

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – January 25, 2021
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
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 Ed Cooney
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden Diane Pursell
Auditor	Bowman and Company, LLP
Attorney	Paul Adezio, Esq.
Safety Director	J.A. Montgomery Risk Control Jonathan Czarnecki

ALSO PRESENT:

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 DECEMBER 17, 2020

MOTION TO APPROVE THE OPEN MINUTES OF DECEMBER 17, 2020

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

MOTION TO APPROVE THE CLOSED MINUTES OF DECEMBER 17, 2020 WHICH WERE SENT BY E-MAIL

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

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Czarnecki reported the Safety and Accident Review Committee has not met and no meetings were scheduled. Mr. Czarnecki advised typically the meetings were held in person, however due to COVID there have been no meetings. In addition, Mr. Czarnecki said if there were any staff changes, the Committee should be updated. Mr. Czarnecki concluded his report unless there were any questions.

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 be using a breakout room for closed session. Ms. Conicella concluded her report unless there were any questions.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda.

REORGANIZATION RESOLUTIONS: Executive Director referred to the Reorganization Resolutions which were included in the agenda. Executive Director said with the Chair's permission, he would review the Resolutions and then ask to approve the resolutions as a consent.

- Resolution 1-21 Appointing MCIFC Commissioners
- Resolution 2-21 Appointing NJCE Commissioner & Alternate
- Resolution 3-21 Appointing Treasurer
- Resolution 4-21 Appointing Commission Attorney
- Resolution 5-21 Designating Authorized Depositories for Fund Assets
- Resolution 6-21 Designating Authorized Signatures for Commission Bank Account
- Resolution 7-21 Designating Custodian of Records
- Resolution 8-21 Designating Official Newspapers
- Resolution 9-21 Establishing Cash Management Plan

Resolution 10-21 Authorizing Commission Treasurer to Process Payments & Expenses
Resolution 11-21 Utilizing Mercer County Approved Counsel
Resolution 12-21 Plan of Risk Management for 2021

Executive Director said the 2021 Plan of Risk Management was included Appendix II of the agenda and noted the changes were highlighted in yellow. Executive Director asked Mr. Cooney to review the changes. Mr. Cooney noted the program structure changed at the NJCE level. In response to Chair Nazzaro's inquiry, Mr. Cooney advised the Self Insured Retention for liability of \$250,000 did not change. Mr. Cooney said there were many marketing efforts this year for the different line of coverages. Mr. Cooney noted the Equipment Breakdown deductible changed from \$25,000 to \$50,000. Mr. Cooney advised the Named Storm Occurrence Aggregate deductible of \$5,000,000 was added. Mr. Cooney advised the major changes this year were in cyber and public official coverages. Mr. Cooney said there was now a \$250,000 deductible for Public Officials Liability and Employment Practices coverage. Mr. Cooney advised if anyone had any questions to let him know. Mr. Cooney noted there would be a 2021 Renewal Overview in the NJCE Agenda and also on the NJCE website. In response to the Chair's questions, Mr. Adezio said he did not have any questions on the Self Insured Retentions. Executive Director asked if anyone had any questions on the Reorganization Resolutions and requested a motion for approval.

MOTION TO APPROVE REORGANIZATION RESOLUTIONS NUMBER 1-21 THROUGH 12-21

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

2021 MCIFC MEETING DATES: Executive Director referred to a copy of the 2021 Annual Meeting Schedule which was included in the agenda. Executive Director advised there were no meetings for March, May, August and November. Executive Director said if the Commissioners agreed with the meeting schedule, Resolution 13-21, adopting the meeting dates for 2021 was included in the agenda and requested a motion

MOTION TO ADOPT RESOLUTION 13-21, FIXING PUBLIC MEETING DATES FOR THE YEAR 2021

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

2021 PROPERTY & CASUALTY BUDGET: Executive Director reported at the December 17, 2020 Commission Meeting the 2021 Property & Casualty Budget was introduced. Executive Director noted the budget was advertised in the Commission's official newspapers. Executive Director said the Public Hearing for the budget was today. Executive Director referred to a copy of the budget which was included in the agenda. Executive Director reported the budget was in the amount of \$6,400,912 and there were no changes to the budget since introduction. Executive Director noted a copy of the assessments were also included in the budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2021 PROPERTY & CASUALTY BUDGET

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

Executive Director asked if anyone had any questions on the budget or assessments.

MOTION TO CLOSE THE PUBLIC HEARING

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

MOTION TO ADOPT THE PROPERTY & CASUALTY BUDGET FOR MERCER COUNTY INSURANCE FUND COMMISSION FOR THE 2021 YEAR AND CERTIFY THE 2021 ASSESSMENTS

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

NJ EXCESS COUNTIES JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE met on December 29, 2020 and approved the 2021 budget in the amount of \$27,088,278. Executive Director noted a summary report of the meeting was included in the agenda along with a copy of the NJCE budget. Executive Director advised the Fund also approved a \$1.5 million dividend. Executive Director said Mercer County’s share of the dividend was \$86,218 and the Improvement Authority’s share was \$3,826. Executive Director advised the credits would be applied to the assessment billings. Executive Director reported the NJCE would hold its Reorganization Meeting on February 25, 2021 via Zoom audio/video. Executive Director advised the NJCE did not meet the budget. Executive Director explained there was a delta of \$1 million in 2020 and there was a similar delta for 2021. Executive Director advised there would be discussions with the NJCE to see how they want to handle.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director advised the November Financial Fast Track was included in the agenda. The Commission had a surplus of \$11,202,775 as of November 30, 2020. Executive Director also referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,699,545 of the surplus was the MCIFC’s share of the NJCE equity. Executive Director advised the cash balance was \$3,015,978. Executive Director advised last year a dividend was issued in the amount of \$500,000 to offset the receivable and this year a \$1.5 million dividend would be applied to the outstanding assessment.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive the November Financial Fast Track was not available at this time.

CLAIMS TRACKING REPORTS: Executive Director advised the Claims Tracking Reports for the month of November 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.

EEO COVID LAWS: Mr. Adezio advised with respect to COVID and the pandemic he wanted to discuss if an employer could force or require an employee to take the vaccination. Mr. Adezio said they were checking with Counsel and the CDC put out some guidelines. Executive Director reported the MEL already issued a bulletin and a memorandum from their counsel regarding the issue. Executive Director advised he would share the documents with the Commissioners and Mr. Adezio. Executive Director said there was no mandate by anyone and the Governor had not acted on that provision. Executive Director advised if you were going to mandate vaccines for your employees, you should know what the legal risks are. Chair Nazzaro thanked Mr. Adezio for raising the question.

COVID VACCINATION SITE: Executive Director reported Mr. Adezio wanted to discuss the vaccination site at the arena which was owned by the Improvement Authority. Mr. Adezio said this was related to folks that wanted the vaccination and were signing up through the NJ Vaccination Scheduling System. Through the efforts of Mr. Hughes, County Executor, and the County Administrator they were partnering with Capital Health to have a vaccination site at the arena, owned by the Improvement Authority, and managed by a third party, Global Spectrum. Mr. Adezio said he sent certain materials to the insurance professionals including Mr. Hrubash asking for their thoughts to ensure they were protected in these unchartered waters. Mr. Adezio said Mr. Borden provided some thoughts that he would share with Capital Health Attorney. Mr. Adezio advised they were already giving the vaccinations on site. Mr. Borden advised his only concern was the contract protecting the County for vicarious liability; Capital Health was assuming all the primary liability; however, the County could be dragged into a vicarious suit. Mr. Borden advised the insurer for Capital Health was a Bermuda based alternative risk retention group so it was not likely to receive an additional insured endorsement like on a regular policy. Mr. Borden said he and Mr. Cooney agreed that any protection for the County would have to come contractual not through insurance. Mr. Cooney said it would be nice to obtain the additional insured endorsement but might not happen due to the structure of their insurance program. In response to the Chair's inquiry regarding the onsite volunteers, Mr. Adezio said it was his understanding Capital Health was doing all of the vaccinations and are responsible for all of the medical personnel, and he did not know if there were any volunteers showing up to help. Mr. Cooney advised the only type of position he would need to know about ahead of time was a doctor, physician or that type of level professional, others would have automatic coverage under the program.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chair Nazzaro advised Mr. Miller was not present and the January Bill List, Resolution 14-21 was included in the agenda.

MOTION TO APPROVE RESOLUTION 14-21, JANUARY BILL LIST

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

ATTORNEY: Mr. Adezio thanked the Chair and fellow Commissioners for their vote of support and approving him as the Commission Attorney. Mr. Adezio advised he did not have any report.

CLAIMS SERVICE: Ms. Conicella reported they were still seeing surging number of COVID across the state and encouraged everyone to report new claims. Ms. Conicella advised Ms. Fowlkes was sending over reports for the excess carrier. Ms. Conicella concluded her report unless there were any questions.

CLAIMS SERVICE: Ms. Fowlkes advised Resolution 15-21, Disclosure of Liability Claims Check Registers were included in the agenda along with a copy of the check register for December 1, 2020 through December 31, 2020.

**MOTION TO APPROVE RESOLUTION 15-21 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

MANAGED CARE: Ms. Hrubash advised she would review First MCO’s report, which was included in the agenda for the year 2020. Ms. Hrubash provided the below information:

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of	Number of Bills	In Network Bills	Net Savings	PPO %
Jan - Dec 2020	\$ 1,190,605	\$ 642,820	\$ 548,501	46%	914	827	\$438,844	90%

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

NJCE SAFETY DIRECTOR: Mr. Czarnecki advised a copy of the Safety’s Director Report for December through January was included in the agenda. Mr. Czarnecki reported they were continuing their online webinars and a copy of the Webinar Training Schedule for the months of January and February were included in the agenda. Mr. Czarnecki also reminded the County the NJCE had a new Video Streaming Service and advised the link to access the streaming, “on demand” could be found on the NJCE website. Mr. Czarnecki advised the BRIT Safety Grant would not be offered any longer, however Munich Re would offer. Mr. Czarnecki said additional details and qualifications would be announced when they became available. Mr. Czarnecki reported Munich Re agreed to a \$50,000 grant as opposed to the \$45,000 in years past. Mr. Czarnecki concluded his report unless there were any questions.

RISK MANAGER CONSULTANT: Mr. Borden advised as of December 31, 2020, Borden Perlman was involved with an assist purchase agreement. Mr. Borden reported CBIZ, a publicly traded company purchased the assets of Borden Perlman. Mr. Borden said he and Mr. Perlman would maintain control of the entity for the next ten years, but officially they were CBIZ, Borden and Perlman. Mr. Borden asked that he be included on the e-mail with the MEL Mandatory COVID Vaccination Guidance. In response to Executive Director’s inquiry, Mr. Adezio advised he had discussed the name change earlier with Mr. Borden, and he recommended a simple amendment be prepared to amend the contract.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Executive Director advised on behalf of Ms. Dodd and the PERMA team he thanked the Commission for the reappointment.

PUBLIC COMMENT: None

CLOSED SESSION: Executive Director read and requested a motion to approve Resolution 16-21 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 16-21 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: 11:23 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary