICE FEE 1/20	16,308.33
			<b>16,308.33</b>
✓000572			
✓000572	PACKET MEDIA GROUP, LLC	ACCT#32129 - 1/3/20	30.45
			<b>30.45</b>
✓000573			
✓000573	J.A. MONTGOMERY RISK CONTROL	RISK CONTROL SERVICES 1/20	11,058.75
			<b>11,058.75</b>
		<b>Total Payments FY 2020</b>	<b>47,737.20</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>\$47,912.92</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated: \_\_\_\_\_

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

\_\_\_\_\_  
Treasurer

MERCER COUNTY INSURANCE COMMISSION							
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED							
Current Fund Year: 2019 Month Ending: November							
	Property	Liability	Auto	Worker's Comp	NJ CEL	Admin	TOTAL
OPEN BALANCE	130,762.86	414,395.72	431,370.24	7,089,756.56	(5,235,610.28)	(1,013,515.30)	1,817,159.80
RECEIPTS							
Assessments	7,191.82	13,825.04	11,660.52	408,886.18	207,445.50	49,225.53	698,234.59
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Pymnts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	7,191.82	13,825.04	11,660.52	408,886.18	207,445.50	49,225.53	698,234.59
EXPENSES							
Claims Transfers	140.00	0.00	500.00	222,105.12	0.00	0.00	222,745.12
Expenses	0.00	0.00	0.00	0.00	0.00	47,474.95	47,474.95
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	140.00	0.00	500.00	222,105.12	0.00	47,474.95	270,220.07
END BALANCE	137,814.68	428,220.76	442,530.76	7,276,537.62	(5,028,164.78)	(1,011,764.72)	2,245,174.32

<b>SUMMARY OF CASH AND INVESTMENT INSTRUMENTS</b>			
<b>MERCER COUNTY INSURANCE COMMISSION</b>			
<b>ALL FUND YEARS COMBINED</b>			
<b>CURRENT MONTH</b>	<b>November</b>		
<b>CURRENT FUND YEAR</b>	<b>2019</b>		
	<b>Description:</b>	<b>MCIFC General A/C</b>	<b>MCIFC Claims A/C</b>
	<b>ID Number:</b>		
	<b>Maturity (Yrs)</b>		
	<b>Purchase Yield:</b>		
	<b>TOTAL for All</b>		
	<b>Accts &amp; instruments</b>		
<b>Opening Cash &amp; Investment Balance</b>	<b>\$1,817,159.80</b>	<b>1,582,101.22</b>	<b>235,058.58</b>
<b>Opening Interest Accrual Balance</b>	<b>\$0.00</b>	<b>-</b>	<b>-</b>
1 Interest Accrued and/or Interest Cost	\$0.00	\$0.00	\$0.00
2 Interest Accrued - discounted Instr.s	\$0.00	\$0.00	\$0.00
3 (Amortization and/or Interest Cost)	\$0.00	\$0.00	\$0.00
4 Accretion	\$0.00	\$0.00	\$0.00
5 Interest Paid - Cash Instr.s	\$0.00	\$0.00	\$0.00
6 Interest Paid - Term Instr.s	\$0.00	\$0.00	\$0.00
7 Realized Gain (Loss)	\$0.00	\$0.00	\$0.00
8 Net Investment Income	\$0.00	\$0.00	\$0.00
9 Deposits - Purchases	\$698,234.59	\$0.00	\$698,234.59
10 (Withdrawals - Sales)	-\$270,220.07	-\$47,474.95	-\$222,745.12
Ending Cash & Investment Balance	\$2,245,174.32	\$1,534,626.27	\$710,548.05
Ending Interest Accrual Balance	\$0.00	\$0.00	\$0.00
Plus Outstanding Checks	\$236,826.49	\$95,110.97	\$141,715.52
(Less Deposits in Transit)	\$0.00	\$0.00	\$0.00
Balance per Bank	\$2,482,000.81	<b>\$1,629,737.24</b>	<b>\$852,263.57</b>

**RESOLUTION NO. 15-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter "MCIFC") is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the MCIFC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

**WHEREAS**, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

**WHEREAS**, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality, and

**WHEREAS**, it is necessary and appropriate for the MCIFC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

**WHEREAS**, the MCIFC is a public agency which must comply with the Open Public Records Act (OPRA) N.J.S.A. 47: 1A-1 to -13; and

**WHEREAS**, the MCIFC must comply with OPRA and reported New Jersey Case Law interpreting same; and

**WHEREAS**, the MCIFC did hold a closed session from which the public was excluded on January 29, 2020 at which time certain items were discussed as were referenced in a separate resolution authorizing said closed session and it being determined certain liability & property claim payment information can be made public at this time; and

**NOW THEREFORE BE IT RESOLVED** by the Commissioners of said MERCER County Insurance Fund Commission pursuant to both the Open Public Meetings Act and the Open Public Records Act as follows:

The attached financial transaction logs generated by third party administrator Inservco Insurances Inc. for the period December 1, 2019 to December 31, 2019 and related to all non-workers compensation payments are hereby approved for distribution to the listed claimants and for disclosure to the general public

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**



**Mercer County Ins Fund Comm - 396**  
**Financial Transaction Log - Liability Claim Payments**  
**Monthly / Detail / By Coverage / By Payment Type / By Check Number**  
**12/01/2019 Thru 12/31/2019**

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
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*I n s e r v c o   R e p o r t   T e r m i n o l o g y*

Reporting Name	Business Name	Business Description
Amount/Amt Paid	Amount Paid	Amount actually paid or received
Amount/Amt Requested	Amount Requested	Amount requested to be paid
As Of Date/To Date	Report End Date	Ending date of transactions on report; usually month end
Payment Type	Type	Types of transactions—Computer, Manual, Refund, Recovery, Stop Pay, Void
Report Begin Date	Report Begin Date	Beginning date of transactions on report; usually beginning of month or inception
Trans Date	Transaction Date	Issue date for computer issued payments and add date for all other type entries

**Mercer County Ins Fund Comm - 396**  
**Financial Transaction Log - Liability Claim Payments**  
**Monthly / Detail / By Coverage / By Payment Type / By Check Number**  
**12/01/2019 Thru 12/31/2019**

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
*There are no records that match the reporting criteria.										



First Managed Care Option, Inc.

First MCO Bill Review Services  
MERCER CO INS COMM  
Medical Savings by Month  
NJ

Month of Reprice Service	Provider Billed Amount	First MCO Repriced	U & C / Fee Schedule	Savings	% of Savings	# of Bills	In Network	Out Of Network	% PPO Penetration	# of Appeals	FMCO Fee	Net Savings
Total 2014	\$822,559	\$509,923	\$814,817	\$312,636	38%	752	618	134	82%	6	\$61,563	\$251,073
Total 2015	\$718,860	\$435,127	\$706,183	\$283,733	39%	695	558	137	80%	18	\$56,661	\$227,072
Total 2016	\$1,310,806	\$661,339	\$1,492,038	\$649,467	50%	1,311	1,172	139	89%	18	\$129,313	\$520,155
Total 2017	\$858,268	\$428,786	\$995,115	\$429,482	50%	819	686	133	84%	13	\$85,891	\$343,591
Total 2018	\$1,316,429	\$549,418	\$1,501,858	\$767,011	58%	1,056	898	158	85%	23	\$153,381	\$613,630
Jan-19	\$81,487	\$40,117	\$80,567	\$41,371	51%	45	41	4	91%	0	\$8,274	\$33,097
Feb-19	\$46,173	\$21,650	\$46,353	\$24,524	53%	43	35	8	81%	1	\$4,905	\$19,619
Mar-19	\$75,212	\$42,042	\$65,216	\$33,170	44%	83	75	8	90%	0	\$6,634	\$26,536
Apr-19	\$300,295	\$180,619	\$303,135	\$119,677	40%	165	155	10	94%	1	\$23,936	\$95,741
May-19	\$448,037	\$278,278	\$531,673	\$169,758	38%	99	70	29	71%	11	\$33,952	\$135,807
Jun-19	\$150,332	\$52,324	\$148,207	\$98,008	65%	99	86	13	87%	7	\$19,602	\$78,406
Jul-19	\$47,865	\$30,713	\$47,897	\$17,152	36%	115	98	17	85%	3	\$3,431	\$13,722
Aug-19	\$204,183	\$91,121	\$216,908	\$113,062	55%	106	103	3	97%	8	\$22,613	\$90,450
Sep-19	\$187,277	\$106,246	\$183,331	\$81,031	43%	76	64	12	84%	0	\$16,206	\$64,824
Oct-19	\$193,798	\$17,838	\$185,611	\$175,960	91%	86	68	18	79%	0	\$35,192	\$140,768
Nov-19	\$270,894	\$91,665	\$285,108	\$179,229	66%	70	61	9	87%	3	\$35,846	\$143,383
Dec-19	\$64,321	\$69,407	\$95,732	-\$5,086	-8%	54	36	18	67%	0	\$-1,017	\$-4,069
Total 2019	\$2,069,874	\$1,022,019	\$2,189,736	\$1,047,855	51%	1,041	892	149	86%	34	\$209,572	\$838,283
Total to Date	\$7,096,797	\$3,606,613	\$7,699,747	\$3,490,184	49%	5,674	4,824	850	85%	112	\$696,381	\$2,793,804

Report Run Date:01/02/2020

mcc



**MERCER COUNTY INSURANCE FUND COMMISSION  
SAFETY DIRECTOR'S REPORT**

**TO:** Fund Commissioners  
**FROM:** J.A. Montgomery Risk Control, Safety Director  
**DATE:** January 21, 2020

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**RISK CONTROL ACTIVITIES  
DECEMBER 2019 – January 2020**

Paul Shives, Vice President Public Sector Director <a href="mailto:pshives@jamontgomery.com">pshives@jamontgomery.com</a> Office: 732-736-5213	Glenn Prince, Associate Public Sector Director <a href="mailto:gprince@jamontgomery.com">gprince@jamontgomery.com</a> Office: 856-552-4744 Cell: 609-238-3949	Natalie Dougherty, Senior Administrative Coordinator <a href="mailto:ndougherty@jamontgomery.com">ndougherty@jamontgomery.com</a> Office: 856-552-4738
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**MEETINGS ATTENDED / LOSS CONTROL VISITS CONDUCTED**

- **December 18:** Attended the Accident Review Panel meeting in Trenton
- **December 19:** Attended the MCIFC meeting in Trenton.
- **December 19:** Attended the MCIFC Claims Committee meeting in Trenton.
- **January 15:** Attended the Accident Review Panel meeting in Trenton.
- **January 16:** One session of Forklift Certification training was conducted for MCIFC.

**UPCOMING MEETINGS / LOSS CONTROL VISITS PLANNED**

- **January 29:** Plan to attend the MCIFC meeting in Trenton.
- **January 29:** Plan to attend the MCIFC Claims Committee meeting in Trenton.

**CEL MEDIA LIBRARY USAGE**

No Videos have been utilized in 2019 – 2020.

**RESOLUTION NO. 16-20**

**MERCER COUNTY INSURANCE FUND COMMISSION  
AUTHORIZING A CLOSED SESSION TO DISCUSS  
PAYMENT AUTHORIZATION REQUESTS (PARS) & SETTLEMENT (SARS)  
RELATED TO PENDING OR ANTICIPATED LITIGATION**

**WHEREAS**, the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter “MCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the MCIFC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

**WHEREAS**, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

**WHEREAS**, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality; and

**WHEREAS**, it is necessary and appropriate for the MCIFC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

**NOW THEREFORE BE IT RESOLVED** by the Commissioners of said MERCER County Insurance Fund Commission pursuant to the Open Public Meetings Act as follows:

The MCIFC shall hold a closed session from which the public shall be excluded on January 29, 2020.

The general nature of the items to be discussed at said closed session shall include the following: the appropriateness of payment of statutorily required workers’ compensation benefits, settlement authority if any or continuing defense of pending or anticipated litigation, discussion of litigation strategy, position the MCIFC will take in said litigation, strengths and weaknesses of MCIFC’s position in said litigation.

The specific litigation is identified by the claim number assigned by Inservco in its capacity as the third-party claims administrator, name of the claimant, date of loss, workers’ compensation petition number and/or court assigned docket number which is set forth in the attached list which list is also appended to the MCIFC monthly meeting agenda for January 29, 2020 which agenda has been timely posted per the Open Public Meetings Act.

The minutes of said closed session shall be made available for disclosure to the public consistent with N.J.S.A. 10:4-13 when the items which are the subject of the closed session discussions are resolved and the reasons for confidentiality as to both the MCIFC and the claimant no longer exist.

**ADOPTED** by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 29, 2020.

**ADOPTED:**

\_\_\_\_\_  
**LILLIAN L. NAZZARO, CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**RAISSA WALKER, VICE CHAIR**

\_\_\_\_\_  
**DATE**

**PAYMENT AUTHORIZATION REQUESTS**

*January 29, 2020*

<b><u>Claim #</u></b>	<b><u>Claimant</u></b>	<b><u>Type of Claim</u></b>	<b><u>PAR/SAR</u></b>
3960002489	Celestino Gonzalez	Worker Compensation	PAR/SAR
3960001177	Celestino Gonzalez	Worker Compensation	PAR/SAR
3960002007	Celestino Gonzalez	Worker Compensation	PAR/SAR
3960002119	Nakinya Cloud	Worker Compensation	PAR/SAR
3960001367	Donald Crusen	Worker Compensation	PAR/SAR
3960000898	Edwin Rodriguez	Worker Compensation	PAR
3960000905	Estate of Mary Wall	General Liability	PAR

# APPENDIX I



**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – DECEMBER 19, 2019  
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	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  
**Glenn Prince**

**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:  
Second:  
Vote:

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

**MEETING ADJOURNED: 11:53 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary

## **APPENDIX II**

### ***2020 Plan of Risk Management***



## **RESOLUTION NO. 12-20**

### **Mercer County Insurance Fund Commission** (hereinafter the "Insurance Commission")

BE IT RESOLVED by the Insurance Commission's governing body that effective 01/01/2020 the 2020 Plan of Risk Management shall be:

- 1.) The perils or liability to be insured against.
  - a.) The Insurance Commission insures the following perils or liability:
    - Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
    - General Liability including Law Enforcement Liability and Employee Benefits Liability.
    - Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
    - Property, Auto Physical Damage and Boiler & Machinery.
  - b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).
    - Excess Workers' Compensation including employers liability
    - Excess General Liability including law enforcement liability
    - Excess Auto Liability
    - Excess Property including Boiler and Machinery
    - Public Officials Liability/School Board Legal/EPL
    - Crime
    - Pollution Liability
    - Medical Professional and General Liability
    - Cyber Liability
    - Non-Owned Aircraft Liability

2.) The limits of coverage.

a.) Workers' Compensation limits.

- The Insurance Commission covers \$300,000 per occurrence including:
  - Employer's Liability - \$300,000 per occurrence.
  - USL&H – \$300,000 per occurrence.
  - Harbor Marine/Jones Act - \$300,000 per occurrence.
- The NJC covers excess workers compensation claims to the following limits.
  - Workers' Compensation – Statutory excess of the Insurance Commission's \$300,000.
  - Employer's Liability - at a sub-limit of \$25,250,000 excess of the Insurance Commission's \$300,000.
  - USL&H – \$250,000 less NJ State benefits excess of the Insurance Commission's \$300,000.
  - Harbor Marine/Jones Act - \$250,000 less NJ State benefits excess of the Insurance Commission's \$300,000.

NJC retains limits of \$250,000 excess \$300,000 for Workers Compensation and Employers Liability. NJC purchases from Underwriters at Lloyds \$450,000 excess \$500,000 each occurrence/employee for Employers Liability and purchases from Safety National Casualty Company 'Statutory' Workers Compensation limits excess of \$1,000,000 and \$5,000,000 excess of \$1,000,000 for Employers Liability. Additional Employers Liability limits of \$9,550,000 excess of \$6,000,000 are purchased from Underwriters at Lloyds, \$10,000,000 excess \$15,550,000 from Old Republic.

b.) General Liability limits.

- The Insurance Commission covers \$250,000 per occurrence.
- Law Enforcement - included in the General Liability limits.

- Employee Benefits Liability - included in the General Liability limits.
- Subsidence - \$250,000 per occurrence
- Sexual Abuse or Molestation Coverage - \$250,000 per occurrence except for schools.
- Owned Watercraft 35' in length or less - \$250,000.
- Garage Liability - \$250,000
- The NJC covers excess liability claims as follows:
  - General Liability - \$20,250,000 excess the Insurance Commission's \$250,000. The \$10,000,000 excess \$500,000 commercial excess layer is subject to a \$20,000,000 per member insurance commission 12 month aggregate limit. The \$10,000,000 excess \$10,000,000 commercial excess layer is subject to a \$20,000,000 12 month annual aggregate limit.
  - Law Enforcement - included in the NJC's excess General Liability limits.
  - Employee Benefits Liability - included in the NJC's excess General Liability limits.
  - Subsidence - \$250,000 per occurrence excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.
  - Sexual Abuse or Molestation Coverage - \$250,000 excess of the Insurance Commission's \$250,000 except for schools. NJC retains 100% of the limit excess of the Member Commission's retention.
  - Owned Watercraft 35' in length or less - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.
  - Garage Liability - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

c.) Automobile Liability limits.

- The Insurance Commission covers automobile liability claims as follows:
  - Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of \$250,000.
  - The Insurance Commission covers \$250,000 for Personal Injury Protection (PIP).
  - The Insurance Commission covers \$15,000/\$30,000/\$5,000 for Underinsured/Uninsured Motorists Liability.
- The NJC covers excess automobile liability claims as follows:
  - Automobile Bodily Injury and Property Damage Liability \$20,250,000 excess the Insurance Commission's \$250,000. Please note, an aggregate limit does not apply to automobile liability coverage.

The NJC does not provide excess PIP OR Uninsured/Underinsured Motorist Coverage.

The PIP and Uninsured/Underinsured Motorist coverages shall follow the most current statutory guidelines provided by the State of New Jersey.

d.) Public Officials Liability/School Board Legal/Employment Practices Liability

- The NJC via the commercial market covers public officials liability/school board legal liability/employment practices liability as follows:
  - \$5,000,000 each claim and \$5,000,000 in the annual aggregate on a claims made basis per Insurance Commission subject to the deductibles as outlined below:
    - Mercer County - \$100,000 each POL & \$175,000 EPL
    - Mercer County BOSS - \$100,000 each POL & \$175,000 EPL

- Mercer County Improvement Authority -\$25,000 each POL & \$25,000 EPL

e.) Property/Equipment Breakdown

Property Limits/Sub-limits

- The Insurance Commission covers \$250,000 per occurrence less applicable member entity per occurrence deductibles.
- The NJC provides excess property coverage of \$750,000 excess of the member Insurance Commission limit of \$250,000, and excess coverage via the commercial market with Zurich and excess property coverage with multiple insurers on a quota share basis with the following limits (*SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES*) excess of the member retention and member entity per occurrence deductibles:

Property Per Occurrence Limits:

- A. \$110,000,000 Per Occurrence with Zurich
- B. \$150,000,000 Per Occurrence quota share
- C. \$50,000,000/\$100,000,000 Flood/Earthquake per occurrence
- D. \$260,000,000 per Occurrence Total Program Limit

Property Sub-Limits:

- Earthquake - \$200,000,000 (Annual Aggregate)
- Flood - \$100,000,000 (Annual Aggregate) Except;
  - Flood, Special Flood Hazard Area (SFHA) - \$25,000,000
- Business Interruption -Included
- Extra Expense – \$10,000,000
- Miscellaneous Unnamed Locations - \$10,000,000
- New Construction and Additions – \$25,000,000 per location (90 day reporting period)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage Including Overhead Transmission Lines within 1 mile of insured premises, 24 hour qualifying period)
- Vehicles (PD ONLY) - \$15,000,000
- Garagekeepers Liability – Included
- Underground Piping - \$5,000,000 (only if within 5 MILES of a pump station, process plant, metering pit, wells or similar operational locations which are owned, leased, used occupied or intended for use by the member entity).

There is no coverage for perils of Earthquake, Flood or Named Storm

- Outdoor Property - \$10,000,000
- Equipment Breakdown - \$100,000,000
- UAS (Drones) - \$100,000
- Working Dogs - \$100,000

#### Property Deductibles

- The standard member insurance commission retention is \$250,000 per occurrence less member entity per occurrence deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).
  - Mercer County - \$25,000 Property and \$25,000 Auto Physical Damage.
  - Mercer County IA - \$5,000 Property except the Arena \$10,000 Property, \$1,000 Auto Physical Damage Comprehensive, \$5,000 Auto Physical Damage Collision Arena Only \$10,000
- The Equipment Breakdown deductible is \$25,000 member entity deductible per occurrence.
- Mercer County IA Equipment Breakdown deductible is \$1,000
- The Earthquake Member Insurance Commission retention is \$250,000 per occurrence less the per occurrence member entity deductibles. However, if there is a loss from a single occurrence involving multiple entities, the maximum occurrence deductible will be \$250,000
- The Flood Member Insurance Commission retention is \$250,000 per occurrence (combined property damage and time element) less member entity per occurrence deductibles. However, if there is a loss from a single occurrence involving multiple entities, the maximum occurrence deductible will be \$250,000
- Flood loss for property within the Special Flood Hazard Area (SFHA) is subject to a deductible of \$1,000,000 each building for municipality buildings, and \$1,000,000 each building for building contents member entity deductible per occurrence; and \$1,000,000 for each building for loss of income or the National Flood Insurance Plan's (NFIP) maximum available limits for public entities, whichever is greater, regardless of whether National Flood Insurance program coverage is purchased or not.

Losses shall also be adjusted subject to a **\$1,000,000** per occurrence Insurance Commission deductible for pumping stations, pistol ranges, vehicles and mobile equipment less the applicable member entity deductible.

- “Named Storm as respects to covered property in Atlantic, Ocean, Monmouth and Burlington Counties located east of the Garden State Parkway and any covered property in Cape May County”  
For Property Damage: subject to a deductible of 1% of the value, per the Schedule of Values on file with the company as of the date of loss, for those Buildings where the direct physical loss or damage occurred, per occurrence; For Time Element: 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence. The 1% Time Element deductible does not apply Extra Expense. Combined PD and TE deductible subject to a minimum deductible of \$1,000,000 per occurrence. The “Named Storm” deductible is a per member entity deductible.
- Note: The Mercer County Insurance Fund Commission provides coverage for the difference in deductible for “insured property” resulting from “insured perils” (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA less the member entity deductible. The Mercer County Insurance Commission will not provide coverage for the difference in deductible for time element loss.

Named Storm is defined as any storm or weather disturbance that is named by the U.S. National Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center or any comparable worldwide equivalent. Location is defined as a building(s) bounded on all sides by public streets, clear land space or open waterways, each not less than 50 feet wide, a site or tract of land occupied or available for occupancy with tangible property. If the Named Storm involves covered property within the Special Flood Hazard Area (SFHA), the Special Flood Hazard Area (SFHA) deductible above applies.

Special Flood Hazard Area (SFHA) - Is an area defined by FEMA or any foreign equivalent that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to by FEMA as the base flood or 100-year EDGE-100-B (12/10) flood. SFHA’s per FEMA include but are not limited to Zone A, Zone AO, Zone

AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. If not defined by FEMA or any foreign equivalent, it is an area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year.

- Underground Piping \$100,000 per occurrence less the member entity deductibles as stated above. There is no coverage for the perils of Earthquake, Flood or named Storm
- Golf Carts - \$25,000

f.) Pollution Liability

The NJC via the commercial market provides pollution liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for Pollution Liability):

- Limit of Liability: \$10,000,000 per claim and \$25,000,000 annual aggregate.
- Member Entity Deductible: \$25,000

NJC does not retain any risk as it is fully insured in the commercial market.

g.) Crime

The NJC via the commercial market provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):

Limit per occurrence:

- Mercer County – \$1,000,000
- Mercer County IA - \$1,000,000

Deductible per occurrence:

- Mercer County – \$25,000
- Mercer County IA - \$15,000

NJC does not retain any risk as it is fully insured in the commercial market.

h.) Medical Professional General Liability/Excess Medical Professional



The NJC via the commercial market provides medical professional general liability/excess medical professional coverage at the following limits and deductibles (the Insurance Commission retains no risk for medical professional general liability):

- Limit per claim/annual aggregate: \$1,000,000/\$3,000,000
  - This primary aggregate limit is shared by each member entity of each NJC member Commission.
- Member Entity Deductibles GL and PL:
  - Mercer County (Medical Reserves Corp) – \$2,500
  - MCIFC Scheduled Physicians - \$5,000
    - D. Shah -MC
    - R. Ahmad - MC

NJC does not retain any risk as it is fully insured in the commercial market.

i.) Employed Lawyers Professional Liability

- The NJC via the commercial market offers employed lawyers professional liability coverage program that MCIFC does not currently participate.

J.) Cyber Liability – Network Privacy & Security Liability

The NJC via the commercial market provides on an optional basis network privacy & security liability coverage at the following limits and deductibles (the insurance commission retains no risk for network privacy & security liability coverage):

- Limits per claim and annual aggregate: \$3,000,000/\$3,000,000
- Retention per member entity:
  - All Other: \$25,000
  - Waiting Period: 12 Hours
  - Breach Counsel: \$0
- Participating member entities are:
  - Mercer County (Including Board of Social Services)
  - Mercer County IA

h.) Non-Owned Aircraft. The NJCE covers \$9,000,000 CSL for Bodily Injury and Property Damage Liability, and \$5,000 medical expense for each passenger.

**NOTICE: The above description is a general overview of the coverage and limits provided by the Insurance Commission. The actual terms and conditions are defined in the individual policy documents and this Risk Management Plan. All issues and/or conflicts shall be decided upon by the individual policy documents. Additional terms, conditions, limits, sublimits and retentions may apply.**

- 3.) The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage).
- a.) Workers' Compensation (all coverages) - \$300,000 CSL
  - b.) General Liability (all coverages) - \$250,000 CSL
  - c.) Law Enforcement Liability – Included in General Liability
  - d.) Automobile Liability
    - Property Damage & Bodily Injury - \$250,000 CSL
    - Underinsured/Uninsured - \$15,000/\$30,000/\$5,000 CSL
    - Personal Injury Protection - \$250,000 CSL
  - d.) Public Officials Liability/School Board Legal/Employment Practices Liability - None
  - e.) Property/APD - **\$250,000** per occurrence less member entity deductibles.
  - f.) Equipment Breakdown – None for Mercer County and \$25,000 less member deductible of \$1,000 for MCIA.
  - g.) Crime – None
  - h.) Pollution Liability – None
  - i.) Medical Professional General Liability – None
  - j.) Employed Lawyers Liability – None
  - k.) Cyber Liability – None
  - l.) Non-Owned Aircraft - None
- 4.) The amount of unpaid claims to be established.

- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Insurance Commission expects the claims servicing company to set reserves at 85% accuracy. The Insurance Commission also establishes reserves recommended by the Insurance Commission's Actuary for claims that have been incurred but not yet reported so that the Insurance Commission has adequate reserves to pay all claims and allocated loss adjusted expense liability.
  - b.) Claims reserves are subject to regular review by the Insurance Commission's Executive Director/Administrator, Attorney, Board of Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Insurance Commission either directly or through the NJC JIF.
- 5.) The method of assessing contributions to be paid by each member of the Insurance Commission.
- a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Insurance Commission year by line of coverage and for each prior Insurance Commission year. The Actuary includes all budget items in these computations. The annual assessment of each participating member entity is its pro rata share of the probable net cost of the upcoming Insurance Commission year for each line of coverage as computed by the Actuary.
  - b.) The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Insurance Commission's Governing Body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Insurance Commission wide average increase plus a percentage selected by the Governing Body. The total amount of each member's annual assessment is certified by majority vote of the Insurance Commission's Governing Body at least one (1) month prior to the beginning of the next fiscal year.
  - c.) The Treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust Insurance Commission account by Insurance Commission year for each type of coverage in which the member participates.

- d.) If a member entity becomes a member of the Insurance Commission or elects to participate in a line of coverage after the start of the Insurance Commission year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
  - e.) The Insurance Commission's Governing Body may by majority vote levy upon the participating member entities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.
  - f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Insurance Commission fail to assess funds required to meet its obligations, the Chairman, or in the event by his or her failure to do so, the custodian of the Insurance Commission's assets, shall notify the Commissioner of Banking and Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Insurance Commission's Governing Body.
- 6.) Procedures governing loss adjustment and legal expenses.
- a.) The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office, as well as the claims department of the NJC's three major excess insurers (i.e. Underwriters at Lloyds, **Old Republic** for excess liability; Underwriters at Lloyds and Safety National Casualty Company for workers' compensation/employers liability). Every three years, the NJC's internal auditors may conduct an audit.
  - b.) Each member entity is provided with a claim reporting procedure and appropriate forms.
  - c.) In order to control workers' compensation medical costs, the Insurance Commission has engaged a managed care organization component through a contract with the claims service company whose procedures are integrated into the Insurance Commission's claims process.

- d.) To provide for quality defense and control costs, the Insurance Commission will utilize County Counsel attorneys and/or in-house counsel. In addition, it has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.
- 7.) Coverage to be purchased from a commercial insurer, if any.
- The Insurance Commission purchases a commercial crime bond to provide coverage in the event of an employee theft loss caused by the Insurance Commission's TPA, Executive Director, and/or Treasurer. The bond is purchased from Selective Fire and Casualty Insurance Company.
- 8.) Reinsurance to be purchased.
- The Insurance Commission does not purchase reinsurance.
- 9.) Procedures for the closure of Insurance Commission years, including the maintenance of all relevant accounting records.
- a.) Not applicable at this time.
- 10.) Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.
- a.) The general approach in estimating the loss reserves of the Insurance Commission is to project ultimate losses for each Insurance Commission year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Insurance Commission Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or Insurance Commission funding requirement.
- b.) The following is an overview of the two actuarial methods used to project the ultimate losses.
- Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are

sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.

- Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

11.) The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

- \$20,000 for workers compensation claims
- \$7,500 for liability claims
- With the advance approval of the Insurance Commission Attorney or Executive Director, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled Insurance Commission meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this day of 29<sup>th</sup> of January, 2020.

Mercer County Insurance Fund Commission

By: \_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Secretary