

MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – December 17, 2020
Meeting Held Telephonically
10:30 AM

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

ROLL CALL OF COMMISSIONERS:

Lillian Nazzaro, Esq.	Present
Raissa Walker	Present (<i>joined 10:37</i>)
K. Megan Clark Hughes	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Suretha Hobbs Richard Crooks
	Qual Lynx Chris Roselli
	PERMA Jennifer Conicella Robyn Walcoff
Managed Care Services	First MCO Alyssa Hrubash
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Auditor	Bowman and Company, LLP
Attorney	Paul Adezio, Esq.
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Jackie Tolbert, Mercer County Improvement Authority
Susan Schaefer, Susan Schaefer, LLC
Ana-Eliza Bauersachs, Esq., Capehart Scatchard
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF OCTOBER 26, 2020

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF
OCTOBER 26, 2020**

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

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Prince reported due to the rising COVID numbers the in person Safety and Accident Review Committee Meetings were suspended. Mr. Prince advised he would revisit the 2021 schedule with Ms. Hughes.

CLAIMS COMMITTEE: Ms. Conicella reported the Claims Committee did not meet, however the PARS would be presented during closed session. Ms. Conicella advised we would not be using a second telephone number for closed session and a breakout room would be used. Ms. Conicella concluded her report unless there were any questions.

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

2021 PROPERTY & CASUALTY BUDGET INTRODUCTION: Executive Director referred to a copy the proposed 2021 Property & Casualty Budget in the amount of \$6,400,912. Executive Director reported the introductory budget represented an overall decrease of \$397,065 or 5.84%. Executive Director noted the proposed budget was previously sent to the Chair and Commission Treasurer for their review. Executive Director reviewed the different sections of the budget and noted the following.

Loss Funds: (lines 1-4): The budget reflected a reduction in the loss funds of 10.26%. The Actuary analysis reflects the overall performance of the Insurance Commission.

CEL JIF Premiums: (line 9): The CEL premiums for excess WC, excess liability and property reflected a reduction of 6.91%. The NJCE introduced their budget on November 19, 2020 and budget adoption was scheduled for December 29th. Executive Director noted Mercer was one of the Commissions that were not affected by the increase in the CEL premiums.

Professional Fees: (lines 16-29): The increase of 2.32% reflected the respective contract terms and conditions with the Commission vendors.

Ancillary Coverage Premiums: (lines 33-42): The increase of 27.97% was primarily due to the second layer of excess liability premium which increased as a result of the current market conditions. Executive Director explained last year the excess liability carrier advised after the NJCE Budget was adopted they were dropping out of the business. Executive Director advised that was the start of the hard market and to replace that coverage the cost was a \$1 million. The Board of Fund Commissioners chose not to pass that cost to the Commission members and created a delta. Executive Director explained that was the reason for the large increase on line 33. Executive Director continued to review the other lines of the ancillary coverages.

Executive Director referred to a copy of the proposed assessments for the two member entities, which were included in the agenda. Executive Director asked if anyone had any questions on the budget and requested a motion to introduce the budget.

MOTION TO INTRODUCE THE 2021 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$6,400,912 AND SCHEDULE A PUBLIC HEARING ON JANUARY 25, 2021 AT 10:30 AM VIA ZOOM

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

Executive Director made one last comment on the budget and advised the assessment payments were due on 3/15/21, 5/15/21 and 10/15/21.

MCIFC DIVIDEND: Executive Director advised there were dividend options available to the Insurance Commission from Fund Years 2014, 2015 and 2016. Executive Director advised the three options available were \$500,000, \$1,000,000 and \$1,500,000 based on the statutory JIF formula. Executive Director noted last year the Commissioners agreed on a \$500,000 dividend. Executive Director advised the dividend would be applied to the outstanding receivable as the Treasurer is not fully funding the assessment which was fine. Chair Nazzaro advised she did have an opportunity to discuss with Dave Miller and they will be seeking a \$1.5 million dividend. Executive Director then asked for a motion to authorize a \$1.5 million dollar dividend to be applied to the outstanding receivable.

MOTION TO AUTHORIZE A \$1.5 MILLION DIVIDEND TO BE APPLIED TO THE OUTSTANDING RECEIVABLE

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

CERTIFICATE OF INSURANCE REPORT: Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the month of October was included in the agenda. Executive Director advised there were 4 certificate of insurances issued during the month of October. There were no certificates requested in November.

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

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

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE last met on November 19, 2020 and a written summary was included in the agenda. Executive Director advised at that meeting the 2021 NJCE Budget was introduced in the amount of \$27,088,279. Budget Adoption was scheduled for December 29, 2020 at 9:30 AM.

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 \$11,159,847 as of September 30, 2020. Executive Director also referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,614,150 of the surplus was the MCIFC’s share of the NJCE equity. Executive Director advised the cash balance was \$3,074,964.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the September Financial Fast Track was included in the agenda. As of September 30, 2020 the Fund had a surplus of \$18,919,992 and the cash balance was \$32,472,743. Executive Director noted the NJCE had issued dividends in the amount of \$3,607,551. Executive Director advised the Board of Commissioners authorized a \$2 million dividend; however, the distribution of the dividend would be determined in December. In response to the Executive Director’s inquiry, Ms. Dodd advised she would send the breakout of the dividend to the Commissioners when the meeting was over.

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

2021 PROPOSED MEETING SCHEDULE: Executive Director advised the proposed meeting dates for 2021 were included in the agenda. Executive Director noted the start time of the meetings would be at 10:30 AM. Executive Director advised the 2021 MCIFC Reorganization meeting was scheduled for January 25, 2021. Executive Director stated if the dates were acceptable, a resolution would be prepared for approval with the Reorganization Resolutions in January. Executive Director advised additional meetings could be scheduled if needed. Executive Director reported if a Claims Committee Meeting was necessary, they would be held prior to the start of the Commission Meeting at 10:00 AM.

January 25, February 22, April 26, June 28, July 26, September 27, October 25 and December 20

MOODY’S INVESTOR SERVICE REPORT: Executive Director reported Moody’s recently asked to do an article on the MEL and NJCE JIF’s with primary focus on their respective cyber risk control program. Executive Director advised after several discussions the article was

broadened to touch on other benefits derived from membership in MEL and NJCE. Executive Director noted although the article was heavily weighted towards MEL successes he wanted to share it with the NJCE membership. Executive Director stated a copy of the article which was just published was included in the Appendix section of the agenda.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chair Nazzaro advised the November and December Bill Lists, Resolutions 40-20 and 41-20 were included in the agenda.

**MOTION TO APPROVE RESOLUTION 40-20, NOVEMBER BILL LIST
AND RESOLUTION 41-20 DECEMBER BILL LIST**

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

Chair Nazzaro advised the monthly Treasurer Reports were included in the agenda.

ATTORNEY: Mr. Adezio advised there was no report from legal today.

CLAIMS SERVICE: Ms. Conicella reported certain policies issued to the Commission / Commission members apply on a claims made, or discovered and reported basis (e.g., Public Officials / Employment Practices, Employed Lawyers, Cyber, Medical Malpractice, Crime, Pollution.) Ms. Conicella advised with these types of policies, any claim made against you or loss discovered during the policy period must be reported before the end of the policy year. Ms. Conicella advised it was imperative that any claim, potential claim, or facts and circumstances that may give rise to a claim be reported to your insurance company prior to policy expiration on 12/31/20. Ms. Conicella asked that a “sweep” of claims, suits and or incidents that have not yet been reported and do so by 12/31/20. In response to Chair Nazzaro inquiry about the list of approved attorney’s, Ms. Dodd advised that list should be sent to the NJCE Underwriting Team, however, she said the list could be sent to her and she would forward. Executive Director noted if there were additional attorneys, their information should be added to the current list and then sent.

CLAIMS SERVICE: Chair Nazzaro advised Resolution 42-20, Disclosure of Liability Claims Check Registers were included in the agenda along with a copy of the check register for October 1, 2020 through October 31, 2020 and November 1, 2020 through November 30, 2020.

**MOTION TO APPROVE RESOLUTION 42-20 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

MANAGED CARE: Alyssa Hrubash introduced herself and advised she would review First MCO’s report, which was included in the agenda for the month of November. Ms. Hrubash provided the below information:

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of	Number of Bills	In Network Bills	Net Savings	PPO %
November	\$ 124,218	\$ 61,366	\$ 62,852	51%	72	71	\$ 50,281	99%

Ms. Hrubash advised that concluded her report unless anyone had any questions.

NJCE SAFETY DIRECTOR: Mr. Prince advised a copy of the Safety’s Director Report for October through December was included in the agenda. Mr. Prince referred to a copy of all of the training webinars scheduled through the end of January which was included in the agenda. Mr. Prince encouraged all departments who would like to participate in the training to visit the NJCE website for more information. Mr. Prince noted registration instructions were included in his report. Mr. Prince advised as he mentioned earlier all in person training was suspended all training opportunities in their catalog was converted to a webinar-based format. Mr. Prince advised on December 11th his office sent out a Safety Director Bulletin “Reporting & Recording COVID Related Illness Guidance” relating to OSHA’s recordkeeping requirements. Mr. Prince asked that if anyone had any questions or need clarification on the bulletin to contact his office. Mr. Prince concluded his report unless there were any questions.

RISK MANAGER CONSULTANT: Mr. Borden advised there was correspondence between his office and Paul Adezio regarding the Public Officials Bond and also on a third party vendor. Mr. Borden reported all of the underwriting information for the Hopewell Valley Golf Club was submitted to the NJCE Underwriting Manager, Mr. Cooney. Mr. Borden concluded his report unless there were any questions.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

Executive Director advised as Ms. Conicella mentioned earlier, there was no additional information provided for closed session as we would be utilizing a breakout room for closed session. Ms. Conicella would admit those that participate in closed session to the breakout room.

CLOSED SESSION: Executive Director read and requested a motion to approve Resolution 43-20 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 43-20 FOR EXECUTIVE SESSION

Moved:	Chair Nazzaro
Second:	Commission Hughes
Vote:	3 Yes, 0 Nays

**MOTION TO APPROVE THE PARS/SARS AS REVIEWED DURING
CLOSED SESSION**

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:42 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary