

MERCER COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
AUGUST 24, 2021
10:30 AM

To attend the meeting via teleconference
Dial 1- 312-626-6799 and enter Meeting ID: 985 8895 1256

OR

Join Zoom Meeting via computer Link

<https://permainc.zoom.us/j/98588951256>

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

The Mercer County Insurance Fund will Commission will conduct its August 24, 2021 meeting electronically, in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. Notice of this meeting was given by

- (1) Sending sufficient notice herewith to the Trenton Times, The Trentonian and the Princeton Packet
- (2) Filing advance written notice of this meeting with the Commissioners of the Mercer County Insurance Fund Commission,
- (3) Posting this notice on the public bulletin board of all members.

During a remote meeting, participants, including members of the public, may be muted by the host, however there will be an opportunity for them to participate and speak during the public portion of the meeting where participants will be unmuted at their request.

MERCER COUNTY ISURANCE FUND COMMISSION
AGENDA
OPEN PUBLIC MEETING: August 24, 2021
10:30 AM

- ☐ **MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ☐ **ROLL CALL OF COMMISSIONERS**
- ☐ **APPROVAL OF MINUTES:** July 12, 2021 Open MinutesAppendix I
July 12, 2021 Closed MinutesSent via e-mail

- ☐ **CORRESPONDENCE:** None

- ☐ **COMMITTEE REPORTS**
 - Safety Committee: Verbal
 - Claims Committee: Verbal

- ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR - PERMA**Pages 2-25

- ☐ **TREASURER – David Miller**
 - Resolution 31-21 July Bill List - MotionPage 26
 - Resolution 32-21 August Bill List - MotionPage 27
 - May Treasurer ReportsPages 28-29

- ☐ **ATTORNEY – Paul Adezio, Esq.**..... Verbal

- ☐ **CLAIMS SERVICE – PERMA**..... Verbal

- ☐ **CLAIMS ADMINISTRATOR –Inservco Insurance Services, Inc. - Motion**
 - Resolution 33-21 Authorizing Disclosure of Liability Claims Check RegisterPage 30
 - Liability Claim Payments 6-1-21 to 6-30-21Pages 31-32
 - Liability Claim Payments 7-1-21 to 7-31-21Pages 33-34

- ☐ **MANAGED CARE – First MCO**
 - Monthly Summary Report.....Page 35

- ☐ **NJCE SAFETY DIRECTOR – J.A. Montgomery Consulting**
 - Monthly Report.....Pages 36-42
 - Munich Re Safety Grant Program..... Pages 43

- ☐ **RISK MANAGER CONSULTANT – CBIZ Borden Perlman**
 - Monthly Report..... Verbal

- ☐ **OLD BUSINESS**
- ☐ **NEW BUSINESS:**
- ☐ **PUBLIC COMMENT**
- ☐ **CLOSED SESSION – Payment Authorization Requests (PARS)Pages 44-45**
 - Resolution 34-21 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 Qual Lynx and attached to this agenda.
 - ☐ Motion for Executive Session
 - ☐ Motion to Return to Open
- ☐ **APPROVAL OF PARS: Motion to approve PARS/SARS as discussed in Executive Session (Roll Call Vote)**
- ☐ **MEETING ADJOURNMENT**
- ☐ **NEXT SCHEDULED MEETING: September 27, 2021, 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: August 24, 2021

Memo to: Commissioners of the Mercer County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

- ☐ **Amendment to the Commission's Rules & Regulations(Appendix II & Page 4)** – As we previously discussed we introduced an amendment to the Insurance Commission's Rules & Regulations (By-Laws) pursuant to Governor Murphy signing S855 into law on August 21, 2020. The legislation required the title of "chosen freeholder" to be changed to "county commissioner" and all "board of chosen freeholders" to be known as "boards of county commissioners" effective January 1, 2021. Today is the Public Hearing for the adoption of the amendment. Included in Appendix II of the agenda is the revised version of the Rules & Regulations prepared by the Commission Attorney along with the red lined version. A copy of the proposed changes were sent to the Commissioners on August 11, 2021 for their review. Also attached on page 4 is Resolution 29-21, Approving Rules & Regulations. The resolution was reviewed by the Commission Attorney.

- ☐ **Motion to open the Public Hearing on the Revised Rules & Regulations**
- ☐ **Discussion on the Revision**
- ☐ **Motion to close the Public Hearing**
- ☐ **Motion to adopt Resolution 29-21, Approving Rules & Regulations**

- ☐ **Resolution 30-21 Authorizing the Services of Susan Schaefer, LLC (Page 5)** – The Mercer County Board of County Commissioners adopted Resolution 2021-443 authorizing a professional service agreement, awarded through a non-fair and open process with Susan Schaefer, LLC for worker compensation case management services. The agreement type, is for the County of Mercer and the Mercer County Insurance Fund Commission for the period of July 1, 2021 through June 30, 2022 with an hourly rate of \$85/hour in an amount not to exceed \$207,000. Included in the agenda on page 5 is Commission Resolution 30-21, Authorizing the Services of Susan Schaefer, LLC. The resolution was reviewed by the Commission Attorney.

- ☐ **Motion to adopt Resolution 30-21, Authorizing the Services of Susan Schaefer, LLC**

- ☐ **Certificate of Insurance Reports (Pages 6-7)** – Included in the agenda on pages 6-7 are the certificate of issuance reports from the NJCE which lists those certificates issued for the months of June and July. There was (1) one certificate of insurance issued during the month of June and (1) one during the month of July.

- ☐ **Motion to approve the certificate of insurance report**

- ❑ **NJ Counties Excess Joint Insurance Fund (NJCE) (Pages 8-13)** – The NJCE met on June 24, 2021. A written summary report of the meeting is included in the agenda on pages 8-13. The NJCE will meet again on September 23, 2021 at 9:30 AM. Executive Director and NJCE Underwriting Manager will provide a preliminary update on the 2022 renewal.
- ❑ **NJCE v Commercial Market Webinar** – PERMA Risk Management Services, Conner Strong & Buckelew and J.A. Montgomery presented a webinar to discuss the current state of the commercial market and the benefits of an insurance commission and joint insurance fund membership versus the commercial market. The webinar was held on Friday, July 23, 2021 at 12:30 PM. The presentation is posted on the NJCE website, (njce.org) under the Resource Tab.
- ❑ **MCIFC Property & Casualty Financial Fast Track (Pages 14-15)** – Included in the agenda on pages 14-15 is a copy of the Financial Fast Track for the month of May. As of May 31, 2021 the Commission has a surplus of **\$9,116,708**. 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 May 31, 2021 is **\$1,196,276**. The total cash balance is **\$3,206,841**.
- ❑ **NJCE Property & Casualty Financial Fast Track (Pages 16-18)** – Included in the agenda on pages 16-18 is a copy of the NJCE Financial Fast Track for the month of May. As of **May 31, 2021** the Fund has a surplus of **\$13,666,628**. Line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of **\$5,107,551**. The cash balance is **\$27,392,708**.
- ❑ **Claims Tracking Reports (Pages 19-21)** - Included in the agenda on pages 19-21 are copies of the Claim Activity Report and the Claims Management Report Expected Loss Ratio Analysis report as of May 31, 2021. The Executive Director will review the reports with the Commission.
- ❑ **2022 Renewal – Underwriting Data Collection (Pages 22-25)** – An e-mail was sent on August 6, 2021 to designated users with the link to the 2022 NJCE Exposure Renewal which is hosted online via Origami Risk Management Information System. The deadline to complete the data underwriting renewal is Friday, September, 17, 2021.

Attached on pages 22-25 of the agenda is a memorandum from the NJCE Underwriting Manager Team regarding the Underwriting Information needed for the 2022 renewal. The Cyber and Medical Malpractice applications mentioned in the memorandum were included in the e-mail sent by Origami Risk Management Information System. If you have any questions as you go through the renewal process, please contact one of the Account Team members.

RESOLUTION NO. 29-21

**MERCER COUNTY INSURANCE FUND COMMISSION
APPROVING AMENDED RULES & REGULATIONS**

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 pursuant to N.J.S.A. 40A:10-10(c), may adopt Rules and Regulations; and

WHEREAS, pursuant to Resolution No. 14-14, adopted on February 3, 2014, the MCIFC adopted its initial Rules and Regulations; and

WHEREAS, pursuant to R.S. 40:20-1, as signed into law by Gov. Phil Murphy on August 21, 2020, with a January 1, 2021 effective date, the term “County Freeholder” was changed to “County Commissioner”; and

WHEREAS, it is in the best interest of the MCIFC to amend its Rules and Regulations to reflect the new law, together with other changes, including the deletion of Article XII concerning health insurance coverage, which the MCIFC is not involved with;

NOW, THEREFORE, BE IT RESOLVED that the attached Rules & Regulations, be and hereby are adopted as amended, to effectuate R.S. 40:20-1, , together with other changes, and to delete Article XII concerning health insurance coverage;

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on August 24, 2021.

ADOPTED:

LILLIAN L. NAZZARO, ESQ., CHAIR

DATE

ATTEST:

K. MEGAN CLARK HUGHES

DATE

RESOLUTION NO. 30-21

MERCER COUNTY INSURANCE FUND COMMISSION

**AUTHORIZING THE SERVICES OF
SUSAN SCHAEFER, LLC**

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 Commissioners of the MCIFC have deemed it necessary and appropriate to obtain certain professionals and other extraordinary and unspecifiable services; and

WHEREAS, the MCIFC has a need for worker compensation case management services; and

WHEREAS, the Mercer County Board of County Commissioners on August 12, 2021 adopted Resolution 2021-443 authorizing a professional service agreement (awarded through a non-fair and open process) with Susan Schaefer, LLC for worker compensation case management services for the County of Mercer and the MCIFC at an hourly rate of \$85/hour, in an amount not to exceed \$207,000 for the period of July 1, 2021 through June 30, 2022. This amount will be paid as an expense under the MCIFC’s respective claims file.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Mercer County Insurance Fund Commission that the Commission agrees to authorize the services of Susan Schaefer, LLC pursuant to the terms and conditions of Mercer County Board of County Commissioners Resolution 2021-433.

ADOPTED by THE MERCER COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on August 24, 2021.

ADOPTED:

LILLIAN L. NAZZARO, ESQ., CHAIR

DATE

ATTEST:

K. MEGAN CLARK HUGHES

DATE

Mercer County Insurance Comm.

Certificate of Insurance Monthly Report

From 6/1/2021 To: 7/1/2021

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID	Coverage
H - Mercer County Prosecutor I - County of Mercer	P.O. Box 8068 Trenton, NJ 08650	RE: School Supply Giveaway Event at Mercer County Arm and Hammer Park Evidence of Insurance with respect to School Supply Giveaway Event at Mercer County Arm and Hammer Park during the current calendar year.	6/24/2021 #2943975	GL AU EX WC OTH
Total # of Holders: 1				

Mercer County Insurance Comm.

Certificate of Insurance Monthly Report

From 7/1/2021 To: 8/1/2021

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID	Coverage
H - AOH, Ancient Order of Hibernians I - County of Mercer	2419 Kuser Road Hamilton, NJ 08690	RE: 4-H shooting sports club utilizing space for monthly meetings The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to Mercer County 4-H shooting sports club utilizing space for monthly meetings.	7/1/2021 #2955649	GL AU EX WC OTH
Total # of Holders: 1				



NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive - Suite 216

Parsippany, NJ 07054-4412

Telephone (201) 881-7632 Fax (201) 881-7633

Date: June 24, 2021

Memo to: Mercer County Insurance Fund Commission

From: Joseph Hrubash, NJCE Executive Director

Subject: June 24, 2021 Meeting

Correspondence-Excess Property Claims Administrator: QualCare Alliance Networks submitted correspondence announcing plans to be acquired by Mitchell - Genex - Coventry. Mr. Roselli said current staffing will remain in place and said he expects no changes in service.

2021 Amended Budget: Executive Director reported that last month, the Fund introduced a proposed 2021 amended budget as the NJCE Board agreed that the JIF would charge an additional assessment to the premium portion of the 2021 excess renewal delta which totaled \$609,437. Following the public hearing, the Board adopted the 2021 amended budget and certified the additional assessments.

December 31, 2020 Audit: Fund Auditor submitted a draft financial audit for the period ending December 31, 2020 and provided a summary review of the Financial Statements.

Fund Auditor highlighted the following items:

- The *Comparative Statements of Net Position-Exhibit A1* included a new line item *Excess Insurance Recoverable*, which refers to the anticipated recovery of 2020 COVID-19 claims.
- Audit report reflects financials thru date of issuance and the final report to be presented in September may be updated slightly. The draft audit shows Claims Expenses comprised of Reserves and Incurred But Not Reported (IBNR) as of December 31, 2020. The Actuary's loss reserves report as of March 2021 reflected \$1.2 million in claims that existed as of December 31, 2020, which are not reflected as a liability in the draft report; if reflected the year-end financials would result in a break-even financial position. Fund Auditor noted discussion with management was held and based on historical precedent the Actuary's loss reserves as of December 31, 2020 would be relied upon for this audit.
- The *Notes to Financial Statements – Note #7* reflects each Commission and stand-alone County member have equity and interest in the NJCE JIF based on a percentage of assessments paid as of December 31, 2020.

To supplement the Auditor's discussion on the additional \$1.2 million in claim activity, Executive Director reviewed the Financial Fast Tracks as of March 31st and April 30th and noted reductions in the surplus in the 2016, 2020 and 2021 fund years. Executive Director reported the most significant change is a result of the projected \$10 million that COVID-19 related workers' compensation claims will eventually cost the NJCE. Executive Director reported the NJCE is strengthening its claim and IBNR reserves due to the uncertainty over the recovery from the excess insurer Safety National. Therefore, the strategy is to book \$4 million for COVID claims and IBNR at the NJCE level to relieve the members of this liability. Executive Director reported the MEL JIF is experiencing the same issue with

Safety National and a meeting was held with the Insurance Commissioner of NJ Department of Banking & Insurance to put them on notice that the carrier is taking a hard line on providing coverage. Hopefully, the NJCE will be successful in making a full recovery from Safety National so that it can reverse this accrual. In addition to this, the Actuary is strengthening the case reserves and IBNR due to large claims activity in the 2016 fund year.

Fund Auditor concluded review of the audit and reported there were no recommendations or findings. Fund Auditor said the Fund is in excellent financial condition would be submitting a final audit report at the September meeting. The Board of Fund Commissioners adopted a resolution authorizing the Fund office to file the draft audit and request an extension to file the final audit report to the State's regulatory agencies.

Professional Services Competitive Contracts:

Technical Services Writer: Executive Director reported a suggestion coming out of the NJCE Coverage Committee from last year was the need to procure a Technical Writer to draft manuscript policies for retained layers of the program. Executive Director estimated the services for a Technical Writer would not exceed \$25,000. The Board of Fund Commissioners authorized the Fund office to work with the Fund Attorney to procure these services via competitive contract so they are in place for 2022.

NJCE Finance Committee: Executive Director reported the NJCE team (PERMA, JAM and CSB) made a presentation to the Finance Committee on the state of the commercial market and benefits of the insurance commission/joint insurance versus commercial market. The presentation was roughly an hour, generated some good questions and interaction with commissioners and was well received. The Finance Committee has suggested the presentation be made available to all commissioners and key members of their management team. It was also suggested a recorded version be available, as well as, one or two live webinars either Thursday July 22nd and/or Friday July 23rd to promote interaction and allow for questions. The Board of Fund Commissioners agreed with the suggestion to host up to two interactive webinars.

NJCE Cyber Task Force: The task force met on May 17, 2021 to discuss to discuss cyber-related issues and develop a cyber-risk management program; minutes from the meeting were included for information. An additional meeting will be scheduled for July and a draft cyber-risk management program will be reviewed.

Included in the agenda were copies of a news alert focusing on recent cyber-attacks highlighting the importance of reviewing cyber risk management programs and finding ways to better protect your networks.

NJCE Coverage Committee: A meeting of this committee will be scheduled in July to discuss County-related coverage issues.

NJCE Claims Review Committee: Committee Chairman Sheehan reported the Claims Review Committee met prior to the Fund's meeting to review claims in detail. The Board of Fund Commissioners accepted the recommendations of the committee to approve payment or settlement authority requests. Closed Session was not required for this action.

Prospective Membership: Executive Director reported the County of Essex and Middlesex County Insurance Commission were renewing mid-2021 and were identified as potential members. The County of Essex chose to remain with their commercially placed program and initial discussions are being held with Middlesex County Insurance Commission for potential membership.

New Members: The Burlington County Special Services School District & Burlington County Institute of Technology have agreed to join the Burlington County Insurance Commission for certain lines of insurance effective July 1, 2021. Included is an updated member chart reflecting a total of 29 entities.

Pollution Liability Coverage: Executive Director reported Zurich had informed the Fund office that this will be the final year of providing pollution liability coverage as they are moving away from this industry. The Underwriting Manager will conduct widespread marketing efforts on this line of coverage, which includes the feasibility of making a submission to the NJ Environmental Joint Insurance Fund (EJIF).

Learning Management System: J.A. Montgomery provided an update on the status of the online Learning Management System (LMS) and reported the system went live on April 1st. FirstNet, the LMS vendor, has provided instructional webinars on how to navigate the system as a Training Administrator. Safety Director said members may contact his office if additional Training Administrators are requested.

2022 Renewal – Underwriting Data Collection: Deputy Executive Director reported the Fund office is beginning the data collection process for the 2022 renewal in order to provide relevant information to underwriters. Members and/or risk managers will manage the renewal via Origami, the online platform where members' exposure data (property, vehicles, etc.) may be accessed and edited, as well as, applications to download and complete for ancillary coverages. In addition, the Payroll Auditor is conducting payroll audits which will be uploaded by the Fund office into Origami. The 2022 renewal process is mid-July through mid-September, which will allow members to confirm underwriting data in time to introduce a budget at the October meeting.

NJ Sustainable Energy Joint Meeting (NJSEM): Deputy Executive Director reported the NJSEM is offering a webinar on Tuesday, July 20, 2021 at 10:00AM to help educate local government officials on the basics of Electric vehicles ("EVs"), the fast-developing EV market, the State's strategies to reduce carbon emissions from vehicles, and the role that local government can play. NJ SEM has applied to the DCA for approval of this webinar as a Continuing Education Credit course, for up to 2 CEU credits for MFO/CFO, CPWM, RMC and QPA. More information on the NJSEM may be found at www.njsem.org.

Membership Renewal: Deputy Executive Director reported the Commissions of Camden County, Gloucester County and the County of Monmouth are scheduled to renew their three-year membership with the Fund as of January 1, 2022. Renewal documents were emailed and mailed on 5/25/2021.

2021 Government Finance Officers Association of NJ (GFOA of NJ): Deputy Executive Director reported J.A. Montgomery has been invited to present at the GFOA of NJ conference at the Golden Nugget in Atlantic City from September 21st to September 24th. GFOA of NJ is a professional association of government finance officers working together to enhance and promote professionalism within the governmental community. Executive Director thanked Commissioner Wood for her assistance in presenting this speaking opportunity.

2021 Financial Disclosures: The Local Finance Board, at its meeting of April 14, 2021 voted to extend the date upon which the Board would take enforcement action against non-filers of the 2021 FDS until June 30, 2021 from the statutory deadline of April 30, 2021. Deputy Executive Director reported the Fund office will follow up with Commissioners that have not completed their filing.

Underwriting Manager Report

Underwriting Manager noted the upcoming Coverage Committee meeting will include review of the upcoming 2022 renewal and marketplace conditions.

Risk Control Report

Safety Director submitted a report reflecting the risk control activities from April to July 2021, as well as, upcoming training events.

Safety Director reported Munich Re 2021 Safety Grant Program would be administered differently in that members should submit proposed purchases first and once approved then Munich Re would directly deal with vendors for those safety-related purchases. Safety Director will issue a memorandum and guidelines for members to use as reference on the new process.

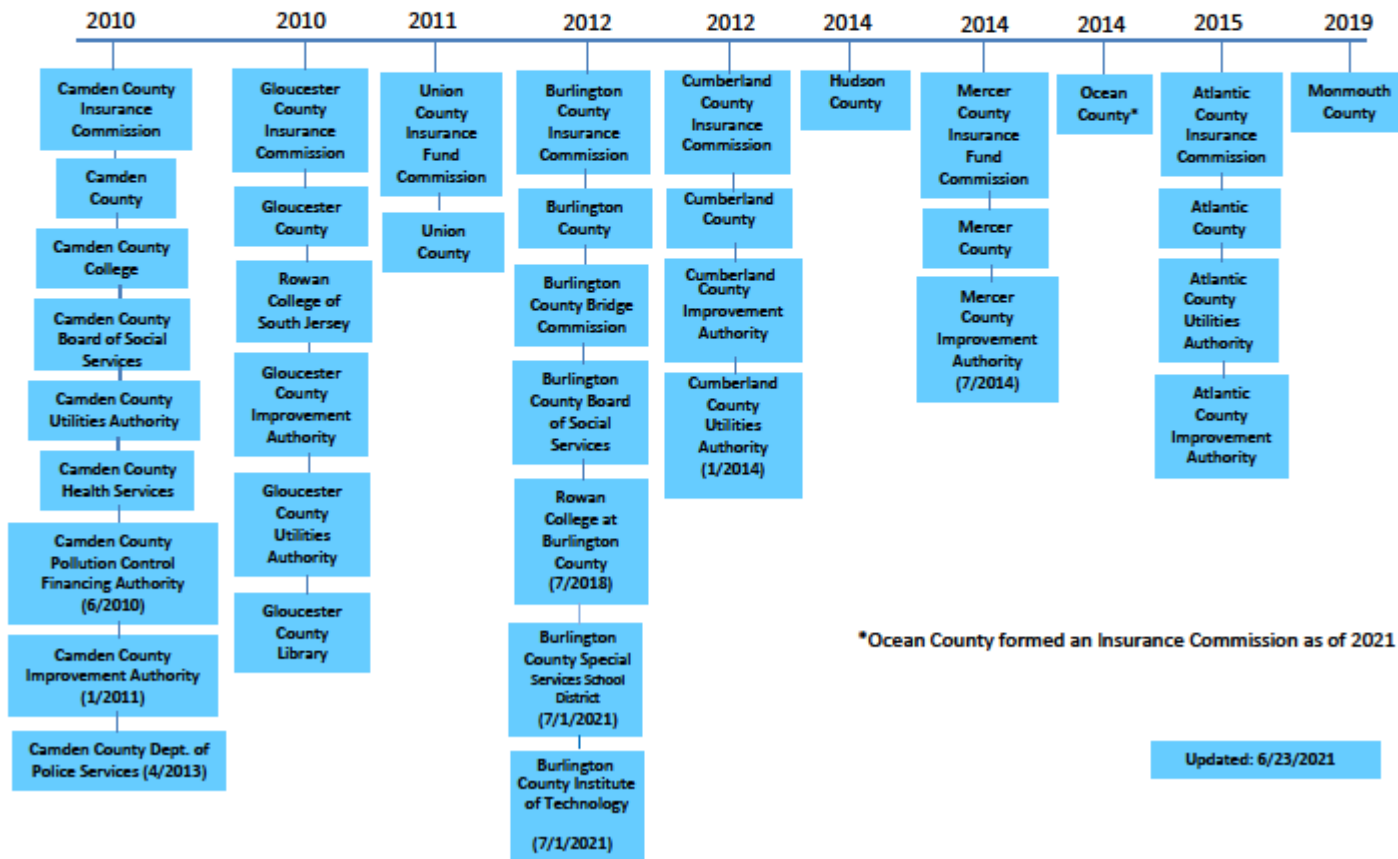
Workers Compensation Claims Administrator Report

Claims Administrator submitted a report reflecting the billed amount and percentage of savings as of May 2021.

Next Meeting: The next meeting of the NJCE fund is scheduled for September 23, 2021 at 9:30AM via Zoom; please contact the Fund office for meeting access information.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND					
2021 BUDGET - MAY 2021 AMENDMENT					
APPROPRIATIONS	(A)	(C)	(D)	(E)	
I. Claims and Excess Insurance			(C - A)	(D / A)	Amended 2021 Budget
Claims	ANNUALIZED BUDGET FY2020	PROPOSED BUDGET FY2021	Change \$	Change %	Premium Delta
Property	836,999	910,261	73,262	8.8%	
Liability	997,334	897,602	(99,732)	-10.0%	
Auto	258,435	232,593	(25,842)	-10.0%	
Workers' Comp.	2,683,444	2,282,295	(401,149)	-14.9%	
WC 150 x 1K (7720)	<u>136,422</u>	<u>122,780</u>	<u>(13,642)</u>	<u>-10.0%</u>	
Subtotal - Claims	4,912,634	4,445,531	(467,103)	-9.5%	
Premiums					
Property	6,119,498	7,202,167	1,082,669	17.7%	132,004
XS Flood to 50	501,164	596,498	95,334	19.0%	(50,970)
Liability (Brit)	3,924,402	3,924,402	(0)	0.0%	528,400
Workers Comp (450 x 550) *	1,045,289	964,203	(81,086)	-7.8%	
Workers Comp (Stat x 1MIL/ x 3MIL Mc	2,080,846	2,199,012	118,166	5.7%	3
SubTotal Premiums	13,671,199	14,886,282	1,215,083	8.9%	609,437
Total Loss Fund	18,583,833	19,331,813	747,980	4.0%	609,437
II. Expenses, Fees & Contingency					
Claims Adjustment	68,190	69,553	1,364	2.0%	
Claims Adjustment - Property	17,000	17,340	340	2.0%	
Safety Director	412,378	420,625	8,247	2.0%	
General Expense					
Exec. Director	683,641	697,313	13,672	2.0%	
Actuary	23,045	23,505	461	2.0%	
Auditor	14,930	15,229	299	2.0%	
Attorney	15,654	15,654	0	0.0%	
Treasurer	15,653	15,653	0	0.0%	
Underwriting Manager	435,096	443,798	8,702	2.0%	
Underwriting Data Consolidation	98,110	100,073	1,962	2.0%	
Payroll Audit	16,423	16,751	328	2.0%	
Safety Institute Funding	100,004	100,004	0	0.0%	
Misc. Expense & Contingency	12,220	20,000	7,780	63.7%	
Total Fund Exp & Contingency	1,912,343	1,955,499	43,156	2.3%	
Risk Management Consultant	102,124	102,124	0	0.0%	
Total Self Insured Program	20,598,299	21,389,435	791,136	3.8%	
Ancillary Coverages					
Excess Liability	611,653	1,700,000	1,088,347	177.9%	
Property 150 x 110	554,779	500,341	(54,438)	-9.8%	
POL/EPL	1,211,835	1,305,838	94,003	7.8%	
Crime Program	163,805	175,281	11,476	7.0%	
Medical Malpractice	855,364	940,860	85,496	10.0%	
Pollution Liability	283,750	298,896	10,578	4.8%	
Employed Lawyers Liability	154,198	161,913	7,715	5.0%	
Cyber Liability	426,060	511,273	85,213	20.0%	
Aviation	119,274	87,327	(3,548)	-3.9%	
Marina Operators Liability	11,971	17,114	5,143	43.0%	
Total Ancillary Coverages	4,392,689	5,698,843	1,306,154	29.7%	
Total FUND Disbursements	24,990,988	27,088,278	2,097,290	8.4%	27,697,716

New Jersey Counties Excess Joint Insurance Fund



MERCER COUNTY INSURANCE COMMISSION						
FINANCIAL FAST TRACK REPORT						
		AS OF	May 31, 2021			
ALL YEARS COMBINED						
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
1.	UNDERWRITING INCOME		542,803	2,714,015	53,674,208	56,388,222
2.	CLAIM EXPENSES					
		Paid Claims	255,355	1,232,061	14,399,969	15,632,030
		Case Reserves	(172,029)	532,079	5,213,735	5,745,814
		IBNR	176,157	(521,827)	3,211,495	2,689,668
		Excess Insurance Recoverable	(23,437)	(17,042)	(71,403)	(88,445)
		Discounted Claim Value	(11,753)	58,635	(206,821)	(148,187)
TOTAL CLAIMS			224,293	1,283,904	22,546,975	23,830,880
3.	EXPENSES					
		Excess Premiums	228,497	1,142,484	17,275,749	18,418,233
		Administrative	49,592	248,034	3,970,643	4,218,678
TOTAL EXPENSES			278,089	1,390,518	21,246,392	22,636,910
4.	UNDERWRITING PROFIT (1-2-3)		40,421	39,592	9,880,840	9,920,432
5.	INVESTMENT INCOME		0	0	0	0
6.	PROFIT (4 + 5)		40,421	39,592	9,880,840	9,920,432
7.	CEL APPROPRIATION CANCELLATION		0	0	0	0
8.	DIVIDEND INCOME		0	0	205,211	205,211
9.	DIVIDEND EXPENSE		0	0	(2,205,211)	(2,205,211)
10.	INVESTMENT IN JOINT VENTURE		(36,076)	(35,334)	1,231,610	1,196,276
11.	SURPLUS (6 + 7 + 8 - 9)		4,346	4,258	9,112,450	9,116,708
SURPLUS (DEFICITS) BY FUND YEAR						
	2014		4,341	(45,651)	1,100,666	1,055,014
	2015		600	(14,720)	1,606,124	1,591,405
	2016		(54,805)	(50,331)	1,669,890	1,619,559
	2017		(6,214)	39,675	2,257,124	2,296,799
	2018		13,918	210,670	1,924,550	2,135,219
	2019		14,431	222,244	731,936	954,179
	2020		114,409	427,562	(177,839)	249,723
	2021		(82,335)	(785,191)		(785,191)
TOTAL SURPLUS (DEFICITS)			4,346	4,258	9,112,450	9,116,708
TOTAL CASH						3,206,841

MERCER COUNTY INSURANCE COMMISSION				
FINANCIAL FAST TRACK REPORT				
		AS OF	May 31, 2021	
ALL YEARS COMBINED				
	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
CLAIM ANALYSIS BY FUND YEAR				
FUND YEAR 2014				
Paid Claims	1,800	3,693	2,093,733	2,097,425
Case Reserves	(1,800)	44,776	186,178	230,954
IBNR	0	(6,779)	123,642	116,863
Discounted Claim Value	0	8,348	(13,818)	(5,470)
TOTAL FY 2014 CLAIMS	0	50,038	2,389,735	2,439,773
FUND YEAR 2015				
Paid Claims	2,320	5,964	2,575,955	2,581,918
Case Reserves	(2,320)	24,031	236,637	260,667
IBNR	0	(21,310)	89,736	68,427
Discounted Claim Value	0	6,679	(11,358)	(4,679)
TOTAL FY 2015 CLAIMS	0	15,364	2,890,970	2,906,333
FUND YEAR 2016				
Paid Claims	14,302	111,271	2,876,414	2,987,686
Case Reserves	(13,839)	(122,513)	646,102	523,589
IBNR	(463)	644	104,554	105,198
Discounted Claim Value	0	6,173	(16,028)	(9,855)
TOTAL FY 2016 CLAIMS	(0)	(4,425)	3,611,042	3,606,617
FUND YEAR 2017				
Paid Claims	7,262	75,161	2,063,031	2,138,193
Case Reserves	3,875	(24,975)	700,811	675,836
IBNR	(11,137)	(102,435)	233,143	130,708
Discounted Claim Value	0	6,414	(21,019)	(14,605)
TOTAL FY 2017 CLAIMS	0	(45,834)	2,975,967	2,930,132
FUND YEAR 2018				
Paid Claims	5,683	73,026	2,184,466	2,257,492
Case Reserves	(4,633)	(148,290)	678,071	529,780
IBNR	(1,050)	(129,170)	317,878	188,707
Discounted Claim Value	0	7,739	(22,612)	(14,873)
TOTAL FY 2018 CLAIMS	0	(196,695)	3,157,802	2,961,107
FUND YEAR 2019				
Paid Claims	2,999	17,731	1,869,058	1,886,789
Case Reserves	(31,802)	(10,517)	1,325,817	1,315,299
IBNR	28,802	(233,673)	815,476	581,802
Discounted Claim Value	0	18,704	(53,190)	(34,486)
TOTAL FY 2019 CLAIMS	0	(207,755)	3,957,160	3,749,404
FUND YEAR 2020				
Paid Claims	125,710	776,953	737,312	1,514,266
Case Reserves	(116,436)	(293,439)	1,440,120	1,146,681
IBNR	(9,274)	(839,331)	1,527,067	687,735
Excess Insurance Recoverable	(24,608)	(17,042)	(71,403)	(88,445)
Discounted Claim Value	0	35,159	(68,797)	(33,638)
TOTAL FY 2020 CLAIMS	(24,608)	(337,701)	3,564,299	3,226,599
FUND YEAR 2021				
Paid Claims	95,278	168,262		168,262
Case Reserves	(5,075)	1,063,006		1,063,006
IBNR	169,279	810,227		810,227
Excess Insurance Recoverable	1,171	0		0
Discounted Claim Value	(11,753)	(30,582)		(30,582)
TOTAL FY 2021 CLAIMS	248,901	2,010,913	0	2,010,913
COMBINED TOTAL CLAIMS	224,293	1,283,904	22,546,975	23,830,880
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.				
Fund Year 2020 and Fund Year 2021 Claims reflect anticipated recoverable amounts from the CEL of \$579,430 and \$0 respectively				
for COVID 19 Workers Compensation claims.				

NEW JERSEY COUNTIES EXCESS JIF					
FINANCIAL FAST TRACK REPORT					
		AS OF	May 31, 2021		
ALL YEARS COMBINED					
		THIS	YTD	PRIOR	FUND
		MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME	2,392,478	11,597,178	188,496,467	200,093,645
2.	CLAIM EXPENSES				
	Paid Claims	44,458	365,344	7,089,259	7,454,604
	Case Reserves	38,808	1,790,838	9,041,576	10,832,414
	IBNR	628,741	2,250,265	9,477,682	11,727,946
	Discounted Claim Value	(69,217)	(9,956)	(1,855,299)	(1,865,255)
	Excess Recoveries	0	(388,517)	(1,286,205)	(1,674,722)
	TOTAL CLAIMS	642,790	4,007,974	22,467,013	26,474,987
3.	EXPENSES				
	Excess Premiums	1,742,285	8,518,527	132,722,487	141,241,015
	Administrative	161,664	860,021	14,328,278	15,188,299
	TOTAL EXPENSES	1,903,949	9,378,549	147,050,765	156,429,314
4.	UNDERWRITING PROFIT (1-2-3)	(154,261)	(1,789,345)	18,978,689	17,189,344
5.	INVESTMENT INCOME	10,685	23,822	1,561,013	1,584,835
6.	PROFIT (4+5)	(143,576)	(1,765,523)	20,539,702	18,774,179
7.	Dividend	0	0	5,107,551	5,107,551
8.	SURPLUS (6-7)	(143,576)	(1,765,523)	15,432,151	13,666,628
SURPLUS (DEFICITS) BY FUND YEAR					
	2010	118	311	313,887	314,198
	2011	191	557	817,021	817,578
	2012	310	(9,791)	775,737	765,945
	2013	553	34,790	1,435,473	1,470,262
	2014	820	30,773	2,370,698	2,401,471
	2015	995	(5,691)	1,465,627	1,459,936
	2016	1,050	(496,524)	2,615,331	2,118,806
	2017	1,210	(62,779)	1,269,126	1,206,347
	2018	1,243	108,442	2,227,973	2,336,415
	2019	1,342	119,628	1,617,686	1,737,314
	2020	863	(492,747)	523,592	30,845
	2021	(152,270)	(992,491)		(992,491)
TOTAL SURPLUS (DEFICITS)		(143,576)	(1,765,523)	15,432,150	13,666,627
TOTAL CASH					27,392,708

NEW JERSEY COUNTIES EXCESS JIF					
FINANCIAL FAST TRACK REPORT					
		AS OF	May 31, 2021		
ALL YEARS COMBINED					
		THIS	YTD	PRIOR	FUND
		MONTH	CHANGE	YEAR END	BALANCE
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2010					
	Paid Claims	0	0	171,840	171,840
	Case Reserves	0	0	(0)	(0)
	IBNR	0	0	0	0
	Discounted Claim Value	0	0	0	0
TOTAL FY 2010 CLAIMS		0	0	171,840	171,840
FUND YEAR 2011					
	Paid Claims	0	0	538,361	538,361
	Case Reserves	0	0	100	100
	IBNR	0	(64)	65	1
	Discounted Claim Value	0	7	(10)	(3)
TOTAL FY 2011 CLAIMS		0	(57)	538,516	538,459
FUND YEAR 2012					
	Paid Claims	0	723	1,581,076	1,581,800
	Case Reserves	0	10,877	55,743	66,620
	IBNR	0	103	6,513	6,615
	Discounted Claim Value	0	(1,145)	(6,766)	(7,912)
TOTAL FY 2012 CLAIMS		0	10,557	1,636,566	1,647,123
FUND YEAR 2013					
	Paid Claims	5,126	(31,230)	884,946	853,716
	Case Reserves	(5,126)	(1,153)	449,993	448,840
	IBNR	0	3	74,752	74,755
	Discounted Claim Value	0	(1,113)	(55,345)	(56,458)
TOTAL FY 2013 CLAIMS		0	(33,493)	1,354,346	1,320,853
FUND YEAR 2014					
	Paid Claims	604	3,644	475,133	478,777
	Case Reserves	12,312	28,153	468,318	496,471
	IBNR	(12,916)	(64,063)	82,005	17,942
	Discounted Claim Value	0	3,478	(50,431)	(46,953)
TOTAL FY 2014 CLAIMS		0	(28,789)	975,025	946,236
FUND YEAR 2015					
	Paid Claims	15,460	91,875	879,632	971,507
	Case Reserves	(15,460)	(91,877)	1,970,599	1,878,722
	IBNR	0	(1,981)	110,856	108,875
	Discounted Claim Value	0	10,020	(145,390)	(135,369)
TOTAL FY 2015 CLAIMS		0	8,037	2,815,698	2,823,734

NEW JERSEY COUNTIES EXCESS JIF					
FINANCIAL FAST TRACK REPORT					
		AS OF	May 31, 2021		
ALL YEARS COMBINED					
		THIS	YTD	PRIOR	FUND
		MONTH	CHANGE	YEAR END	BALANCE
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2016					
	Paid Claims	317	32,220	678,557	710,777
	Case Reserves	(318)	557,592	1,006,194	1,563,786
	IBNR	1	(79,417)	233,390	153,973
	Discounted Claim Value	0	(11,377)	(87,647)	(99,024)
TOTAL FY 2016 CLAIMS		0	499,018	1,830,493	2,329,511
FUND YEAR 2017					
	Paid Claims	4,586	114,255	367,768	482,023
	Case Reserves	(4,586)	(291,674)	1,687,621	1,395,947
	IBNR	0	224,818	1,606,476	1,831,294
	Discounted Claim Value	0	18,227	(221,332)	(203,105)
TOTAL FY 2017 CLAIMS		0	65,627	3,440,532	3,506,159
FUND YEAR 2018					
	Paid Claims	0	6,938	358,016	364,953
	Case Reserves	100	413,581	563,782	977,362
	IBNR	(100)	(547,569)	1,803,479	1,255,910
	Discounted Claim Value	0	21,524	(240,690)	(219,166)
TOTAL FY 2018 CLAIMS		0	(105,527)	2,484,586	2,379,059
FUND YEAR 2019					
	Paid Claims	0	4,506	704,297	708,804
	Case Reserves	(1)	119,611	589,734	709,345
	IBNR	1	(263,348)	2,688,900	2,425,552
	Discounted Claim Value	0	22,756	(357,356)	(334,599)
TOTAL FY 2019 CLAIMS		0	(116,475)	3,625,576	3,509,102
FUND YEAR 2020					
	Paid Claims	18,366	142,414	449,634	592,047
	Case Reserves	(64,870)	693,704	2,249,493	2,943,198
	IBNR	46,504	(226,230)	2,871,245	2,645,014
	Discounted Claim Value	0	273,753	(690,332)	(416,578)
	Excess Recoveries	0	(388,517)	(1,286,205)	(1,674,722)
TOTAL FY 2020 CLAIMS		(0)	495,124	3,593,835	4,088,958
FUND YEAR 2021					
	Paid Claims	0	0		0
	Case Reserves	116,756	352,024		352,024
	IBNR	595,251	3,208,015		3,208,015
	Discounted Claim Value	(69,217)	(346,087)		(346,087)
TOTAL FY 2021 CLAIMS		642,790	3,213,952	0	3,213,952
COMBINED TOTAL CLAIMS		642,790	4,007,974	22,467,013	26,474,987
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.					
Fund Year 2020 Claims reflect an anticipated recoverable amount of \$ 1,674,722 due from the reinsurer for COVID-19 WC claims.					

Mercer County Insurance Fund Commission									
CLAIM ACTIVITY REPORT									
AS OF MAY 31, 2021									
COVERAGE LINE - PROPERTY									
CLAIM COUNT - OPEN CLAIMS									
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	0	0	0	0	0	0	6	2	8
May-21	0	0	0	0	0	0	6	4	10
NET CHGE	0	0	0	0	0	0	0	2	2
Limited Reserves									\$2,540
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	\$0	\$0	\$0	\$0	\$0	\$0	\$19,900	\$5,500	\$25,400
May-21	\$0	\$0	\$0	\$0	\$0	\$0	\$19,900	\$5,500	\$25,400
NET CHGE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ltd Incurred	\$19,066	\$1,802	\$99	\$75,405	\$75,275	\$19,053	\$39,044	\$5,500	\$235,244
COVERAGE LINE - GENERAL LIABILITY									
CLAIM COUNT - OPEN CLAIMS									
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	0	1	2	2	17	3	6	11	42
May-21	0	1	2	2	17	3	5	8	38
NET CHGE	0	0	0	0	0	0	-1	-3	-4
Limited Reserves									\$17,342
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	\$0	\$7,500	\$277,671	\$239,972	\$80,137	\$9,000	\$37,500	\$17,000	\$668,780
May-21	\$0	\$7,500	\$277,671	\$239,686	\$80,137	\$10,000	\$28,000	\$16,000	\$658,994
NET CHGE	\$0	\$0	\$0	(\$287)	\$0	\$1,000	(\$9,500)	(\$1,000)	(\$9,787)
Ltd Incurred	\$78,677	\$120,910	\$359,591	\$262,217	\$88,194	\$34,960	\$38,963	\$16,000	\$999,512
COVERAGE LINE - AUTO LIABILITY									
CLAIM COUNT - OPEN CLAIMS									
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	0	0	0	1	0	0	1	1	3
May-21	0	0	0	1	0	0	1	1	3
NET CHGE	0	0	0	0	0	0	0	0	0
Limited Reserves									\$26,580
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	\$0	\$0	\$0	\$69,239	\$0	\$0	\$10,000	\$500	\$79,739
May-21	\$0	\$0	\$0	\$69,239	\$0	\$0	\$10,000	\$500	\$79,739
NET CHGE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ltd Incurred	\$10,891	\$6,969	\$268,228	\$83,830	\$12,153	\$28,923	\$12,336	\$500	\$423,830
COVERAGE LINE - WORKERS COMP.									
CLAIM COUNT - OPEN CLAIMS									
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	6	7	9	14	12	30	66	50	194
May-21	6	7	9	14	13	29	65	58	201
NET CHGE	0	0	0	0	1	-1	-1	8	7
Limited Reserves									\$24,476
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	\$232,754	\$255,488	\$291,036	\$362,750	\$454,277	\$1,338,100	\$1,630,487	\$1,036,751	\$5,601,643
May-21	\$230,954	\$253,168	\$245,918	\$366,912	\$449,644	\$1,305,298	\$1,036,271	\$1,031,505	\$4,919,671
NET CHGE	(\$1,800)	(\$2,320)	(\$45,117)	\$4,162	(\$4,633)	(\$32,802)	(\$594,216)	(\$5,246)	(\$681,972)
Ltd Incurred	\$2,219,325	\$2,712,905	\$2,883,357	\$2,392,578	\$2,611,650	\$3,119,150	\$2,188,566	\$1,199,767	\$19,327,297
TOTAL ALL LINES COMBINED									
CLAIM COUNT - OPEN CLAIMS									
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	6	8	11	17	29	33	79	64	247
May-21	6	8	11	17	30	32	77	71	252
NET CHGE	0	0	0	0	1	-1	-2	7	5
Limited Reserves									\$22,555
Year	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
April-21	\$232,754	\$262,988	\$568,707	\$671,961	\$534,413	\$1,347,100	\$1,697,887	\$1,059,751	\$6,375,562
May-21	\$230,954	\$260,668	\$523,589	\$675,836	\$529,780	\$1,315,298	\$1,094,171	\$1,053,505	\$5,683,803
NET CHGE	(\$1,800)	(\$2,320)	(\$45,117)	\$3,875	(\$4,633)	(\$31,802)	(\$603,716)	(\$6,246)	(\$691,759)
Ltd Incurred	\$2,327,958	\$2,842,586	\$3,511,275	\$2,814,029	\$2,787,272	\$3,202,087	\$2,278,909	\$1,221,767	\$20,985,883

FUND YEARS 2018 2019 2020 2021

Mercer County Insurance Fund Commission															
CLAIMS MANAGEMENT REPORT															
EXPECTED LOSS RATIO ANALYSIS															
AS OF															
May 31, 2021															
FUND YEAR 2018 – LOSSES CAPPED AT RETENTION															
	Budget	Current		41			Last Month		40			Last Year		29	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	TARGETED
PROPERTY	74,417	75,275	75,275	101.15%	74,417	100.00%	75,275	75,275	101.15%	74,417	100.00%	90,140	90,140	121.13%	74,417
GEN LIABILITY	157,000	88,194	88,194	56.17%	145,992	92.99%	88,194	88,194	56.17%	145,196	92.48%	36,694	36,694	23.37%	132,904
AUTO LIABILITY	131,000	12,153	12,153	9.28%	117,594	89.77%	12,153	12,153	9.28%	116,985	89.30%	12,153	12,153	9.28%	107,448
WORKER'S COMP	4,455,000	2,611,650	2,611,650	58.62%	4,402,174	98.81%	2,610,600	2,610,600	58.60%	4,396,960	98.70%	2,595,978	2,595,978	58.27%	4,286,127
TOTAL ALL LINES	4,817,417	2,787,272	2,787,272	57.86%	4,740,177	98.40%	2,786,222	2,786,222	57.84%	4,733,558	98.26%	2,734,966	2,734,966	56.77%	4,600,896
NET PAYOUT %	\$2,257,492				46.86%										
FUND YEAR 2019 – LOSSES CAPPED AT RETENTION															
	Budget	Current		29			Last Month		28			Last Year		17	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	TARGETED
PROPERTY	75,000	19,053	19,053	25.40%	75,000	100.00%	19,053	19,053	25.40%	75,000	100.00%	12,253	12,253	16.34%	72,653
GEN LIABILITY	160,000	34,960	34,960	21.85%	135,444	84.65%	33,960	33,960	21.23%	133,701	83.56%	29,094	29,094	18.18%	111,273
AUTO LIABILITY	132,000	28,923	28,923	21.91%	108,268	82.02%	28,923	28,923	21.91%	106,995	81.06%	36,923	36,923	27.97%	84,887
WORKER'S COMP	4,141,000	3,119,150	3,119,150	75.32%	3,984,029	96.21%	3,148,953	3,148,953	76.04%	3,966,855	95.79%	3,054,605	3,054,605	73.76%	3,488,039
TOTAL ALL LINES	4,508,000	3,202,087	3,202,087	71.03%	4,302,741	95.45%	3,230,889	3,230,889	71.67%	4,282,551	95.00%	3,132,875	3,132,875	69.50%	3,756,853
NET PAYOUT %	\$1,886,789				41.85%										
FUND YEAR 2020 – LOSSES CAPPED AT RETENTION															
	Budget	Current		17			Last Month		16			Last Year		5	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	TARGETED
PROPERTY	132,813	39,044	39,044	29.40%	128,657	96.87%	39,044	39,044	29.40%	128,359	96.65%	19,287	19,287	14.52%	49,141
GEN LIABILITY	149,000	38,963	38,963	26.15%	103,623	69.55%	38,963	38,963	26.15%	101,092	67.85%	5,720	5,720	3.84%	20,860
AUTO LIABILITY	116,000	12,336	12,336	10.63%	74,598	64.31%	12,336	12,336	10.63%	71,951	62.03%	5,000	5,000	4.31%	17,400
WORKER'S COMP	3,069,000	2,767,997	2,188,566	71.31%	2,585,074	84.23%	2,755,015	2,755,015	89.77%	2,508,173	81.73%	249,217	249,217	9.00%	276,210
TOTAL ALL LINES	3,466,813	2,858,340	2,278,909	65.73%	2,891,953	83.42%	2,845,358	2,845,358	82.07%	2,809,575	81.04%	279,223	279,223	31.67%	363,611
NET PAYOUT %	\$1,184,738				34.17%										
FUND YEAR 2021 – LOSSES CAPPED AT RETENTION															
	Budget	Current		5			Last Month		4			Last Year		-7	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	TARGETED
PROPERTY	108,000	2,500	2,500	2.31%	39,960	37.00%	5,500	5,500	5.09%	32,400	30.00%	0	0	N/A	N/A
GEN LIABILITY	134,000	16,000	16,000	11.94%	18,760	14.00%	17,000	17,000	12.69%	13,400	10.00%	0	0	N/A	N/A
AUTO LIABILITY	104,000	500	500	0.48%	15,600	15.00%	500	500	0.48%	10,400	10.00%	0	0	N/A	N/A
WORKER'S COMP	2,765,000	1,199,767	1,199,767	43.39%	248,850	9.00%	1,109,734	1,109,734	40.14%	165,900	6.00%	0	0	N/A	N/A
TOTAL ALL LINES	3,111,000	1,218,767	1,218,767	39.18%	323,170	10.39%	1,132,734	1,132,734	36.41%	222,100	7.14%	0	0	N/A	N/A
NET PAYOUT %	\$0				0.00%										

FUND YEARS 2014 2015 2016 2017

Mercer County Insurance Fund Commission															
CLAIMS MANAGEMENT REPORT															
EXPECTED LOSS RATIO ANALYSIS															
						AS OF				May 31, 2021					
FUND YEAR 2014 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		89			Last Month		88			Last Year		77	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	TARGETED
PROPERTY	62,322	19,066	19,066	30.59%	62,322	100.00%	19,066	19,066	30.59%	62,322	100.00%	19,066	19,066	30.59%	62,322
GEN LIABILITY	124,157	78,677	78,677	63.37%	119,808	96.50%	78,677	78,677	63.37%	119,808	96.50%	78,677	78,677	63.37%	119,808
AUTO LIABILITY	127,016	10,891	10,891	8.57%	123,126	96.94%	10,891	10,891	8.57%	123,126	96.94%	10,891	10,891	8.57%	123,126
WORKER'S COMP	4,356,301	2,219,325	2,219,325	50.95%	4,356,301	100.00%	2,219,325	2,219,325	50.95%	4,356,301	100.00%	2,151,357	2,151,357	49.38%	4,356,301
TOTAL ALL LINES	4,669,797	2,327,958	2,327,958	49.85%	4,661,557	99.82%	2,327,958	2,327,958	49.85%	4,661,557	99.82%	2,259,991	2,259,991	48.40%	4,661,557
NET PAYOUT %	\$2,097,004				44.91%										
FUND YEAR 2015 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		77			Last Month		76			Last Year		65	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	TARGETED
PROPERTY	80,948	1,802	1,802	2.23%	80,948	100.00%	1,802	1,802	2.23%	80,948	100.00%	1,802	1,802	2.23%	80,948
GEN LIABILITY	155,896	120,910	120,910	77.56%	150,435	96.50%	120,910	120,910	77.56%	150,435	96.50%	96,613	96,613	61.97%	151,355
AUTO LIABILITY	131,580	6,969	6,969	5.30%	127,549	96.94%	6,969	6,969	5.30%	127,549	96.94%	6,969	6,969	5.30%	127,698
WORKER'S COMP	4,449,750	2,712,905	2,712,905	60.97%	4,449,750	100.00%	2,712,905	2,712,905	60.97%	4,449,750	100.00%	2,694,041	2,694,041	60.54%	4,448,860
TOTAL ALL LINES	4,818,174	2,842,586	2,842,586	59.00%	4,808,683	99.80%	2,842,586	2,842,586	59.00%	4,808,683	99.80%	2,799,425	2,799,425	58.10%	4,808,862
NET PAYOUT %	\$2,581,917				53.59%										
FUND YEAR 2016 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		65			Last Month		64			Last Year		53	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	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	359,591	359,591	230.66%	151,355	97.09%	359,591	359,591	230.66%	151,399	97.12%	367,091	367,091	235.47%	150,639
AUTO LIABILITY	131,580	268,228	268,228	203.85%	127,698	97.05%	268,228	268,228	203.85%	127,525	96.92%	175,398	175,398	133.30%	124,027
WORKER'S COMP	4,616,644	2,914,636	2,883,357	62.46%	4,615,721	99.98%	2,914,172	2,914,172	63.12%	4,614,798	99.96%	2,684,943	2,684,943	58.16%	4,601,001
TOTAL ALL LINES	4,985,068	3,542,554	3,511,275	70.44%	4,975,722	99.81%	3,542,090	3,542,090	71.05%	4,974,670	99.79%	3,227,531	3,227,531	64.74%	4,956,614
NET PAYOUT %	\$2,987,686				59.93%										
FUND YEAR 2017 -- LOSSES CAPPED AT RETENTION															
	Budget	Current		53			Last Month		52			Last Year		41	
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual	MONTH
		Incurred	Incurred	31-May-21		TARGETED	Incurred	Incurred	30-Apr-21		TARGETED	Incurred	Incurred	30-May-20	TARGETED
PROPERTY	83,000	75,405	75,405	90.85%	83,000	100.00%	75,405	75,405	90.85%	83,000	100.00%	75,405	75,405	90.85%	83,000
GEN LIABILITY	159,000	262,217	262,217	164.92%	153,638	96.63%	262,217	262,217	164.92%	153,445	96.51%	40,559	40,559	25.51%	147,852
AUTO LIABILITY	134,000	83,830	83,830	62.56%	126,308	94.26%	83,830	83,830	62.56%	125,880	93.94%	83,830	83,830	62.56%	120,287
WORKER'S COMP	4,709,000	2,392,578	2,392,578	50.81%	4,693,044	99.66%	2,381,440	2,381,440	50.57%	4,691,174	99.62%	2,222,730	2,222,730	47.20%	4,653,162
TOTAL ALL LINES	5,085,000	2,814,029	2,814,029	55.34%	5,055,989	99.43%	2,802,892	2,802,892	55.12%	5,053,499	99.38%	2,422,524	2,422,524	47.64%	5,004,301
NET PAYOUT %	\$2,138,193				42.05%										

Memorandum

NJCE Underwriting Manager Team

CONNER
STRONG &
BUCKLEW

The Underwriting Manager wants to release a reminder to all NJCE members and Risk Management Consultants in preparation of the 2022 renewal. Unless otherwise noted, all exposure collection items below are already included in Origami, but we want to make special note of these critical items.

Underwriting Information

- ✓ **Property** – COPE (Occupancy Protection Exposure) information for buildings has never been more valuable than it is in the current environment. Critical items are square footage, number of stories, occupancy, construction and sprinklers. Buildings over \$10 million without sprinkler information may not receive coverage. Members should review their Property schedules to ensure all buildings are accurately listed.
- ✓ **Liability** –
 - **Aging Infrastructure** – Bridges and Dams are required by state/federal regulations to be inspected every 2-4 years, and all of the underwriting information needed is included in such reports. Be sure to schedule the Dams and Bridges (and answer Dam questionnaire) and provide the most recent reports.
 - **Sexual Abuse/Molestation** – While Sexual Abuse/Molestation is a concerning exposure all around, the most emphasis is on programs involving minors. Ensure you provide the data points on member-sponsored programs involving minors, such as type of program, number of minors and number of staff. It is also important to perform background checks and give training to staff. This includes Juvenile Detention.
 - **Transit Operations** – If you utilize contractors to provide public transportation (i.e. buses, paratransit), confirm there is a contract in place and evidence of insurance is provided. If you provide the transportation yourselves, confirm the following: 1) Are MVR checks run on drivers and how frequently; 2) DO buses have cameras inside, outside or both; 3) Does paratransit require tie downs and is training provided to drivers?
- ✓ **Law Enforcement** –
 - **Use of Force** – Provide your law enforcement use of force policies and procedures.
 - **Strip Search** – Provide your law enforcement strip search policies and procedures.
 - **Jail Transgender Handling** – Provide your jail's policy and procedure on handling transgender inmates.
 - **Suicide Prevention** – Provide your jail's policy and procedures on suicide prevention.
 - **Vehicle Pursuit/Stops** – Provide your law enforcement policy and procedures on vehicle pursuit and stops.
 - **State Jail Inspections** – Provide your most recent annual state jail inspection report.

Memorandum

NJCE Underwriting Manager Team

CONNER
STRONG &
BUCKLEW

Underwriting Information (*Continued*)

- ✓ **Workers' Compensation** – As requested in the past, please ensure you are making note of what locations employees are assigned. This is especially important for locations with over 100 employees.
- ✓ **Cyber** – We need to provide a complete picture of cybersecurity controls as the exposure continues to grow and the insurance market for Cyber continues to drastically contract/harden. The Cyber application and supplement, attached, must be completed. The most critical items requested by insurers are Multi-Factor Authentication for any remote access, offline back-ups, endpoint detection and response, and employee training.
- ✓ **Financials** – Provide your most recent audited financials and current interim financials.
- ✓ **Medical Malpractice** – If you purchase the Medical Malpractice coverage from the NJCE JIF, complete the attached Medical Malpractice Application and COVID Supplemental.
- ✓ **Vehicles** – Please remember the valuation provision for emergency vehicles has shifted the vehicle age from 15 years to 10 years, whereby any vehicles under 10 years receive Replacement Cost and any over 10 years receive the lesser of Replacement Cost or Scheduled Value. As such, please ensure the valuations are updated to reflect such.

Memorandum

NJCE Underwriting Manager Team

CONNER
STRONG &
BUCKELEW

Other Reminders

- ✓ **Builder's Risk** – Any projects with new square footage qualify for Builder's Risk. All such projects over \$10m project value must be separately underwritten, so submit the application early.
- ✓ **Renewal Certificates** – Renewal certificates are released in December. As such, it is crucial to review your Certificate Holder lists now.
- ✓ **Automobile ID Cards** – The quantity of Auto ID Cards issued per member is determined based upon your schedule of vehicles in Origami. Ensure your records are updated to reflect all active Vehicles.
- ✓ **Contact Information** – All renewal documents are distributed based upon the contact information in Origami. Ensure your records are updated so documents are sent to the appropriate place.
- ✓ **Special Flood Hazard Area (SFHA)** – The JIF does not determine flood zones and has coverage limitations for locations within SFHAs. Specifically, the member's deductible in an SFHA is the maximum available limit from the NFIP, which is typically \$500,000.

Conner Strong & Buckelew

Insurance, Risk
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& Employee Benefits

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**MERCER COUNTY INSURANCE FUND COMMISSION
BILLS LIST**

Resolution No. 31-21

JULY 2021

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 2021

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000724			
000724	PERMA RISK MANAGEMENT SERVICES	POSTAGE 7/21	4.08
000724	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR 8/21	14,459.92
			14,464.00
000725			
000725	THE ACTUARIAL ADVANTAGE	ACTUARY 8/21	663.25
			663.25
000726			
000726	INSERVCO INSURANCE SERVICES	TPA 8/21	16,791.67
			16,791.67
000727			
000727	PACKET MEDIA GROUP, LLC	AD AUGUST MTG NOTICE 8.6.21	21.00
			21.00
000728			
000728	21ST CENTURY MEDIA-PHILLY CLUSTER	AD MEETING DATE CHANGE 7.14..2021	21.70
000728	21ST CENTURY MEDIA-PHILLY CLUSTER	AD JULY MTG 7.1.2021	26.60
			48.30
000729			
000729	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 8/21	11,279.91
			11,279.91
000730			
000730	NJ ADVANCE MEDIA	AD MEETING DATE CHANGE 7.15.2021	46.75
			46.75
000731			
000731	CBIZ INSURANCE SERVICES, INC.	INSURANCE CONSULTING FEE 8/21	5,500.00
			5,500.00
		Total Payments FY 2021	48,814.88

**TOTAL PAYMENTS ALL FUND
YEARS \$48,814.88**

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 FUND COMMISSION
BILLS LIST**

Resolution No. 32-21

AUGUST 2021

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 2021

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000716			
000716	NEW JERSEY COUNTIES EXCESS JIF	CEL 2ND INSTALLMENT 2021	1,154,990.60
			1,154,990.60
000717			
000717	PERMA RISK MANAGEMENT SERVICES	POSTAGE 6/21	3.06
000717	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR 7/21	14,459.92
			14,462.98
000718			
000718	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 7/21	663.25
			663.25
000719			
000719	INSERVCO INSURANCE SERVICES	CLAIMS SERVICES FEE 7/21	16,791.67
			16,791.67
000720			
000720	PACKET MEDIA GROUP, LLC	ACCT#00032129 - AD - 7.16.21	21.00
000720	PACKET MEDIA GROUP, LLC	ACCT#00032129 - AD - 7.2.21	25.20
			46.20
000721			
000721	J.A. MONTGOMERY RISK CONTROL	CONSULTING SERVICES 7/21	11,279.91
			11,279.91
000722			
000722	NJ ADVANCE MEDIA	ACCT#1153600 - AD - 7.2.21	49.36
000722	NJ ADVANCE MEDIA	ACCT#1153600 - AD - 6.18.21	39.79
			89.15
000723			
000723	CBIZ INSURANCE SERVICES, INC.	INSURANCE CONSULTING FEE 7/21	5,500.00
			5,500.00
		Total Payments FY 2021	1,203,823.76
		TOTAL PAYMENTS ALL FUND YEARS	\$1,203,823.76

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: 2021 Month Ending: May							
	Property	Liability	Auto	Worker's Comp	NJ CEL	Admin	TOTAL
OPEN BALANCE	217,859.90	506,573.28	381,175.66	8,500,353.52	(5,431,611.94)	(967,412.01)	3,206,938.41
RECEIPTS							
Assessments	2,979.23	6,323.26	5,228.84	164,009.33	102,266.43	23,195.38	304,002.47
Refunds	0.00	0.00	0.00	34,741.91	0.00	0.00	34,741.91
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	2,979.23	6,323.26	5,228.84	198,751.24	102,266.43	23,195.38	338,744.38
EXPENSES							
Claims Transfers	0.00	9,786.50	0.00	280,310.58	0.00	0.00	290,097.08
Expenses	0.00	0.00	0.00	0.00	0.00	48,743.58	48,743.58
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	9,786.50	0.00	280,310.58	0.00	48,743.58	338,840.66
END BALANCE	220,839.13	503,110.04	386,404.50	8,418,794.18	(5,329,345.51)	(992,960.21)	3,206,842.13

SUMMARY OF CASH AND INVESTMENT INSTRUMENTS			
MERCER COUNTY INSURANCE COMMISSION			
ALL FUND YEARS COMBINED			
CURRENT MONTH	May		
CURRENT FUND YEAR	2021		
Description:		MCIFC General A/C	MCIFC Claims A/C
ID Number:			
Maturity (Yrs)			
Purchase Yield:			
TO TAL for All Accts & instruments			
Opening Cash & Investment Balance	\$3,206,938.41	1966416.79	1240521.62
Opening Interest Accrual Balance	\$0.00	0	0
1	Interest Accrued and/or Interest Cost	\$0.00	\$0.00
2	Interest Accrued - discounted Instr.s	\$0.00	\$0.00
3	(Amortization and/or Interest Cost)	\$0.00	\$0.00
4	Accretion	\$0.00	\$0.00
5	Interest Paid - Cash Instr.s	\$0.00	\$0.00
6	Interest Paid - Term Instr.s	\$0.00	\$0.00
7	Realized Gain (Loss)	\$0.00	\$0.00
8	Net Investment Income	\$0.00	\$0.00
9	Deposits - Purchases	\$338,744.38	\$81,723.26
10	(Withdrawals - Sales)	-\$338,840.66	-\$48,743.58
	Ending Cash & Investment Balance	\$3,206,842.13	\$1,999,396.47
	Ending Interest Accrual Balance	\$0.00	\$0.00
	Plus Outstanding Checks	\$452,148.70	\$48,824.43
	(Less Deposits in Transit)	\$0.00	\$0.00
	Balance per Bank	\$3,658,990.83	\$2,048,220.90
			\$1,610,769.93

RESOLUTION NO. 33-21

**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 *August 24, 2021* 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 *June 1, 2021 to June 30, 2021 and July 1, 2021 to July 31, 2021* 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 *August 24, 2021*.

LILLIAN L. NAZZARO, ESQ., CHAIR

DATE

ATTEST:

K. MEGAN CLARK HUGHES

DATE

Mercer County Ins Fund Comm - 396
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
06/01/2021 Thru 06/30/2021

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
06/01/2021 Thru 06/30/2021

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Coverage: Auto Liability										
C	28909	3960003462	001	NAYLA, AZHAR	2/7/2021	2/7/2021	AZHAR NAYLA	6/7/2021	FULL & FINAL SETTLEMENT OF ALL CLAIMS	297.00 297.00
Total for Coverage: Auto Liability							Number of entries: 1		297.00	297.00
Total for Mercer County Ins Fund Comm - 396							Number of entries: 1		297.00	297.00

Mercer County Ins Fund Comm - 396
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
07/01/2021 Thru 07/31/2021

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
07/01/2021 Thru 07/31/2021

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Coverage: Auto Physical Damage										
C	29442	3960003585 001	MERCER COUNTY	6/15/2021	6/15/2021	GEORGE OLMEZER APPRAISAL	7/6/2021	APPRAISAL FEE FILE #GO202309	140.00	140.00
Total for Coverage: Auto Physical Damage							Number of entries: 1		140.00	140.00
Coverage: General Liability										
C	29464	3960003534 001	MCNEAL, KAREN	2/26/2021	2/26/2021	KAREN MCNEAL	7/6/2021	FULL & FINAL SETTLEMENT OF ALL CLAIMS	500.00	500.00
Total for Coverage: General Liability							Number of entries: 1		500.00	500.00
Total for Mercer County Ins Fund Comm - 396							Number of entries: 2		640.00	640.00

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
2015 & Prior	\$1,541,419	\$945,050	\$1,521,000	\$596,369	39%	1,406	1,139	267	81%	24	\$118,224	\$478,145
Total 2016	\$1,310,806	\$661,339	\$1,492,038	\$649,467	50%	1,287	1,149	138	89%	18	\$129,313	\$520,155
Total 2017	\$858,268	\$428,786	\$995,115	\$429,482	50%	797	681	116	85%	13	\$85,891	\$343,591
Total 2018	\$1,316,429	\$549,418	\$1,501,858	\$767,011	58%	1,030	884	146	86%	23	\$153,381	\$613,630
Total 2019	\$2,069,874	\$1,022,019	\$2,189,736	\$1,047,855	51%	1,014	884	130	87%	38	\$209,572	\$838,283
Total 2020	\$1,190,605	\$642,820	\$1,536,308	\$548,501	46%	914	827	87	90%	18	\$109,657	\$438,844
Jan-21	\$145,289	\$56,926	\$376,058	\$88,362	61%	82	78	4	95%	1	\$17,672	\$70,690
Feb-21	\$162,802	\$76,726	\$157,554	\$86,075	53%	104	103	1	99%	2	\$17,215	\$68,860
Mar-21	\$160,613	\$81,351	\$133,267	\$79,262	49%	66	60	6	91%	0	\$15,852	\$63,410
Apr-21	\$200,320	\$58,221	\$213,198	\$142,100	71%	49	44	5	90%	1	\$28,420	\$113,680
May-21	\$280,258	\$141,795	\$318,825	\$138,463	49%	127	118	9	93%	2	\$27,693	\$110,770
Jun-21	\$558,696	\$287,159	\$430,650	\$271,537	49%	106	101	5	95%	1	\$54,307	\$217,229
Jul-21	\$314,977	\$249,681	\$315,933	\$65,296	21%	88	77	11	88%	0	\$13,059	\$52,237
Total 2021	\$1,822,956	\$951,860	\$1,945,484	\$871,096	48%	622	581	41	93%	7	\$174,220	\$696,876
Total to Date	\$10,110,359	\$5,201,294	\$11,181,539	\$4,909,781	49%	7,070	6,145	925	87%	141	\$980,257	\$3,929,524

SAFETY DIRECTOR REPORT

MERCER COUNTY INSURANCE FUND COMMISSION

TO: Fund Commissioners

FROM: J.A. Montgomery Consulting, Safety Director

DATE: August 17, 2021

DATE OF MEETING: August 24, 2021

MCIFC SERVICE TEAM

Paul Shives, Vice President, Safety Services pshives@jamontgomery.com Office: 732-736-5213	Glenn Prince, Associate Public Sector Director gprince@jamontgomery.com Office: 856-552-4744 Cell: 609-238-3949	Natalie Dougherty, Senior Administrative Coordinator ndougherty@jamontgomery.com Office: 856-552-4738
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June – August 2021

RISK CONTROL ACTIVITIES

MEETINGS ATTENDED / TRAINING / LOSS CONTROL VISITS CONDUCTED

- **June 22:** Conducted a loss control survey of the Hopewell Golf and Country Club.
- **July 12:** Attended the MCIFC meeting via teleconference.
- **July 12:** Attended the MCIFC Claims Committee meeting via teleconference.

UPCOMING MEETINGS / TRAINING / LOSS CONTROL VISITS PLANNED

- **August 24:** Plan to attend the MCIFC meeting via teleconference.
- **August 24:** Plan to attend the MCIFC Claims Committee meeting via teleconference.
- **August:** Safety training classes are scheduled for MCIFC County Corrections.

SAFETY DIRECTOR BULLETINS

Safety Director Bulletins and Messages are distributed by e-mail to Executive Directors, Fund Commissioners, Risk Managers and Training Administrators. They can be viewed at <https://njce.org/safety/safety-bulletins/>.

- NJCE JIF - Live Virtual Safety Training – September Registration Now Open! – July 29.
- NJCE JIF - SD Message: New CDC Mask Recommendation – July 29.
- NJCE JIF - SD Bulletin: Summer Safety for Pets – July 30.
- NJCE JIF - SD Bulletin: Daniel's Law – August 4.
- NJCE JIF - Live Virtual Safety Training – October Registration Now Open! – August 12.

NJCE TRAINING OVERVIEW – LIVE SAFETY TRAINING WEBINARS

The New Jersey Counties Excess Joint Insurance Fund (NJCE) is offering real-time, instructor-led online safety training.

Instruction is conducted with a live instructor using the Zoom webinar platform. We are excited to offer you the same training content, with the same experienced crew of instructors and with the same continuing education credits as with out in-person classes, but with the flexibility and safety of online delivery.

- The August – October Live Virtual Training schedules and registration links are attached.

NJCE MEDIA LIBRARY

NJCE Media Library includes a vast library of DVDs topics on many aspects of safety, risk control, employment practices, and supervision, and most can be viewed in under 20 minutes. The DVDs can be requested free of charge for NJCE members and held for up to 2 weeks so you can view them at your convenience. A prepaid self-addressed envelope is included to return the DVD. To view the full video catalog please visit <https://njce.org/wp-content/uploads/2021/02/NJCE-Media-DVD-Catalog.pdf>. Email the video library at melvideolibrary@jamontgomery.com or call 856-552-4900.

- No videos utilized.

NJCE ONLINE STREAMING VIDEO SERVICE

The NJCE JIF now has a New Video Streaming Service. This is an “on demand” service and has about 180 titles available for streaming right to your workplace! We encourage leaders to view the videos with members of their team and then discuss how the information in the video can best be used specifically in your operations.

To access the streaming “on demand videos”, go to the NJCE website <https://njce.org/safety-training-videos-registration/>. Complete the Registration Form, click submit. The following screen will provide the URL and password to access the streaming videos.

The Steaming Video Services is also accessible on the NJCE Learning Management System (LMS). The Streaming Videos are located under Resources in the Learning On-Demand Workplace College located on the Welcome page of the LMS. The learning will be recorded in the Users Transcripts when the videos are accessed.



NJCE Learning Management System (LMS) – A number of Commissions/Counties have been set up with their users uploaded onto the NJCE LMS. J.A. Montgomery Consulting is currently in the process of adding all the Live Virtual Training classes held from January 1, 2021 to date onto the LMS. Once this is completed the Learning History for participants that attended the classes will be recorded into their Transcripts on the LMS. Certificates will be available for LMS Administrators to access to print or save from the website. An email will be sent out to the LMS Training Administrators once this process is completed. Thank you.

The MEL Safety Institute (MSI) and New Jersey Counties Excess Joint Insurance Fund (NJCE) is offering real time, instructor-led online safety training.

August thru October Safety Training Schedule

Click on the Training Topic to Register and for the Course Description.

Date	Training Topic	Time
8/13/21	Heavy Equipment - General Safety	8:30 - 10:30 am
8/13/21	Shop & Tool Safety	11:00 - 12:00 pm
8/16/21	Preparing for the Unspeakable	9:00 - 10:30 am
8/16/21	Implicit Bias in the Workplace	1:00 - 2:30 pm
8/17/21	HazMat Awareness w/HazCom GHS	8:30 - 11:30 am
8/17/21	Fall Protection Awareness	1:00 - 3:00 pm
8/18/21	HazCom w/GHS	8:30 - 10:00 am
8/18/21	Bloodborne Pathogens (BBP)	10:30 - 11:30 am
8/18/21	Lock Out/Tag Out (LOTO)	1:00 - 3:00 pm
8/19/21	Confined Space Entry for Entrants & Attendants	8:30 - 10:30 am
8/19/21	Shop & Tool Safety	11:00 - 12:00 pm
8/19/21	Driving Safety Awareness	1:00 - 2:30 pm
8/20/21	CDL: Drivers Safety Regulations	8:30 - 10:30 am
8/20/21	Fire Extinguisher	11:00 - 12:00 pm
8/23/21	Preparing for First Amendment Audits	9:00 - 11:00 am
8/23/21	Back Safety / Material Handling	11:00 - 12:00 pm
8/24/21	Fire Safety	8:30 - 9:30 am
8/24/21	Bloodborne Pathogens (BBP)	10:00 - 11:00 am
8/24/21	HazCom w/GHS	1:00 - 2:30 pm
8/25/21	Special Events Management	8:30 - 10:30 am
8/25/21	CDL: Supervisors Reasonable Suspicion	1:00 - 3:00 pm
8/26/21	Ladder Safety/Walking & Working Surfaces	8:30 - 10:30 am
8/26/21	Jetter/Vacuum Safety Awareness	1:00 - 3:00 pm
8/27/21	Implicit Bias in the Workplace	9:00 - 10:30 am
8/27/21	Flagger Skills and Safety	11:00 - 12:00 pm
8/30/21	Playground Safety Inspections	8:30 - 10:30 am
8/30/21	Hearing Conservation	11:00 - 12:00 pm
8/31/21	Personal Protective Equipment (PPE)	8:30 - 10:30 am
8/31/21	Confined Space Entry for Entrants & Attendants	1:00 - 3:00 pm
9/1/21	Special Events Management	8:30 - 10:30 am
9/1/21	Bloodborne Pathogens (BBP)	11:00 - 12:00 pm
9/1/21	HazCom w/GHS	1:00 - 2:30 pm
9/2/21	Personal Protective Equipment (PPE)	8:30 - 10:30 am
9/2/21	Accident Investigation	1:00 - 3:00 pm
9/3/21	Hearing Conservation	8:30 - 9:30 am
9/3/21	Fire Extinguisher	10:00 - 11:00 am

Date	Training Topic	Time
9/3/21	Chain Saw Safety	1:00 - 2:00 pm
9/7/21	Lock Out/Tag Out (LOTO)	8:30 - 10:30 am
9/7/21	Jetter/Vacuum Safety Awareness	1:00 - 3:00 pm
9/8/21	Hazard Identification: Making Your Observations Count	8:30 - 10:30 am
9/8/21	Back Safety / Material Handling	11:00 - 12:00 pm
9/8/21	Leaf Collection Safety	1:00 - 3:00 pm
9/9/21	Flagger Skills and Safety	8:30 - 9:30 am
9/9/21	CDL: Drivers' Safety Regulations	10:00 - 12:00 pm
9/9/21	Ladder Safety/Walking & Working Surfaces	1:00 - 3:00 pm
9/10/21	Employee Conduct and Violence Prevention in the Workplace	8:30 - 10:00 am
9/10/21	Fire Safety	10:30 - 11:30 am
9/10/21	Bloodborne Pathogens (BBP)	1:00 - 2:00 pm
9/13/21	Work Zone: Temporary Traffic Controls	8:30 - 10:30 am
9/13/21	Mower Safety	11:00 - 12:00 pm
9/13/21	Shop & Tool Safety	1:00 - 2:00 pm
9/13/21	Law Enforcement Work Zone Refresher Training	1:00 - 3:00 pm
9/14/21	Heavy Equipment - Earth Moving Equipment Safety	8:30 - 9:30 am
9/14/21	Heavy Equipment - Trucks & Trailer Safety	10:00 - 11:00 am
9/15/21	HazMat Awareness w/HazCom GHS	8:30 - 11:30 am
9/15/21	Lock Out/Tag Out (LOTO)	1:00 - 3:00 pm
9/16/21	Implicit Bias in the Workplace	9:00 - 10:30 am
9/16/21	Bloodborne Pathogens (BBP)	11:00 - 12:00 pm
9/16/21	HazCom w/GHS	1:00 - 2:30 pm
9/17/21	Confined Space Entry for Entrants & Attendants	8:30 - 10:30 am
9/17/21	Back Safety / Material Handling	11:00 - 12:00 pm
9/20/21	Jetter/Vacuum Safety Awareness	8:30 - 10:30 am
9/20/21	Driving Safety Awareness	1:00 - 2:30 pm
9/21/21	Chipper Safety	8:30 - 9:30 am
9/21/21	Leaf Collection Safety Awareness	10:00 - 12:00 pm
9/21/21	Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	9:00 - 11:00 am
9/21/21	Ethics for NJ Local Government Employees	1:00 - 3:00 pm
9/22/21	Fire Safety	8:30 - 9:30 am
9/22/21	Bloodborne Pathogens (BBP)	10:00 - 11:00 am
9/22/21	Implicit Bias in the Workplace	1:00 - 2:30 pm
9/23/21	Designated Employer Representative Training (DER) *see details below	9:00 - 4:00 pm w/1 hour lunch brk
9/23/21	Ladder Safety/Walking & Working Surfaces	8:30 - 10:30 am
9/24/21	CDL-Drivers Safety Regulations	8:30 - 10:30 am
9/24/21	Fire Extinguisher	11:00 - 12:00 pm
9/27/21	HazCom w/GHS	8:30 - 10:00 am
9/27/21	Law Enforcement Work Zone Refresher Training	9:00 - 11:00 am
9/27/21	Flagger Skills and Safety	11:00 - 12:00 pm
9/27/21	Heavy Equipment - Tractor Safety	1:00 - 2:00 pm
9/28/21	Playground Safety Inspections	8:30 - 10:30 am
9/28/21	Hearing Conservation	11:00 - 12:00 pm

Date	Training Topic	Time
9/28/21	Work Zone Safety for Supervisors	1:00 - 2:00 pm
9/29/21	Personal Protective Equipment (PPE)	8:30 - 10:30 am
9/29/21	Chain Saw Safety	11:00 - 12:00 pm
9/29/21	Confined Space Entry for Entrants & Attendants	1:00 - 3:00 pm
9/30/21	Snow Plow/Snow Removal Safety	8:30 - 10:30 am
9/30/21	Employee Conduct and Violence Prevention in the Workplace	1:00 - 2:30 pm
10/1/21	Lock Out/Tag Out (LOTO)	8:30 - 10:30 am
10/1/21	Jetter/Vacuum Safety Awareness	1:00 - 3:00 pm
10/4/21	Confined Space Entry for Entrants & Attendants	8:30 - 10:30 am
10/4/21	Bloodborne Pathogens (BBP)	11:00 - 12:00 pm
10/4/21	HazCom w/GHS	1:00 - 2:30 pm
10/5/21	Hazard Identification: Making Your Observations Count	8:30 - 10:30 am
10/5/21	Back Safety / Material Handling	11:00 - 12:00 pm
10/5/21	Leaf Collection Safety	1:00 - 3:00 pm
10/7/21	Flagger Skills and Safety	8:30 - 9:30 am
10/7/21	Fire Extinguisher Safety	10:00 - 11:00 am
10/7/21	Chain Saw Safety	1:00 - 2:00 pm
10/8/21	Law Enforcement Work Zone Refresher Training	9:00 - 11:00 am
10/8/21	Mower Safety	8:30 - 9:30 am
10/8/21	Shop & Tool Safety	10:00 - 11:00 am
10/12/21	Hearing Conservation	8:30 - 9:30 am
10/12/21	CDL: Drivers' Safety Regulations	10:00 - 12:00 pm
10/12/21	Ladder Safety/Walking & Working Surfaces	1:00 - 3:00 pm
10/12/21	Employee Conduct and Violence Prevention in the Workplace	1:00 - 2:30 pm
10/13/21	Bloodborne Pathogens Administrator Training	8:30 - 10:30 am
10/13/21	Fire Safety	10:30 - 11:30 am
10/13/21	Bloodborne Pathogens (BBP)	1:00 - 2:00 pm
10/14/21	Hazard Identification: Making Your Observations Count	8:30 - 10:30 am
10/14/21	Flagger Skills and Safety	11:00 - 12:00 pm
10/14/21	Work Zone: Temporary Traffic Controls	1:00 - 3:00 pm
10/15/21	Leaf Collection Safety	8:30 - 10:30 am
10/15/21	Chipper Safety	11:00 - 12:00 pm
10/15/21	Sanitation/Recycling Safety	1:00 - 3:00 pm
10/18/21	Heavy Equipment - General Safety	8:30 - 10:30 am
10/18/21	Back Safety / Material Handling	11:00 - 12:00 pm
10/18/21	Personal Protective Equipment (PPE)	1:00 - 3:00 pm
10/18/21	Implicit Bias in the Workplace	1:00 - 2:30 pm
10/19/21	Ladder Safety/Walking & Working Surfaces	8:30 - 10:30 am
10/19/21	Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	9:00 - 11:00 am
10/19/21	Dealing with Difficult People	1:00 - 3:00 pm
10/20/21	HazMat Awareness w/HazCom GHS	8:30 - 11:30 am
10/20/21	Employee Conduct and Violence Prevention in the Workplace	9:00 - 10:30 am
10/20/21	Lock Out/Tag Out (LOTO)	1:00 - 3:00 pm

10/21/21	HazCom w/GHS	8:30 - 10:00 am
10/21/21	Bloodborne Pathogens (BBP)	10:30 - 11:30 am
10/21/21	Snow Plow/Snow Removal Safety	1:00 - 3:00 pm
10/21/21	Law Enforcement Work Zone Refresher Training	1:00 - 3:00 pm
10/22/21	CDL: Drivers Safety Regulations	8:30 - 10:30 am
10/22/21	Fire Safety	11:00 - 12:00 pm
10/22/21	Fire Extinguisher Safety	1:00 - 2:00 pm
10/25/21	Playground Safety Inspections	8:30 - 10:30 am
10/25/21	Hearing Conservation	11:00 - 12:00 pm
10/25/21	CDL: Supervisors' Reasonable Suspicion	1:00 - 3:00 pm
10/26/21	Implicit Bias in the Workplace	9:00 - 10:30 am
10/26/21	Preparing for First Amendment Audits	9:00 - 11:00 am
10/26/21	HazCom w/GHS	8:30 - 10:00 am
10/26/21	Driving Safety Awareness	1:00 - 2:30 pm
10/27/21	Preparing for the Unspeakable	9:00 - 10:30 am
10/27/21	Personal Protective Equipment (PPE)	8:30 - 10:30 am
10/27/21	Asbestos, Lead, Silica, Overview	11:00 - 12:00 pm
10/27/21	Fall Protection Awareness	1:00 - 3:00 pm
10/28/21	Housing Authority Executive Directors: What You Need to Know	10:00 - 11:30 pm
10/28/21	Confined Space Entry for Supervisors	8:30 - 11:30 am
10/28/21	Confined Space Entry for Entrants & Attendants	1:00 - 3:00 pm
10/29/21	Snow Plow/Snow Removal Safety	8:30 - 10:30 am
10/29/21	Shift Briefing Essentials	1:00 - 2:30 pm

***9/23/21 Designated Employee Representative Training (DER) Details:**

- This 6-hour workbook-driven course with 1hr lunch break covers mandatory drug and alcohol testing programs and the responsibilities of the employer, the DER, third-party administrators, the MRO, and the driver. In order to ensure workbooks are received in time for the class, **registrations must be completed before September 10, 2021.**
- Registration suggested - 2 employees per town
- The training will use the Zoom Meeting platform. Students must have access to a computer or device with a working camera and microphone. Students will be 'on-camera' during the class to replicate an in-person classroom.

Safety Training Guidelines:

To maintain the integrity of the classes and our ability to offer CEUs, we must abide by the rules of the State agency who issued the designation. Chief among those rules is the attendee of the class must attend the whole session. ***Attendees who enter the class more than 5 minutes late or leave early will not be awarded CEUs for the class or receive a certificate of completion.***

The Zoom platform is utilized to track the time each attendee logs in and logs out of webinars. Also, we can track participation, to demonstrate to the State agency that the student also participated in polls, quizzes, and question & answer activities during the live, instructor-led webinar. We maintain these records to document our compliance with the State agency.

About Zoom Training:

- When registering, please indicate the number of students that will be attending with you if in a group setting for an accurate count to avoid cancelations due to low attendance. Once registered you will receive an email with the webinar link. Be sure to save the link on your calendar to access on the day of training. We suggest registering no later than a day before to insure you receive the link and your computer and sound system are working correctly.
- A Zoom account is not needed to attend a class. Attendees can login and view the presentations from a laptop, smartphone, or tablet.

- Zoom periodically updates their software. After registering for a webinar, the confirmation email contains a link at the bottom to Test your system. We strongly recommend testing your system, and updating if needed, at that time.
- Please [click here](#) for informative Zoom operation details.
- It is suggested you log in to the webinar about 15 minutes early, so if there is an issue, there is time to address it. We cannot offer credit or CEUs/TCHs to attendees who log in 5 minutes late or leave early.
- Group Training procedures:
 - Please have one person register for the safety training webinar.
 - Group sign in sheet: Please assign someone to submit the completed sign-in sheet(s) within 24 hours of the webinar.

From: Glenn Prince, Public Sector Assistant Director

To: New Jersey Counties Excess Joint Insurance Fund Commissioners

Date: August 2, 2021

Subject: Munich Re Safety Grant Program

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Commissioners,

The New Jersey Counties Excess Joint Insurance Fund continues to provide Safety Grant funding through the Munich Re Safety Grant Program. Member Counties may receive reimbursement for up to 50% of the cost of a “non-typical” safety item or service to assist in controlling the frequency and severity of their general liability, auto liability and law enforcement liability claims. This memo will clarify the grant requirements.

Program Overview:

- The Munich Re Safety Grant Program is a cost sharing program where counties can receive reimbursement for up to 50% of the cost of a safety item or service.
- The total amount of Grant funding available to members of the New Jersey Counties Excess Joint Insurance Fund for this policy period is \$50,000.00
- The safety item or service cannot be “typical”. For example; training on bloodborne pathogens, back injury prevention and other regulatory issues should already be part of a members overall safety program. Items such as patient lifting boards for EMS, body worn cameras or police liability training are specialized and are examples of items that may qualify.
- Safety Grant funding requests for 2021 must be submitted to Glenn Prince gprince@jamontgomery.com no later than September 1, 2021.
- All submissions, will be forwarded to Munich Re, for review and if they approve the submission, they will pay the vendor directly.

Please feel free to contact me with any questions.

Glenn Prince
Public Sector Assistant Director
JA Montgomery Consulting
(856) 552- 4744

RESOLUTION NO. 34-21

**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 *August 24, 2021*

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 *August 24, 2021* 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 *August 24, 2021*.

ADOPTED:

LILLIAN L. NAZZARO, ESQ., CHAIR
ATTEST:

DATE

K. MEGAN CLARK HUGHES

DATE

PAYMENT AUTHORIZATION REQUESTS

August 24, 2021

MEMBER	CLAIMANT	DATE OF LOSS	COVERAGE	CLAIM #
Mercer County	Christopher Crum	5/25/2021	WC	3960003577
Mercer County	Veronica Williams	6/23/2019	WC	3960002803
Mercer County	Paul Toth	12/28/2018	WC	3960002881
Mercer County	Curtis McDonald	6/25/2021	WC	3960003626
Mercer County	Randy Cliver	4/1/2019	WC	3960002672
Mercer County	Tyrone Hodges	7/19/2019	WC	3960003158
Mercer County	Sherry Sentek	1/1/2019	WC	3960003139
Mercer County	Tina Johnson	6/17/2021	WC	3960002802
Mercer County	Donna Weyand	6/28/2021	WC	3960003627
Mercer County	Anthony Kuligoski	4/4/2016	WC	3960001166

APPENDIX I

MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – July 12, 2021
Meeting Held Telephonically
10:30 AM

Meeting was called to order by Chair Nazzaro. Mr. Thorpe 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 Amy Zeiders Suretha Hobbs Yvonne Frey Qual Lynx Chris Roselli - Absent PERMA Jennifer Conicella
Managed Care Services	First MCO Alyssa Hrubash
NJCE Underwriting Manager	Conner Strong & Buckelew Ed Cooney - Absent
Risk Management Consultant	Borden Perlman Salisbury & Kelly Diane Pursell
Attorney	Paul Adezio, Esq.
Treasurer	David Miller - Absent
Safety Director	J.A. Montgomery Consulting Glenn Prince - Absent

ALSO PRESENT:

Jacqueline Tolbert, Mercer County Improvement Authority
Susan Schaefer, Susan Schaefer, LLC
John Pszwaro, Esq., Capehart Scatchard
John Czarnecki, J.A. Montgomery Consulting
Jason Thorpe, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF APRIL 26, 2021

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF
APRIL 26, 2021**

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	Unanimous

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Czarnecki reported the Safety and Accident Review Committee has not met recently due to COVID. With no questions, Mr. Czarnecki concluded his report.

CLAIMS COMMITTEE: Ms. Conicella reported the Claims Committee did not meet, however the PARS would be presented during closed session through a Zoom breakout room. With no questions, Ms. Conicella concluded her report.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and the first action item was the Proposed Amendment to the Commission's Rules & Regulations.

PROPOSED AMENDMENT TO THE COMMISSION'S RULES & REGULATIONS: Executive Director advised that during the April 26th meeting the Committee discussed an amendment to the Insurance Commission's Rules & Regulations (By-Laws) pursuant to Governor Murphy signing S855 into law on August 21, 2020. Executive Director explained that the legislation required the title of "chosen freeholder" to be changed to "County Commissioner" and all "Board of Chosen Freeholders" to be known as "Boards of County Commissioners" effective January 1, 2021. Executive Director noted that the Commission was provided a copy of the Ordinance adopted by County Commissioners and referred to a copy of the Ordinance approved by the County Commissioners. Executive Director advised that he consulted with the Commission Attorney and it is being recommended that the Commissioners consider amending the Rules and Regulations as well. Executive Director advised that the Commission Attorney has drafted a red-lined version of the amended Rules & Regulations and asked the Commission Attorney to comment on the recommendation. Commission Attorney advised that the primary thrust for the amendment recommendation is to bring the Rules & Regulations current to 2021. Commission Attorney noted that in addition updating the language pursuant to Governor Murphy signing S855 into law, there are also a few minor

items being changed to reflect more directly how this Commission operates. Commission Attorney advised that once the Executive Director completes his review of the proposed changes, it will be sent to the Commissioners for review. Commission Attorney added that if the Commissioners are in agreement with the recommendation, it would be appropriate to conduct a public hearing for the amendment to the Rules & Regulations.

MOTION TO PROPOSE AN AMENDMENT TO THE RULES AND REGULATIONS AND ADVERTISE A PUBLIC HEARING FOR THE NEXT COMMISSION MEETING

Moved:	Chair Nazzaro
Second:	Commissioner Hughes
Roll Call Vote:	Unanimous

CERTIFICATE OF INSURANCE REPORTS: Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the months of April and May were included in the agenda. Executive Director advised there were (3) three certificates of insurance issued during the month of April and (18) eighteen during the month of May.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Chair Nazzaro
Second:	Commissioner Walker
Vote:	Unanimous

NJ COUNTIES EXCESS JOINT INSURANCE FUND: Executive Director reported the NJCE met on April 22, 2021 and referred to a written summary report of the meeting enclosed within the agenda packet. Executive Director advised that the NJCE also held a special meeting on May 27 to introduce an amended 2021 budget and referred to a written summary of that meeting enclosed within the agenda packet. Executive Director reported that the NJCE Board agreed the JIF would charge additional assessments to cover the premium due which totaled approximately \$609,000. Executive Director reported that the NJCE also met on June 24, 2021, adopted the amended 2021 budget and approved the 2020 audit. Executive Director added that during the June 24th meeting the NJCE also authorized the issuance of an RFP for the position of Technical Writer. Executive Director advised that the Technical Writer will be responsible for drafting coverage policy forms for the Commission retention layer and the NJCE retention layer. Lastly, Executive Director reported that during the June 24th meeting the NJCE had a lengthy discussion on its financials and proceeded to review the NJCE Financial Fast Track as of April 30th enclosed within the agenda packet. Executive Director noted that there is a reduction in the surplus in the 2016, 2020 and 2021 fund years. Executive Director explained that the most significant change is a result of the projected \$10 million that COVID related workers' compensation claims will eventually cost the NJCE. Executive Director advised that the NJCE is strengthening its claim and IBNR reserves because of the uncertainty over the recovery from the excess insurer Safety National and noted that NJCE's strategy is to book \$4 million for COVID claims and IBNR at the NJCE level to relieve the members of this liability. Executive Director said the NJCE is

hoping that it will be successful in making a full recovery from Safety National so that it can reverse this accrual. Executive Director added that the Actuary is further strengthening the case reserves and IBNR due to large claims activity in the 2016 fund year.

NJCE FINANCE COMMITTEE: Executive Director reported that the NJCE Professionals (PERMA, JAM and CSB) made a presentation to the Finance Committee on the state of the commercial market and benefits of the insurance commission/joint insurance versus commercial market. Executive Director said the presentation was roughly an hour, generated good questions and interaction with Commissioners, and was well received. Executive Director advised that the NJCE Board of Commissioners suggested that the Professionals conduct a live webinars on the subject matter for all commissioners of the NJCE membership and key members of their management team. Executive Director added that the NJCE Board of Commissioners authorized PERMA to schedule the webinar for July 23.

NJCE JIF CYBER TASK FORCE: Executive Director referred to the latest news alert from the NJCE JIF Cyber Task Force enclosed within the agenda packet.

CLAIMS TRACKING REPORTS: Executive Director advised the Claims Tracking Reports as of April 2021 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 above the actuary projections in every year which has led to a sufficient amount of surplus.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director referred to the Financial Fast Track for the month of April enclosed within the agenda packet. Executive Director reported that as of April 30, 2021 the Commission has a surplus of \$9,112,362. Executive Director advised that line 10 of the report "Investment in Joint Venture" is Mercer County Insurance Fund Commission's share of equity in the NJCE. Executive Director noted that MCIFC's equity in the NJCE as of April 30, 2021 is \$1,232,351 and advised that the total cash balance is \$3,206,938.

HOPEWELL VALLEY GOLF & COUNTRY CLUB: Executive Director reported that the Risk Management Consultant informed the fund office that the County acquired the Hopewell Valley Golf & Country Club in January of 2021. Executive Director explained that in order to insure this facility properly, the fund office has requested underwriting information necessary to add the location and its operation for coverage to the Origami database. Ms. Pursell reported that her office has been working on gathering the requested underwriting information.

2022 RENEWAL – UNDERWRITING DATA COLLECTION: Executive Director reported the Fund office is beginning the data collection process for the 2022 renewal in order to provide relevant information to underwriters. Executive Director noted that members and/or risk managers will manage the renewal via Origami, the online platform where members' exposure data (property, vehicles, etc.) may be accessed and edited, as well as, applications to download and complete for ancillary coverages. Executive

Director added that the Payroll Auditor is conducting payroll audits which will be uploaded by the Fund office into Origami. Executive Director said that the 2022 renewal process is mid-July through mid-September, which will allow members to confirm underwriting data.

2021 MEL, MRHIF & NJCE EDUCATIONAL SEMINAR: Executive Director reported that the 10th Annual Educational Seminar was held virtually on May 14 and May 21. Executive Director noted that there were over 200 attendees for each session. Executive Director added that the MEL, NJCE, and MRHIF may consider holding this seminar virtually going forward as it will allow for greater attendance.

2021 GOVERNMENT FINANCE OFFICERS ASSOCIATION OF NJ (GFOA OF NJ): Executive Director advised that J.A. Montgomery has been invited to present at the GFOA of NJ conference at the Golden Nugget in Atlantic City from September 21st to September 24th. Executive Director noted that GFOA of NJ is a professional association of government finance officers working together to enhance and promote professionalism within the governmental community. Executive Director added that he and MEL Co-Executive Director Grubb will also be presenting at the conference.

2021 NEW JERSEY ASSOCIATION OF COUNTIES CONFERENCE: Executive Director reported that the 71st Annual Conference is scheduled to be held from October 11th – October 14th at Caesar's in Atlantic City and noted that NJAC will also be celebrating its 100 year anniversary. Executive Director added that the NJCE and J.A. Montgomery will be presenting at the NJAC conference in October.

2021 NJLM ANNUAL CONFERENCE: Executive Director reported that the 106th Annual New Jersey State League of Municipalities Conference is scheduled for November 16th through November 18th at the Atlantic City Convention Center in Atlantic City.

MEDICAL MARIJUANA AND WORKERS COMPENSATION: Executive Director referred to a letter from Ana-Eliza T. Bauersachs of Capehart Scatchard enclosed within the agenda packet. Executive Director said the letter provides a quick overview of a seminal case addressing the use of medical marijuana in New Jersey Workers' Compensation. Executive Director asked Mr. Pszwaro of Capehart Scatchard to review the letter. Mr. Pszwaro provided an overview of the letter enclosed within the agenda packet.

2021 MEETING SCHEDULE: Executive Director reported that the Commission is scheduled to meet again on July 26, September 27, October 25 and December 20. Executive Director suggested rescheduling the July 26 meeting for August 16. The Commissioners indicated that they were in agreement with the meeting being rescheduled.

**MOTION TO RESCHEDULE THE JULY 26, 2021 MEETING TO
AUGUST 16, 2021 AT 10:30 AM, AND CONDUCT THE MEETING
VIRTUALLY**

Moved:	Commissioner Walker
Second:	Chair Nazzaro
Vote:	Unanimous

With no questions, the Executive Director concluded his report.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chair Nazzaro advised the May Bills List, Resolution 25-21 and the June Bills List, Resolution 26-21 were included in the agenda.

**MOTION TO APPROVE RESOLUTION 25-21, MAY BILLS LIST
AND JUNE BILLS LIST, RESOLUTION 26-21**

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Roll Call Vote:	Unanimous

ATTORNEY: Mr. Adezio advised that Commissioner Walker has brought to his attention a rise in unemployment insurance claim fraud. Mr. Adezio said there are approximately 75 unemployment insurance claim fraud cases involving county employees. Mr. Adezio advised that he has reported these cases to Inservco. Mr. Adezio added that Inservco has reported the cases to the cyber carrier as well so that they are on notice. Commissioner Walker advised that she has put together a list and there are approximately 82 cases dating back to November 2019 through the present. Ms. Zeiders added that Inservco is reviewing the matter and will report back as they receive additional information. Executive Director asked Ms. Zeiders to contact him upon completion of Inservco's initial review.

CLAIMS SERVICE: Ms. Conicella reported that the Governor's ending of the State of Emergency as of July 3rd also includes essential employees being covered for the presumption of COVID. Ms. Conicella added that public safety workers, such as correctional facility workers, are still being covered but noted that essential employees no longer have the presumption applied if the contract COVID. With no questions, Ms. Conicella concluded her report.

CLAIMS ADMINISTRATOR: Chair Nazzaro advised Resolution 27-21, Disclosure of Liability Claims Check Registers were included in the agenda along with a copy of the check register for April 1, 2021 through April 30, 2021 and May 1, 2021 through May 31, 2021.

**MOTION TO APPROVE RESOLUTION 27-21 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

Moved: Commissioner Walker
Second: Commissioner Hughes
Vote: Unanimous

MANAGED CARE: Ms. Hrubash advised she would review First MCO's report, which was included in the agenda for the month of May. Ms. Hrubash provided the below information:

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage Of Savings	Number of Bills	In Network Bills	Net Savings	PPO %
May	\$ 280,258	\$ 141,795	\$ 138,463	49%	127	118	\$ 110,770	93%

With no questions, Ms. Hrubash concluded her report.

NJCE SAFETY DIRECTOR: Mr. Czarnecki advised a copy of the Safety's Director Report for April through June was included in the agenda. Mr. Czarnecki reported the agenda included the online instructor led trainings scheduled through August 31. Mr. Czarnecki advised that the J.A. Montgomery office has been coordinating with the Department of Corrections to provide training in the early Fall. With no questions, Mr. Czarnecki concluded his report.

RISK MANAGER CONSULTANT: Ms. Pursell reported that, as previously mentioned, her office is working on gathering the requested underwriting information for the Hopewell Valley Golf & Country Club. Ms. Pursell advised that once all of the underwriting information has been gathered it will be entered into the Origami database. With no questions, Ms. Pursell concluded her report.

OLD BUSINESS: None

NEW BUSINESS: Mr. Czarnecki advised that Public OSHA has hired additional inspectors and have gone back to conducting inspections on a more frequent basis.

PUBLIC COMMENT: None

CLOSED SESSION: Chair Nazzaro requested a motion to approve Resolution 28-21 authorizing a Closed Session to discuss PARs and SARs.

**MOTION TO APPROVE RESOLUTION 28-21 FOR EXECUTIVE
SESSION**

Moved: Commission Walker
Second: Commission Hughes
Vote: Unanimous

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

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Roll Call Vote:	Unanimous

MOTION TO ADJOURN:

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	Unanimous

MEETING ADJOURNED: 12:06 PM

Minutes prepared by:
Jason Thorpe, Assisting Secretary

APPENDIX II

Revised Rules & Regulations

MERCER COUNTY INSURANCE FUND COMMISSION
RULES AND REGULATIONS

MERCER COUNTY INSURANCE FUND COMMISSION

**640 South Broad Street
Trenton, NJ 08650-0068**

Rules and Regulations Adopted 2/3/14 Revisions adopted 8/24/2021

WHEREAS: Article 3 of NJSA 40A:10-1 et seq. permits the County to establish an insurance commission so that the County and the local units associated with the County can achieve cost savings through the joint purchase or self-funding of insurance: and

WHEREAS: On November 14, 2013, pursuant to Resolution No. 2013- 567, the Chosen Freeholders of the County of Mercer established the Mercer County Insurance Fund Commission (“Commission”): and

WHEREAS: Article 3 of NJSA 40A:10-1 et seq. provides that the Insurance Commissioners are authorized to adopt and revise rules and regulations for the operation of the Commission: and

WHEREAS: pursuant to Resolution No. 14 –14, dated February 3, 2014, the Insurance Commissioners adopted the Commission’s initial rules and regulations: and

WHEREAS: pursuant to New Jersey Law 2020, c. 67, effective January 1, 2021, the title of “County Freeholder” was changed to “County Commissioner”, and

WHEREAS, the Commission has reviewed its rules and regulations, and has determined to amend same; **NOW THEREFORE,** the Insurance Commissioners hereby amend the Commission’s rules and regulations, and adopt same as amended;

ARTICLE I - DEFINITIONS

All terms used herein shall have the meaning consistent with the statutes and regulation then in effect. The definitions herein are for convenience.

“**ACTUARY**” means a person who is a fellow in good standing of the Casualty Actuarial Society with three years recent experience in loss reserving; an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving; or an associate in good standing of the American Academy of Actuaries who has been approved as qualified for signing loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries and who has seven years recent experience in loss reserving.

"ACTUARY" in the case of health insurance means a fellow in good standing of the Society of Actuaries or the Casualty Actuarial Society with at least three (3) years recent experience in health insurance pricing and reserving. Actuary in the case of life insurance means a fellow in good standing of the Society of Actuaries with at least three (3) years recent experience in life insurance pricing and reserving.

"ADMINISTRATOR" means a person, partnership, corporation or other legal entity engaged by the Commission to act as Executive Director to carry out the policies established by the Insurance Commissioners and to otherwise administer and provide day-to-day management of the Commission.

"ALLOCATED CLAIMS EXPENSE" means attorneys' fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers' fees, police reports and other similar expenses. The exact definition of "allocated claims expense" or similar terms for any line of insurance coverage shall be the definition in the insurance policy issued by the Commission.

"COMMISSION" means the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter referred to as the "Commission")

"COMMISSION YEAR" means the Commission's fiscal year of January 1 through December 31.

"COUNTY" means the County of Mercer.

"EMPLOYER'S LIABILITY" means the legal liability of a public employer to pay damages because of bodily injury or death by accident or disease at any time resulting therefrom sustained by an employee arising out of and in the course of his employment by the public employer, which is not covered by a workers' compensation law. The exact definition of "Employer's Liability" or similar terms shall be the definition used in the insurance policy issued by the Commission.

"EXCESS INSURANCE" means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commission as a surplus lines insurer or from any other entity authorized to provide said coverage in this state pursuant to law, covering losses in excess of an amount set forth in insurance contracts on a specific occurrence, or per accident or annual aggregate basis.

"GENERAL LIABILITY" means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers' compensation, and employer's liability. The exact definition of a "general liability" or similar terms is the definition used in the insurance policy issued by the Commission.

"HEALTH INSURANCE" means health insurance as defined pursuant to N.J.S.A. 17B: 17-4; service benefits as provided by health service corporations, hospital service

corporations or medical service corporations authorized to do business in this state, including basic health care services and/or supplemental health care services provided by health maintenance organizations, or dental care services provided by dental plan organizations and dental service corporations.

“INCURRED CLAIMS” means claims which occur during a Commission year including claims reported or paid during a later period. The exact definition of “incurred claims” or any similar term is the definition used in the excess insurance or reinsurance policy purchased by the Commission.

“INDEMNITY AND TRUST AGREEMENT” means a written contract signed by and duly adopted by the members of the Commission under which each agrees to jointly and severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Commission. The agreement shall specify the extent of the member’s participation in the Commission with respect to the types of coverage to be provided by the Commission and shall include the duration of Commission membership which shall not exceed three years. The agreement shall also specify that the member has never defaulted on claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to application to the Commission.

“INSURANCE COMMISSIONERS” means those individuals appointed to serve as the governing body of the Commission.

“LIFE INSURANCE” means life insurance as defined pursuant to N.J.S.A. 17B:117-3

“MANUAL PREMIUM” means the premium computed according to the Experience Rating Plan provided for in the New Jersey Worker’s Compensation and Employer’s Liability Insurance Manual on file with the Commission and similar insurance industry rating plans for other lines of coverage.

“MOTOR VEHICULAR AND EQUIPMENT LIABILITY” means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the members or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of “motor vehicular and equipment liability” or any similar terms shall be the definition of the insurance policy issued by the Commission.

“OCCURRENCE” means a single event. The exact definition of “occurrence” or any similar term shall be the definition used in the insurance policy issued by the Commission.

“PRODUCER” means any person engaged in the business of an insurance agent, insurance broker, or insurance consultant as defined in N.J.S.A. 17:22 A-1 et seq.

“PROPERTY DAMAGE” means any loss or damage, however caused, to property including monies and securities, motor vehicles, equipment or apparatus owned by the member or owned by or under the control of any of its departments, boards, agencies, commissions, or other entities which the membership may provide coverage for. The exact definition of “property damage” or similar terms shall be the definition in the insurance policy issued by the Commission.

“QUALIFIED LOCAL UNIT” means any entity governed by a board appointed by the County Executive or Board of County Commissioners as the case may be, including but not limited to a county college, technical school, library, or county authority.

“SERVICING ORGANIZATION” means an individual, partnership, association, or corporation, other than the administrator, that has contracted with the Commission to provide, on the Commission’s behalf, any function as designated by the Insurance Commissioners including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the Commission’s underwriting file, coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the Commission for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation and such other duties as designated by the Commission.

“SURPLUS” means that amount of monies in a trust account that is in excess of all costs, earned investment income, refunds, incurred losses and loss adjustment expenses and incurred but not reported reserves including the associated loss adjustment expenses attributed to the Commission net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

“WORKERS’ COMPENSATION” means the provisions of N.J.S.A. 34:15-7 et seq.

ARTICLE II - MEMBERSHIP

MEMBERSHIP APPLICATION:

1. The governing body of a qualified local unit shall by resolution, agree to join the Commission. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the Commission’s rules and regulations as approved and adopted by the Insurance Commissioners. The resolution shall also provide for the execution of an Indemnity and Trust agreement as defined in Article I.
2. Any qualified local unit seeking membership shall also submit an application for membership to the Commission on a form acceptable to the Insurance

Commissioners. The application shall include the executed Indemnity and Trust agreement and the resolution required under Subsection 1 above.

3. An application may be approved by a majority vote of the Insurance Commissioners based on the following criteria:
 - a. The applicant's claims history shows safety performance consistent with the Commission's objectives and the applicant's physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
 - b. The Commission has the administrative capability to absorb additional memberships without undue inconvenience or strain.
4. If a non-member is not approved for membership, the Commission shall set forth in writing the reasons for disapproval and send the reasons for disapproval to the non-member. The Commission shall retain a copy of all membership application disapproval's for five years.

Membership Renewal:

1. Members may renew their participation by execution of a new resolution to join the Commission ninety (90) days prior to the expiration of the term.
2. The Insurance Commissioners must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application, the Insurance Commissioners shall find by majority vote that the applicant has failed to fulfill its responsibilities as a member or no longer meets the Commission's risk management or underwriting standards or other reasons approved by the Insurance Commissioners as reasons for termination.
4. If a member's renewal application is rejected, the Commission shall comply with the termination provisions as outlined below.
5. Non-renewal of a Commission member does not relieve the member of responsibility for claims incurred during its period of membership.

Termination and/or Withdrawal of Commission Members

1. A member must remain in the Commission for the full term of membership unless earlier terminated by the Insurance Commissioners for non-payment of assessments or continued non-compliance after receiving written notice to comply with the

Commission's rules and regulations, risk management or underwriting standards, or other reasons approved by the Insurance Commissioners as reasons for termination. However, a member shall not be deemed terminated until the Commission gives by registered mail to the member a written notice of its intention to terminate the member in thirty (30) days

2. A member that does not desire to continue as a member after the expiration of its membership term shall give written notice to the Commission of its intent ninety (90) days before the expiration of the term period.
3. A member that has been terminated or does not continue as a member of the Commission shall remain jointly and severally liable for claims incurred by the Commission and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.

ARTICLE III – ORGANIZATION

Commissioners:

1. The officer or the Board of County Commissioners having the power to make appointments shall appoint three (3) officials of the County to serve as Insurance Commissioners. The officer or body having the power to make appointments of member local units other than the County shall appoint one official, who may be a member of the governing body, to serve as a non-voting Insurance Commissioner.
2. The Insurance Commissioners shall hold office for two (2) years or for the remainder of their term of office as officials, whichever shall be less, and until their successors shall have been duly appointed and qualified. Vacancies in the office of Insurance Commissioners caused by any reason other than expiration of term as an official shall be filled for the unexpired term. Vacancies in the position of secretary shall be filled in the manner of the original appointment.
3. The Insurance Commissioners shall serve without compensation.
4. The Insurance Commissioners are hereby required, authorized and empowered to operate the Commission in accordance with these rules and regulations and appropriate state laws and regulations in the interests of the total membership of the Commission. The Insurance Commissioners shall have the following powers and authority:
 - a. Employ necessary clerical assistants, whose compensation shall be fixed and paid by the governing body of the local unit in the same manner as is that of other employees of the local unit;

- b. Invest the funds and all additions and accretions thereto in compliance with New Jersey laws and regulations, as they shall deem best suited for the purposes of this article;
- c. Adopt rules and regulations for the control and investment of the funds;
- d. Keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the local unit or of a county college which participates in the Commission pursuant to P.L. 1988, c. 144 (C. 18A:64A-25.40 et al.) or of a county vocational school which participates in the commission pursuant to P.L. 1988, c. 143 (C. 18A:18B-8 et al.), or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus;
- e. Fix reasonable rates of premium for all insurance carried by the Commission and shall affect all insurance in the e Commission or with any insurance company or companies authorized to do business in this State;
- f. Premiums for insurance, whether carried in the Commission's insurance fund or placed with insurance companies, shall be paid to the Commission by the board, commission, department, committee or officer having charge or control of the property insured;
- g. All insurance upon property owned or controlled by the county, or any of its departments, boards, agencies or commissions, or by a participating local unit including, but not limited to a board of education of a participating county vocational school or by a board of trustees of a participating county college shall be placed and effected by the Insurance Commissioners;
- h. Each Insurance Commissioner shall have one vote.

Officers:

- 1. As soon as possible after the beginning of each Commission year, the Insurance Commissioners shall meet to elect the following officers of the Commission from its own membership. Commission officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.
 - a. **Chairperson:** The Chairperson shall preside at all meetings of the Insurance Commissioners and shall perform such other duties provided for

in these rules and regulations and the laws and regulations of the State of New Jersey.

- b. **Vice-Chairperson:** The Vice-Chairperson shall serve as Acting Chairperson in the absence of the Chairperson, and shall perform such other duties as provided for in these rules and regulations and the laws and regulations of the State of New Jersey.

- 2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the officer or Board of County Commissioners with the power of appointment shall appoint an Insurance Commissioner to fill the vacancy for the unexpired term.
- 3. Any officer can be removed with cause at any time by resolution of the Board of County Commissioners.

Secretary:

- 1. The [Insurance Commissioners?] Board of County Commissioners shall appoint a person to serve as secretary to the Insurance Commission. The salary of the secretary shall be set by resolution, as authorized by the Commission.
- 2. The Secretary shall:
 - a. Coordinate the Commission's meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - b. Perform such other duties as provided for by the Insurance Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.

Commission Professionals:

As soon as possible after the beginning of each year, the Insurance Commissioners shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be an Insurance Commissioner. All professionals shall be retained pursuant to the "Local Public Contracts Law."

- 1. **Treasurer:**

The Treasurer shall be a Certified County Finance Officer and have the following duties and responsibilities:

- a. Custodian of the Commission's assets and shall maintain the various trust funds.
- b. Approval of all receipts, disbursements, and financial records.
- c. Draft the cash management plan and invest all balances.
- d. Ascertain availability of sufficient unencumbered funds in any account to fully pay all charges or commitments prior to any payment or commitment.
- e. The treasurer shall perform such other duties as provided for by the Insurance Commissioners, these rules and regulations and in the laws and regulations of the State of New Jersey.
- f. The treasurer shall be covered by a fidelity bond protecting the Commission's assets in a form and amount to be determined annually by the commissioners. Said bond to be paid for by the Commission.

2. **Executive Director/Administrator:**

- a. The Administrator shall serve as Executive Director of the Commission and shall be a licensed New Jersey Insurance Producer who shall be experienced in risk management matters and self-funded entities.
- b. The Administrator shall have the following duties and responsibilities:
 - i) Carry out the policies established by the commissioners and to otherwise supervise the management of the Commission.
 - ii) Advise the commissioners on risk management matters and shall prepare a draft Risk Management Plan.
 - iii) Prepare the Commission's budget, compile and bill assessments.
 - iv) Maintain underwriting files, secure insurance and excess insurance as authorized by the Commission and prepare new members submissions for review of the Insurance Commissioners.

- v) Prepare draft requests for proposals for services to be provided by servicing organizations and monitor the performance of the service companies.
 - vi) Prepare filing required by state regulations.
 - vii) Coordinate in conjunction with the Commission's secretary the meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - viii) Maintain the Commission's general ledger, accounts payable and accounts receivable function.
 - ix) Perform such other duties as provided for by the Insurance Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.
- c. The Administrator shall assume overall executive responsibility for the operations of the Commission except that the Administrator shall not be responsible for the errors and omissions of any other servicing organization except as to generally monitor the compliance of said organization with the directives of the Insurance Commissioners, its Service Provider contract, or the applicable statutes and regulations as to the form and timeliness of said undertaking. For example, the Executive Director shall be responsible to verify the issuance of excess or reinsurance policies, and the timely receipt of said policies by the Commission.
- d. The Administrator shall be bonded in a form and amount acceptable to the Insurance Commissioners. The Administrator shall also be covered by Errors and Omissions insurance, said coverage is to be paid by the Commission.

3. **Auditor:**

The Auditor shall be an independent Certified Public Accountant (CPA) or a registered municipal accountant (RMA) who has evidenced the ability and experience to properly examine an insurance commission. The Auditor shall conduct the annual audit of the Commission and shall perform such other duties as provided for by the Insurance Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

4. **Attorney:**

- a. The Attorney shall be admitted to the New Jersey Bar and shall provide advice to the Commission on legal matters such as advising the commissioners of their obligations and responsibilities under Article 3 of NJSA 40A:10-1 et seq., these rules and regulations and other pertinent law such as the Open Public Meetings Act.
- b. The Attorney shall have the following responsibilities:
 - i) The Attorney shall advise the Commission as to the appropriateness of claim settlements recommended by the Claims Administrator.
 - ii) The Attorney shall advise the Insurance Commissioners on the selection of counsel to represent the Commission Members in the defense of claims. The Attorney may also provide representation concerning incidental aspects of claim matters such as motions where it is more expeditious, cost effective or otherwise to do so. However, the Attorney or any member of the Attorney's law firm shall not defend claims which are the responsibility of the Commission without the authorization of the Insurance Commissioners.
 - iii) The Attorney shall perform such other duties as provided for by the Insurance Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

5. **Actuary:**

The Actuary shall certify the actuarial soundness of the Commission and shall report to the Insurance Commissioners in a manner and at such times established by them, and shall provide such actuarial reports as required by the New Jersey State Department of Banking & Insurance. The Actuary shall certify claim reserves, reserves for "Incurred but Not Reported" (IBNR) losses, and unearned assessments and shall comment on the adequacy of the budget.

- 6. All Commission professionals shall be retained on a contractual basis which shall be approved by the Insurance Commissioners.
- 7. Commission Professionals shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the Insurance Commissioners. The written fee schedule shall be part of the official contract.

Servicing Organizations:

1. The Commission may contract to have the following services performed:
 - a. Actuarial services
 - b. Claims Administration
 - c. Cost containment services
 - d. Loss prevention/safety engineering services
 - e. Legal services
 - f. Auditing services
 - g. Financial services
 - h. Compilation and maintenance of the Commission's underwriting file
 - i. Coordination and preparation of coverage documents
 - j. Risk selection and pricing
 - k. Excess insurance or reinsurance producer services
 - l. Member assessment and fee development
 - m. Report preparation
 - n. Other duties as designated by the Commission
2. The Commission may at its option contract for these services from different servicing organizations.
3.
 - a.) No servicing organization of the Commission or their employees, officers or directors shall have either a direct or indirect financial interest in the administrator of the Commission or be an employee, officer or director of the Administrator unless notice of such interest has been provided to the Commissioners and members.
 - b.) No Administrator of the officer or director of, or have either a direct or indirect financial interest in, a servicing organization of the Commission, or the insurance producer that may be appointed by that Commission unless notice of such interest has been provided to the Insurance Commissioners and members.
 - c.) Any employee, officer or director of the administrator or servicing organization shall disclose to the Insurance Commissioners, any direct or indirect financial interest such employee, officer or director has in any other administrator, servicing organization or insurance producer.
4. Each service contract shall include a clause stating "unless the Insurance Commissioners otherwise permit, the servicing organization shall handle to its conclusion all claims and other obligations incurred during the contract period."

5. Each Servicing Organization shall provide a surety bond and Errors and Omissions coverage if required by law, in a form and amount acceptable to the Insurance Commissioners.
6. All officers, employees and agents, including the Administrator and Servicing Organization of the Commission, on the final day of their contract or employment shall surrender and deliver to their successors all accounts, funds, property, records, books and any other material relating to their contract or employment, or if no successor has been designated, delivery shall be made to the Administrator or Commission Chairperson

Indemnification of Officers and Employees:

1. The Administrator, Claims Service Provider(s), Producer, Risk Management Consultant(s) and such others as are required by regulation to do so, shall provide Errors and Omissions coverage in a form satisfactory to the Commissioners. The Insurance Commissioners may also require other professionals to provide evidence of Errors and Omissions coverage, and any other coverage as a requirement of their contract.
2. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Commission shall indemnify and defend any past, present or future Insurance Commissioner, and may indemnify such other officials or professionals or service providers as the Insurance Commissioners determine, for claims arising from an act or omission of such Insurance Commissioner, official or employee within the scope of the performance of such individual's duties as Insurance Commissioner, officials, professional or employee within the scope of the performance of such individual's duties as Insurance Commissioner, official, professional or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Commission to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such an individual and the Commission shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Insurance Commissioner, official, professional or employee is either covered, or required to be covered by Errors and Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Insurance Commissioners. Nothing herein contained is intended to shield omission or wrongdoing which would not customarily be covered by Errors and Omissions insurance if same had been required of said employee or appointed official.

3. A present, past or future Insurance Commissioner, official, professional or employee of the Commission shall not be entitled to a defense or indemnification from the Commission unless:
 - a. Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleading, he or she delivers the original or exact copy to the Commission Chairperson with a copy to the Commission Attorney, together with a request that the Commission provide for his or her defense; and
 - b. In the event the Commission provides a defense or indemnification, he or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case; and
 - c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Commission to handle such matters, the past, present or future Insurance Commissioner, official, professional or employee shall agree that the Commission and its counsel shall have exclusive control over the handling of the litigation.
4. The foregoing right of indemnification shall not be exclusive of any other rights to which any Insurance Commissioner, official, professional or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this Commission shall be in addition to and not in restriction or limitation of any other privilege or power which the Commission may lawfully exercise with respect to the indemnification or reimbursement of an Insurance Commissioner, official, professional or employee; except that in no event shall an Insurance Commissioner, official, professional or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.
5. Expenses incurred by any Insurance Commissioner, official, professional or employee in defending an action, suit or proceeding may be paid by the Commission in advance of final determination of such action, suit or proceeding as authorized by the Commission in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

Advisory Committees:

1. From time to time, the Commission Chairperson may establish advisory committees and may appoint any individual to serve on these committees.

2. Loss Prevention Committee:

- a. Membership: Each member shall appoint one of its management employees to serve as the safety coordinator, for the member. The safety coordinator shall serve as the representative of the member on the Commission's Safety Committee. The member shall also designate a management employee to serve as alternate safety coordinator whenever the safety coordinator is unable to serve. The safety coordinator and the alternate shall serve at the pleasure of the member and shall perform those duties specified in the Commission's Loss Control Program.
- b. The Commission's safety committee shall consist of the Commission's safety director and the safety coordinator from each member. The alternate safety coordinator from each member may also attend meetings of the safety committee.
- c. At the beginning of each Commission year the safety committee shall select a chairperson to preside over meetings of the committee.
- d. Duties: The safety committee shall meet at least quarterly and shall have the following duties or responsibilities.
 - i) Confer with the Commission's safety director to develop a comprehensive safety and loss control program.
 - ii) Monitor all accident trends and frequency of accident in order to identify problem areas and local unit activities and programs requiring more frequent loss control surveys and evaluations.
 - iii) Assist in the development of a safety educational program that will include visual aids, equipment, etc.
 - iv) Make recommendations to the Commission for policies that will implement a comprehensive safety and loss control program for the Commission and the member local units.
 - v) Perform such other duties that are assigned by the Commission or required by law.

Risk Manager:

- 1. The Commission shall appoint an Insurance Producer as a Risk Management Consultant who shall not be an Insurance Commissioner.

2. The Risk Management Consultant's specific responsibilities shall include, but not be limited to:
 - a.) Evaluation of the member's exposures.
 - b.) Explanation of the various coverages available from the Commission and assisting the member in the selection of proper coverage.
 - c.) Preparation of applications, statements of values, etc. required by the Commission.
 - d.) Review of the member's assessment and assisting in the preparation of the local unit's insurance budget.
 - e.) Assisting in the claims settlement process.
 - f.) Review of losses and engineering reports and providing assistance to the member's safety committee.
3. The Risk Management Consultant(s) shall be appointed in conformance with the Public Contracts Law.

ARTICLE IV - OPERATION OF THE COMMISSION

General Operation:

1. The Commission shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and regulations (including but not limited to N.J.A.C. 5:34) and the various statutes authorizing the investment of public funds..
2. The Commission shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.
3. The Commission shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Commission shall prepare a financial statement on a form acceptable to the Insurance Commissioners showing the financial ability of the Commission to meet its obligations.

4. All monies, assessments, funds and other assets of the Commission shall be under the exclusive control of the Insurance Commissioners.
6. The Commission shall adopt a resolution designating a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian of funds shall possess a Certified Municipal Finance Officer certificate issued pursuant to N.J.S.A. 40A:9-140.2. The custodian shall quarterly report to the Commissioners on investment and interest income.
6. All books, records, files, documents and equipment of the Commission are the property of the Commission and shall be retained by the Commission Administrator at the discretion of the Insurance Commissioners in accordance with a record retention program adopted by the Commission. All books, records, files and documents of the Commission shall be retained for not less than five years. The Commission shall also retain claims information

Risk Management Plan:

The Insurance Commissioners shall prepare or cause to be prepared, a Risk Management Plan for the Commission including all information detailed in N.J.A.C. 11:15-2.6(e) and or 11:15-3.6(d) as appropriate. The Risk Management Plan shall be adopted and approved by resolution of the Insurance Commissioners.

Financial Statement and Reports:

1. The Commissioners shall provide its members with periodic reports covering the activities and status of the Commission for the reporting period. The reports shall be made at least quarterly, and may be made more frequently at the direction of the Insurance Commissioners, and shall include, but not be limited to, the minutes, the Administrator's report, the Treasurer's report, and a summation of Commission activity, including comments on previously reported claims and newly reported claims, and any other information required by the Insurance Commissioners. The Treasurer's report shall include budget status, account balances, claims information, investment status, earnings and the costs of making investments.
2. A sworn annual report in a form prescribed by the Insurance Commissioners shall be prepared by the Commission, and be made available to each Commission member not later than one hundred eighty (180) days after the end of each Commission year. The report shall be accompanied by an annual audited

statement of the financial condition of the Commission prepared by the Auditor, and performed in accordance with generally accepted accounting principles.

Coverages:

The Commission may offer coverage to its members for the following purposes:

1. To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
2. To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
3. To insure against liability for its negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);
4. To insure against any loss or damage from liability as established by chapter 15 of Title 34 of the Revised Statutes;
5. To provide contributory or noncontributory self-funded, or partially self-funded, health benefits to employees or their dependents, or both, in accordance with rules and regulations of the Director of the Division of Local Government Services in the Department of Community Affairs. The establishment and operation of a Commission to provide health benefits by a local unit prior to the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby validated; however, any such health benefits Commission shall comply with all rules and regulations promulgated by the director pursuant to this subsection.

Services:

The Commission may also provide its members with safety and loss control programs and may jointly purchase or lease, on behalf of its membership, safety and loss control services, training, equipment and apparatus, in connection with the provision of the coverage set forth above.

ARTICLE V - MEETINGS AND RULES OF ORDER

1. **Annual Organization Meeting:**

On or before January 15th the beginning of the Commission year, the Insurance Commissioners shall meet to elect officers and to appoint professionals and servicing organizations and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.

2. **Business Meetings:**

The Insurance Commissioners shall establish an annual schedule of meetings to conduct the business of the Commission.

3. **Special Meetings:**

The Chairperson or two (2) Insurance Commissioners may call a special meeting by notifying the Commission's Secretary at least three (3) days in advance. The Secretary shall notify the Insurance Commissioners by telephone.

4. **Quorum:**

The quorum for a meeting of Insurance Commissioners shall be a majority of the regular Insurance Commissioners.

5. **Conduct Of Meetings:**

- a. All meetings of the Commission shall be subject to the rules and regulations of the Open Public Meetings Act. (N.J.S.A. 10:4-6 et. seq.)
- b. Unless otherwise provided in these rules and regulations, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.
- c. The Secretary shall cause written minutes to be maintained of all Commission meetings, and shall cause the minutes to be made available to the Insurance Commissioner upon request. In addition, the Secretary shall tape record open sessions for clarity in preparing the minutes. Said meeting tape shall be maintained for 180 days or until the meeting minutes are approved, whichever occurs first. There shall be no tape recording of closed session meetings.

6. **Amendments to the Rules and Regulations**

- a. Any Insurance Commissioner may propose an amendment to the bylaws by filing the proposed amendment in writing with the Secretary.
 - b. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Insurance Commissioners of the hearing date and shall send all Insurance Commissioners and members a copy of the proposed amendment. Notice shall be given to the County Commissioner Chairperson and County Administrator.
3. The amendment may be adopted by the Insurance Commissioners upon the completion of the hearing.

ARTICLE VI - BUDGETS

- A. On or before November 15 of each year, the Commission shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self-insurance or loss retention accounts. The budget shall be prepared on a basis that does not recognize investment income or discounting of claim reserves, but recognizes all anticipated or forecasted losses and administrative expenses associated with that fiscal year.
- B. A copy of the Commission's proposed budget shall be made available to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget shall be adopted until a hearing has been held in accordance with N.J.S.A. 40A:4-1et. seq., giving all members the opportunity to present comments or objections.
- C. Not later than December 1st of each year the Insurance Commissioners shall adopt by majority vote the budget for the Commission's operation for the coming fiscal year.
- E. An adopted budget may be amended by majority vote of Insurance Commissioners.

ARTICLE VII - ASSESSMENTS

Annual Assessment

1. In November of each year, the Executive Director/Administrator shall compute each member's assessments for the upcoming Commission year, which shall consist of an amount allocated for the administrative account plus specific assessment to establish and/or replenish the claim or loss retention trust fund account for each type of coverage provided by the Commission and in which such member participates.
2. The annual assessment of each participating local unit shall be its pro rata share of the Commission's budget for the upcoming year for each line of coverage provided to the member.
3. The calculation of pro rata shares shall be based on each member's manual premium by Commission year for that line of coverage. To the extent possible, the Commission shall use experience modification formulas in computing manual premiums. Unless otherwise approved by the Insurance Commissioners, the assessment for Worker's Compensation and Employer's Liability shall be based upon the experience rating plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner of Banking and Insurance. The Insurance Commissioners may also adopt a capping formula which limits the increase in any member's assessment to the Commission-wide average increase plus a percentage established by the Insurance Commissioners.
4. The total amount of each member's annual assessment shall be certified by majority vote of the Insurance Commissioners to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment shall be paid to the Commission in installments, to be determined by the Insurance Commissioners.
6. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention Trust Fund account.
7. If a member joins the Commission or elects to participate in a line of coverage after the start of the Commission year, such member's assessments and supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

Supplemental Assessments:

1. The Insurance Commissioners shall by majority vote levy upon the member local units additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.
 - a. All supplemental assessments shall be charged to the members by applicable Commission year, and shall be apportioned by that year's assessments for that line of coverage.
 - b. All members shall be given at least thirty (30) days advance written notice of the Commission's intention to charge an additional assessment.
 - c. Members shall have thirty (30) days to pay the Commission from the due date established by the Insurance Commissioners at the time any supplemental assessment is adopted. Whenever possible, the due date shall be no sooner than the beginning of the Commission's next fiscal year.

Insolvency And/ Or Bankruptcy of Commission Members:

The insolvency or bankruptcy of a member does not release the Commission, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

ARTICLE VIII - REFUNDS

- A. Any monies for a Commission year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Commission.
- B. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission.
- C. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual assessment.

ARTICLE IX - TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS

Establishment of Trust Fund Accounts

1. By resolution, the Commission shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian shall report to the commission quarterly on interest and interest/income
2. The Commission shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums designated as the Claims or Loss Retention Fund Account.
 - a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a claim or loss retention account without the approval of the Insurance Commissioners.
 - b. The Commission shall maintain accounting records allocating all income, disbursements, and assets in the Claims account by line of coverage and by Commission year. Accounting records for closed Commission year(s) shall be allocated by member. Accounting records for loss fund contingency or excess loss contingency shall also be allocated by member.
3. The Commission shall also establish an administrative account which shall be utilized for payment of the Commission's general operating expenses, loss prevention activities, data processing services, and general legal expenses. The Commission shall maintain accounting records for the administrative account per 2(b) above.

Investments

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Commission's cash management plan and consistent with the statutes and rules governing the investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.
2. The investment and interest income earned by the investment of the assets of each claim or loss retention account shall be credited to each account.

3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

Disbursements

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Commission's assets shall certify as to the availability of sufficient unencumbered funds to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Insurance Commissioners.
3. Notwithstanding numbers 1 and 2 above, the Commission may provide for the expedient resolution of certain claims by designating the Commission's Administrator or service organization as a "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Commission may authorize the certifying and approving officer to approve for payment any specified claims in an amount not to exceed an amount approved by the Insurance Commissioners in the Plan of Risk Management. The Commission shall establish such other procedures and restrictions on the exercise of this authority as the Commission deems appropriate.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Commission's assets, directing that a check for payment be prepared.
5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Insurance Commissioners at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.
6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and shall be certified by an officer or duly designated agent or employee of the Commission having knowledge of the facts that the goods have been received by, or the services rendered to the Commission. In the case of claims or losses to be charged against any loss fund, the Commission's claims administrator shall certify as to the claims correctness and validity.

7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the Insurance Commissioners. Payment of claims may be made by wire transfer.
8. All claims or other disbursements approved for payment by the Commission shall be recorded in a claims register maintained by the custodian of the Commission's assets.

ARTICLE X - CONFLICT OF INTEREST

- A. All officials or employees of a member local unit or any members of the family of such officials or employees shall comply with N.J.S.A. 40A: 22.1et. seq. (The "Local Government Ethics Law").

ARTICLE XI - VOLUNTARY DISSOLUTION OF THE COMMISSION

- A. If the Insurance Commissioners deem it in the best interest of the members to dissolve the Commission, they shall by majority vote direct that a written Plan of Dissolution be prepared.
- B. The Plan of Dissolution must provide for the payment of all unexpired losses of the Commission and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Commission or the trust fund accounts may be used for any other purpose.
- C. Upon completion of the plan, the Chairperson shall call a general meeting of all Insurance Commissioners who shall review the plan and make any appropriate amendments. By majority vote, the Insurance Commissioners may recommend to the County that the Commission be dissolved in accordance with the Plan of Dissolution.
- D. The Board of County Commissioners must by resolution vote to accept the Plan of Dissolution in order to dissolve the Commission.
- E. Such Plan of Dissolution shall contain a statement of the Commission's current financial condition computed both on a statutory basis and according to generally accepted accounting principles as attested to by an independent certified accountant.

ARTICLE XII - CLAIMS HANDLING PROCEDURE

Claims Reporting:

Upon receipt of the initial notice of a claim, the member shall immediately forward the notice of claim and any other information available to the third-party adjuster (TPA) retained by the Commission, and, where appropriate, to the Commission's Attorney for initial contact, investigation, court actions or other appropriate response.

Registration of Claims:

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the TPA shall cause each claim to be numbered, and to be included on a monthly report to the Executive Director. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, and an approximate estimate of the magnitude of the potential loss. This report shall be considered confidential.

Notice of Request for Settlement Authority:

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, and such settlement exceeds the authority of the claims administrator, the TPA shall submit to the Commission Administrator for review at an Insurance Commissioners meeting, a request for settlement authority. This notice shall be on forms approved by the Insurance Commissioners and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Commission, a summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement authority.

Approval of Payments and Settlements:

Whenever the Commission shall make any payment or settlement of any claim, a notation thereof identifying the claim, and the amount paid shall be entered upon a ledger of claims paid.

ARTICLE XIII - COMPLAINT HANDLING PROCEDURE

- A. Whenever any interested party shall submit a complaint in writing to the Commission, the executive director/administrator, or any member of the Commission, a copy thereof shall be forthwith communicated to the Insurance Commissioners for consideration at its next regularly scheduled meeting.
- B. At said meeting the Insurance Commissioners shall consider the complaint, and by recorded vote take such action as might be appropriate.

- C. The complaining party, and the Insurance Commissioner from the local unit shall receive written notice of the Commissioners findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning his/her complaint before the Insurance Commissioners.
- D. They shall keep a separate record of all complaints received and the disposition of same.
- E. If the complaining party is dissatisfied with the Insurance Commissioners decision, the complaining party may appeal this determination to the independent appeal organization or arbitrator designated by the Commission annually.
- F. If the complaining party is dissatisfied with the determination of the independent appeal agency or arbitrator, the complaining party may exercise any remedies provided by law.

ARTICLE XIV - OTHER CONDITIONS

Inspection and Audit:

The Commission shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others, to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Commission shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

Notice of Injury:

When an injury occurs, written notice shall be given by or on behalf of the member to the Commission or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the member and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

Notice of Claim or Suit:

If claim is made or formal petition or a suit or other proceedings are brought against the member, it shall immediately forward to the Commission every demand, notice, summons or other process received by the member or its representative.

Assistance and Cooperation of the Participant:

The member shall cooperate with the Commission and upon the Commission's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

Action Against Commission:

No action shall lie against the Commission unless, as a condition precedent thereto, the Member shall have fully complied with all the terms of this agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial or by written agreement of the member, the claimant and the Commission. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Commission as a co-defendant in any action against the member to determine the member's liability.

Bankruptcy or insolvency of the member shall not relieve the Commission of any of its obligations.

Subrogation:

In the event of any payment under the agreement, the Commission shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits of this agreement against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

Conformance With Statute:

In the event any portion of these rules and regulations conflict with any statute or administrative regulation, the provision of any such statute or administrative regulation shall control to the extent it conflicts.

THUS DONE, READ AND PASSED in my office in Trenton, Mercer County, State of New Jersey.

MERCER COUNTY INSURANCE FUND COMMISSION

BY: _____
LILLIAN L. NAZZARO, ESQ., CHAIRPERSON

ATTEST: _____
RAISSA WALKER, VICE CHAIRPERSON

DATED: AUGUST 24, 2021

MERCER COUNTY INSURANCE FUND COMMISSION
RULES AND REGULATIONS

MERCER COUNTY INSURANCE FUND COMMISSION

640 South Broad Street
Trenton, NJ 08650-0068

Rules and Regulations

Adopted 2/3/14

Revisions adopted 8/16/24/2021

WHEREAS: Article 3 of NJSA 40A:10-1 et seq. permits the ~~e~~County to establish an insurance commission so that the ~~e~~County and the local units associated with the ~~C~~ounty can achieve cost savings through the joint purchase or self-funding of ~~these~~ insurance; and

WHEREAS: On November 14, 2013, pursuant to Resolution No. 2013- 567, the Chosen Freeholders of the County of Mercer ~~MERCER~~ established created the Mercer County an Insurance Fund Commission ("Commission"): and

WHEREAS: Article 3 of NJSA 40A:10-1 et seq. provides that the Insurance Commissioners are authorized to adopt and revise rules and regulations for the operation of the ~~insurance~~ Commission: and

WHEREAS: pursuant to Resolution No. 14 –14, dated February 3, 2014, the Insurance Commissioners adopted the Commission’s initial rules and regulations: and

WHEREAS: pursuant to New Jersey Law 2020, c. 67, effective January 1, 2021, the title of “County Freeholder” was changed to “County Commissioner”, - and

WHEREAS, the Commission has reviewed its rules and regulations, and has determined to amend same;

NOW THEREFORE, the Insurance Commissioners hereby amend the Commission’s adopt the following rules and regulations, and adopt same as amended;

ARTICLE I - DEFINITIONS

All terms used herein shall have the meaning consistent with the statutes and regulation then in effect. The definitions herein are for convenience.

“ACTUARY” means a person who is a fellow in good standing of the Casualty Actuarial Society with three years recent experience in loss reserving; an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving; or an associate in good standing of the American Academy of Actuaries who has been approved as qualified for signing loss reserve opinions by the Casualty Practice Council of the

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American Academy of Actuaries and who has seven years recent experience in loss reserving.

"ACTUARY" in the case of health insurance means a fellow in good standing of the Society of Actuaries or the Casualty Actuarial Society with at least three (3) years recent experience in health insurance pricing and reserving. Actuary in the case of life insurance means a fellow in good standing of the Society of Actuaries with at least three (3) years recent experience in life insurance pricing and reserving.

"ADMINISTRATOR" means a person, partnership, corporation or other legal entity engaged by the Commission to act as Executive Director to carry out the policies established by the [Insurance](#) Commissioners and to otherwise administer and provide day-to-day management of the Commission.

"ALLOCATED CLAIMS EXPENSE" means attorneys' fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers' fees, police reports and other similar expenses. The exact definition of "allocated claims expense" or similar terms for any line of insurance coverage shall be the definition in the insurance policy issued by the Commission.

"COMMISSION" means the MERCER COUNTY INSURANCE FUND COMMISSION (hereinafter referred to as the ["Commission"](#))

"COMMISSION YEAR" means the Commission's fiscal year of January 1, ~~2014~~ through December 31, ~~2014~~.

"COUNTY" means the County of Mercer.

"EMPLOYER'S LIABILITY" means the legal liability of a public employer to pay damages because of bodily injury or death by accident or disease at any time resulting there from sustained by an employee arising out of and in the course of his employment by the public employer, which is not covered by a workers' compensation law. The exact definition of "Employer's Liability" or similar terms shall be the definition used in the insurance policy issued by the Commission.

"EXCESS INSURANCE" means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the [Commissioner](#) as a surplus lines insurer or from any other entity authorized to provide said coverage in this state pursuant to law, covering losses in excess of an amount set forth in insurance contracts on a specific occurrence, or per accident or annual aggregate basis.

"GENERAL LIABILITY" means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers' compensation, and employer's liability. The exact definition of a "general liability" or similar terms is the definition used in the insurance policy issued by the Commission.

"HEALTH INSURANCE" means health insurance as defined pursuant to N.J.S.A. 17B: 17-4; service benefits as provided by health service corporations, hospital service corporations or medical service corporations authorized to do business in this state, including basic health care services and/or supplemental health care services provided by health maintenance organizations, or dental care services provided by dental plan organizations and dental service corporations.

"INCURRED CLAIMS" means claims which occur during a Commission year including claims reported or paid during a later period. The exact definition of "incurred claims" or any similar term is the definition used in the excess insurance or reinsurance policy purchased by the Commission.

"INDEMNITY AND TRUST AGREEMENT" means a written contract signed by and duly adopted by the members of the Commission under which each agrees to jointly and severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Commission. The agreement shall specify the extent of the member's participation in the Commission with respect to the types of coverage to be provided by the Commission and shall include the duration of Commission membership which shall not exceed three years. The agreement shall also specify that the member has never defaulted on claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to application to the Commission.

"INSURANCE COMMISSIONERS" means those individuals appointed to serve as the governing body of the Commission.

"LIFE INSURANCE" means life insurance as defined pursuant to N.J.S.A. 17B:17-3

"MANUAL PREMIUM" means the premium computed according to the Experience Rating Plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner and similar insurance industry rating plans for other lines of coverage.

"MOTOR VEHICULAR AND EQUIPMENT LIABILITY" means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the members or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of "motor vehicular and equipment liability" or any similar terms shall be the definition of the insurance policy issued by the Commission.

"OCCURRENCE" means a single event. The exact definition of "occurrence" or any similar term shall be the definition used in the insurance policy issued by the Commission.

“PRODUCER” means any person engaged in the business of an insurance agent, insurance broker, or insurance consultant as defined in N.J.S.A. 17:22 A-1 et seq.

“PROPERTY DAMAGE” means any loss or damage, however caused, to property including monies and securities, motor vehicles, equipment or apparatus owned by the member or owned by or under the control of any of its departments, boards, agencies, commissions, or other entities which the membership may provide coverage for. The exact definition of “property damage” or similar terms shall be the definition in the insurance policy issued by the Commission.

“QUALIFIED LOCAL UNIT” means ~~the~~ any entity governed by a board appointed by the County Executive or ~~County~~ Board of ~~County Commissioners~~ Freeholders as the case may be, including but not limited to a county college, technical school, library, or county authority.

“SERVICING ORGANIZATION” means an individual, partnership, association, or corporation, other than the administrator, that has contracted with the Commission to provide, on the Commission’s behalf, any function as designated by the Insurance Commissioners including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the Commission’s underwriting file, coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the Commission for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation and such other duties as designated by the Commission.

“SURPLUS” means that amount of monies in a trust account that is in excess of all costs, earned investment income, refunds, incurred losses and loss adjustment expenses and incurred but not reported reserves including the associated loss adjustment expenses attributed to the Commission net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

“WORKERS’ COMPENSATION” means the provisions of N.J.S.A. 34:15-7 et seq.

ARTICLE II - MEMBERSHIP

MEMBERSHIP APPLICATIONS:

1. The governing body of a qualified local unit shall by resolution, agree to join the Commission. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the Commission’s rules and regulations as approved and adopted by the Insurance Commissioners. The resolution shall also

provide for the execution of an Indemnity and Trust agreement as defined in Article I.

2. Any qualified local unit seeking membership shall also submit an application for membership to the Commission on a form acceptable to the [Insurance](#) Commissioners. The application shall include the executed Indemnity and Trust agreement and the resolution required under Subsection 1 above.
3. An application may be approved by a majority vote of the [Insurance](#) Commissioners based on the following criteria:
 - a. The applicant's claims history shows safety performance consistent with the Commission's objectives and the applicant's physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
 - b. The Commission has the administrative capability to absorb additional memberships without undue inconvenience or strain.
4. If a non-member is not approved for membership, the Commission shall set forth in writing the reasons for disapproval and send the reasons for disapproval to the non-member. The Commission shall retain a copy of all membership application disapproval's for five years.

Membership Renewals:

1. Members may renew their participation by execution of a new resolution to join the Commission ninety (90) days prior to the expiration of the term.
2. The [Insurance](#) Commissioners must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application, the [Insurance](#) Commissioners shall find by majority vote that the applicant has failed to fulfill its responsibilities as a member or no longer meets the Commission's risk management or underwriting standards or other reasons approved by the [Insurance](#) Commissioners as reasons for termination.
4. If a member's renewal application is rejected, the Commission shall comply with the termination provisions as outlined below.
5. Non-renewal of a Commission member does not relieve the member of responsibility for claims incurred during its period of membership.

Termination and/or Withdrawal of Commission Members

1. A member must remain in the Commission for the full term of membership unless earlier terminated by the [Insurance](#) Commissioners for non-payment of assessments or continued non-compliance after receiving written notice to comply with the Commission's rules and regulations, risk management or underwriting standards, or other reasons approved by the [Insurance](#) Commissioners as reasons for termination. However, a member shall not be deemed terminated until the Commission gives by registered mail to the member a written notice of its intention to terminate the member in thirty (30) days
2. A member that does not desire to continue as a member after the expiration of its membership term shall give written notice to the Commission of its intent ninety (90) days before the expiration of the term period.
3. A member that has been terminated or does not continue as a member of the Commission shall remain jointly and severally liable for claims incurred by the Commission and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.

ARTICLE III – ORGANIZATION

Commissioners:

1. The ~~(officer or the Board of County Commissioners chosen Freeholders~~ having the power to make appointments) shall appoint three [\(3\)](#) officials of the County, to serve as Insurance Commissioners. The ~~(officer or body having the power to make appointments)~~ of member local units other than the [C](#)ounty shall appoint one official, who may be a member of the governing body, to serve as a non-voting [I](#)nsurance [C](#)ommissioner.
2. The [Insurance](#) [C](#)ommissioners shall hold office for [two](#) ~~(2)~~ years or for the remainder of their term of office as officials, whichever shall be less, and until their successors shall have been duly appointed and qualified. Vacancies in the office of Insurance Commissioners caused by any reason other than expiration of term as an official shall be filled for the unexpired term. Vacancies in the position of secretary shall be filled in the manner of the original appointment.
3. The ~~Commissioners~~ [Insurance Commissioners](#) shall serve without compensation.
4. The [Insurance](#) Commissioners are hereby required, authorized and empowered to operate the Commission in accordance with these rules and regulations and appropriate state laws and regulations in the interests of the total membership of the Commission. The [Insurance](#) Commissioners shall have the following powers and authority:

- a. Employ necessary clerical assistants, whose compensation shall be fixed and paid by the governing body of the local unit in the same manner as is that of other employees of the local unit;
- b. Invest the funds and all additions and accretions thereto in compliance with New Jersey laws and regulations, as they shall deem best suited for the purposes of this article;
- c. Adopt rules and regulations for the control and investment of the funds;
- d. Keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the local unit or of a county college which participates in the Commission pursuant to P.L. 1988, c. 144 (C. 18A:64A-25.40 et al.) or of a county vocational school which participates in the commission pursuant to P.L. 1988, c. 143 (C. 18A:18B-8 et al.), or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus;
- e. Fix reasonable rates of premium for all insurance carried by the insurance Commission and shall affect all insurance in the insurance Commission or with any insurance company or companies authorized to do business in this State;
- f. Premiums for insurance, whether carried in the Commission's insurance fund or placed with insurance companies, shall be paid to the Commission by the board, commission, department, committee or officer having charge or control of the property insured;
- g. All insurance upon property owned or controlled by the county, or any of its departments, boards, agencies or commissions, or by a participating local unit including, but not limited to a board of education of a participating county vocational school or by a board of trustees of a participating county college shall be placed and effected by the Insurance Commissioners;
- h. Each Insurance Commissioner shall have one vote.

Officers:

1. As soon as possible after the beginning of each Commission year, the Insurance Commissioners shall meet to elect the following officers of the Commission from

its own membership. Commission officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.

- a. **Chairperson:** The Chairperson shall preside at all meetings of the Insurance Commissioners and shall perform such other duties provided for in these rules and regulations and the laws and regulations of the State of New Jersey.
 - b. **Vice-Chairperson:** The Vice-Chairperson shall serve as Acting Chairperson in the absence of the Chairperson, and shall perform such other duties as provided for in these rules and regulations and the laws and regulations of the State of New Jersey.
2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the officer or Board of County Commissioners~~Chosen Freeholders~~ with the power of appointment shall appoint an Insurance C-commissioner to fill the vacancy for the unexpired term.
 3. Any officer can be removed with cause at any time by resolution of the Board of County Commissioners ~~Chosen Freeholders by resolution~~.

Secretary:

1. The [Insurance Commissioners?] Board of County Commissioners~~Chosen Freeholders~~ shall appoint a person to serve as secretary to the Insurance Commission. The salary of the secretary shall be set by resolution, as authorized by the Commission.
2. The Secretary shall:
 - a. Coordinate the Commission's meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - b. Perform such other duties as provided for by the Insurance Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.

Commission Professionals:

As soon as possible after the beginning of each year, the Insurance Commissioners shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be

an [Insurance](#) Commissioner. All professionals shall be retained pursuant to the “Local Public Contracts Law.”

1. **Treasurer:**

The Treasurer shall be a Certified County Finance Officer and have the following duties and responsibilities:

- a. Custodian of the Commission’s assets and shall maintain the various trust funds.
- b. Approval of all receipts, disbursements, and financial records.
- c. Draft the cash management plan and invest all balances.
- d. Ascertain availability of sufficient unencumbered funds in any account to fully pay all charges or commitments prior to any payment or commitment.
- e. The treasurer shall perform such other duties as provided for by the [Insurance](#) Commissioners, these rules and regulations and in the laws and regulations of the State of New Jersey.
- f. The treasurer shall be covered by a fidelity bond protecting the Commission’s assets in a form and amount to be determined annually by the commissioners. Said bond to be paid for by the Commission.

2. **Executive Director/Administrator:**

- a. The Administrator shall serve as Executive Director of the Commission and shall be a licensed New Jersey Insurance Producer who shall be experienced in risk management matters and self-funded entities.
- b. The Administrator shall have the following duties and responsibilities:
 - i) Carry out the policies established by the commissioners and to otherwise supervise the management of the Commission.
 - ii) Advise the commissioners on risk management matters and shall prepare a draft Risk Management Plan.
 - iii) Prepare the Commission’s budget, compile and bill assessments.
 - iv) Maintain underwriting files, secure insurance and excess insurance as authorized by the [Commission](#) and prepare new

members submissions for review of the [Insurance](#) Commissioners.

- v) Prepare draft requests for proposals for services to be provided by servicing organizations and monitor the performance of the service companies.
 - vi) Prepare filing required by state regulations.
 - vii) Coordinate in conjunction with the Commission's secretary the meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - viii) Maintain the Commission's general ledger, accounts payable and accounts receivable function.
 - ix) Perform such other duties as provided for by the [Insurance](#) Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.
- c. The Administrator shall assume overall executive responsibility for the operations of the Commission except that the Administrator shall not be responsible for the errors and omissions of any other servicing organization except as to generally monitor the compliance of said organization with the directives of the [Insurance](#) Commissioners, its Service Provider contract, or the applicable statutes and regulations as to the form and timeliness of said undertaking. For example, the Executive Director shall be responsible to verify the issuance of excess or reinsurance policies, and the timely receipt of said policies by the Commission.
- d. The Administrator shall be bonded in a form and amount acceptable to the [Insurance](#) Commissioners. The Administrator shall also be covered by Errors and Omissions insurance, said coverage is to be paid by the Commission.

3. **Auditor:**

The [aA](#) Auditor shall be an independent Certified Public Accountant (CPA) or a registered municipal accountant (RMA) who has evidenced the ability and experience to properly examine an insurance commission. The [aA](#) Auditor shall conduct the annual audit of the Commission and shall perform such other duties as provided for by the [Insurance](#) Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

4. **Attorney:**

- a. The ~~Commission~~ Attorney shall be admitted to the New Jersey Bar and shall provide advice to the Commission on legal matters such as advising the commissioners of their obligations and responsibilities under Article 3 of NJSA 40A:10-1 et seq , these rules and regulations and other pertinent law such as the Open Public Meetings Act.
- b. The Attorney shall have the following responsibilities:
 - i) The Attorney shall advise ~~the~~ the Commission as to the appropriateness of claim settlements recommended by the Claims Administrator.
 - ii) ~~The~~ The Attorney shall advise the Insurance ~~C~~ommissioners on the selection of counsel to represent the Commission Members in the defense of claims. The ~~Commission~~ Attorney may also provide representation concerning incidental aspects of claim matters such as motions where it is more expeditious, cost effective or otherwise to do so. However, the Attorney or any member of the Attorney's law firm shall not defend claims which are the responsibility of the Commission without the authorization of the Insurance Commissioners.
 - iii) The ~~attorney~~ Attorney shall perform such other duties as provided for by the Insurance Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

5. **Actuary:**

The Actuary shall certify the actuarial soundness of the ~~the~~ Commission and shall report to the Insurance Commissioners in a manner and at such times established by them, and shall provide such actuarial reports as required by the New Jersey State Department of Banking & Insurance. The Actuary shall certify claim reserves, reserves for "Incurred but Not Reported" (IBNR) losses, and unearned assessments and shall comment on the adequacy of the budget.

6. All Commission professionals shall be retained on a contractual basis which shall be approved by the Insurance Commissioners. ~~;~~
7. Commission Professionals shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the

[Insurance](#) Commissioners. The written fee schedule shall be part of the official contract.

Servicing Organizations:

1. The Commission may contract to have the following services performed:
 - a. Actuarial services
 - b. Claims Administration
 - c. Cost containment services
 - d. Loss prevention/safety engineering services
 - e. Legal services
 - f. Auditing services
 - g. Financial services
 - h. Compilation and maintenance of the [Commission's](#)
underwriting file
 - i. Coordination and preparation of coverage documents
 - j. Risk selection and pricing
 - k. Excess insurance or reinsurance producer services
 - l. Member assessment and fee development
 - m. Report preparation
 - n. Other duties as designated by the [Commission](#)
2. The Commission may at its option contract for these services from different servicing organizations.
3.
 - a.) No servicing organization of the Commission or their employees, officers or directors shall have either a direct or indirect financial interest in the administrator of the Commission or be an employee, officer or director of the [Administrator](#) unless notice of such interest has been provided to the Commissioners and members.
 - b.) No [Administrator](#) of the [Commission, or their employees, officers or directors shall be an employee](#), officer or director of, or have either a direct or indirect financial interest in, a servicing organization of the [Commission](#), or the insurance producer that may be appointed by that Commission unless notice of such interest has been provided to the [Insurance](#) Commissioners and members.
 - c.) Any employee, officer or director of the administrator or servicing organization shall disclose to the [Insurance](#) Commissioners, any direct or indirect financial interest such employee, officer or director has in any other administrator, servicing organization or insurance producer.

~~4.~~ 4. Each service contract shall include a clause stating “unless the Insurance Commissioners otherwise permit, the servicing organization shall handle to its conclusion all claims and other obligations incurred during the contract period.”

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5. Each Servicing Organization shall provide a surety bond and Errors and Omissions coverage if required by law, in a form and amount acceptable to the Insurance Commissioners.
6. All officers, employees and agents, including the Administrator and Servicing Organization of the Commission, on the final day of their contract or employment shall surrender and deliver to their successors all accounts, funds, property, records, books and any other material relating to their contract or employment, or if no successor has been designated, delivery shall be made to the Administrator ~~or Commission Chairperson or Commission Chairperson.~~

Indemnification of Officers and Employees:

1. The Administrator, Claims Service Provider(s), Producer, Risk Management Consultant(s) and such others as are required by regulation to do so, shall provide Errors and Omissions coverage in a form satisfactory to the Commissioners. The Insurance Commissioners may also require other professionals to provide evidence of Errors and Omissions coverage, and any other coverage as a requirement of their contract.
2. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Commission shall indemnify and defend any past, present or future Insurance Commissioner, and may indemnify such other officials or professionals or service providers as the Insurance Commissioners determine, for claims arising from an act or omission of such Insurance Commissioner, official or employee within the scope of the performance of such individual's duties as Insurance Commissioner, officials, professional or employee within the scope of the performance of such individual's duties as Insurance Commissioner, official, professional or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Commission to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such an individual and the Commission shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Insurance Commissioner, official, professional or employee is either covered, or required to be covered by Errors and Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the

above exceptions shall be made by the [Insurance](#) Commissioners. Nothing herein contained is intended to shield omission or wrongdoing which would not customarily be covered by Errors and Omissions insurance if same had been required of said employee or appointed official.

3. A present, past or future [Insurance](#) Commissioner, official, professional or employee of the Commission shall not be entitled to a defense or indemnification from the Commission unless:
 - a. Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleading, he or she delivers the original or exact copy to the Commission Chair~~person~~^{man} with a copy to the ~~Commission~~ [Attorney](#), together with a request that the Commission provide for his or her defense; and
 - b. In the event the Commission provides a defense or indemnification, he or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case; and
 - c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Commission to handle such matters, the past, present or future [Insurance](#) Commissioner, official, professional or employee shall agree that the Commission and its counsel shall have exclusive control over the handling of the litigation.
4. The foregoing right of indemnification shall not be exclusive of any other rights to which any [Insurance](#) Commissioner, official, professional or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this ~~Commission~~ shall be in addition to and not in restriction or limitation of any other privilege or power which the ~~Commission~~ may lawfully exercise with respect to the indemnification or reimbursement of an [Insurance](#) Commissioner, official, professional or employee; except that in no event shall an [Insurance](#) Commissioner, official, professional or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.
5. Expenses incurred by any [Insurance](#) Commissioner, official, professional or employee in defending an action, suit or proceeding may be paid by the Commission in advance of final determination of such action, suit or proceeding as authorized by the Commission in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

Advisory Committees:

1. From time to time, the Commission Chairperson may establish advisory committees and may appoint any individual to serve on these committees.
2. Loss Prevention Committee:
 - a. Membership: Each member shall appoint one of its management employees to serve as the safety coordinator, for the member. The safety coordinator shall serve as the representative of the member on the Commission's Safety Committee. The member shall also designate a management employee to serve as alternate safety coordinator whenever the safety coordinator is unable to serve. The safety coordinator and the alternate shall serve at the pleasure of the member and shall perform those duties specified in the Commission's Loss Control Program.
 - b. The Commission's safety committee shall consist of the Commission's safety director and the safety coordinator from each member. The alternate safety coordinator from each member may also attend meetings of the safety committee.
 - c. At the beginning of each Commission year the safety committee shall select a chairperson to preside over meetings of the committee.
 - d. Duties: The safety committee shall meet at least quarterly and shall have the following duties or responsibilities.
 - i) Confer with the Commission's safety director to develop a comprehensive safety and loss control program.
 - ii) Monitor all accident trends and frequency of accident in order to identify problem areas and local unit activities and programs requiring more frequent loss control surveys and evaluations.
 - iii) Assist in the development of a safety educational program that will include visual aids, equipment, etc.
 - iv) Make recommendations to the Commission for policies that will implement a comprehensive safety and loss control program for the Commission and the member local units.
 - v) Perform such other duties that are assigned by the Commission or required by law.

Risk Managers:

1. The Commission shall appoint an Insurance Producer as a Risk Management Consultant who shall not be an [Insurance](#) Commissioner.
2. The Risk Management Consultant's specific responsibilities shall include, but not be limited to:
 - a.) Evaluation of the member's exposures.
 - b.) Explanation of the various coverages available from the Commission and assisting the member in the selection of proper coverage.
 - c.) Preparation of applications, statements of values, etc. required by the Commission.
 - d.) Review of the member's assessment and assisting in the preparation of the local unit's insurance budget.
 - e.) Assisting in the claims settlement process.
 - f.) Review of losses and engineering reports and providing assistance to the member's safety committee.
3. The Risk Management Consultant(s) shall be appointed in conformance with the Public Contracts Law.

ARTICLE IV - OPERATION OF THE COMMISSION

General Operation:

1. The ~~Commission~~[Commission](#) shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and regulations (including but not limited to N.J.A.C. 5:34) and the various statutes authorizing the investment of public funds..
2. The Commission shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.

3. The Commission shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Commission shall prepare a financial statement on a form acceptable to the [Insurance](#) Commissioners showing the financial ability of the Commission to meet its obligations.
4. All monies, assessments, funds and other assets of the Commission shall be under the exclusive control of ~~the~~ [the Insurance](#) Commissioners.
6. The Commission shall adopt a resolution designating a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian of funds shall possess a Certified Municipal Finance Officer certificate issued pursuant to N.J.S.A. 40A:9-140.2. The custodian shall quarterly report to the Commissioners on investment and interest income.
6. All books, records, files, documents and equipment of the ~~insurance~~ Commission are the property of the Commission and shall be retained by the Commission Administrator at the discretion of the [Insurance](#) Commissioners in accordance with a record retention program adopted by the Commission. All books, records, files and documents of the ~~Commission~~ shall be retained for not less than five years. The ~~Commission~~ shall also retain claims information

Risk Management Plan:

The [Insurance](#) Commissioners shall prepare or cause to be prepared, a Risk Management Plan for the Commission including all information detailed in N.J.A.C. 11:15-2.6(e) and or 11:15-3.6(d) as appropriate. The Risk Management Plan shall be adopted and approved by resolution of the [Insurance](#) Commissioners.

Financial Statement and Reports:

1. The Commissioners shall provide its members with periodic reports covering the activities and status of the Commission for the reporting period. The reports shall be made at least quarterly, and may be made more frequently at the direction of the [Insurance](#) Commissioners, and shall include, but not be limited to, the minutes, the Administrator's report, the Treasurer's report, and a summation of Commission activity, including comments on previously reported claims and newly reported claims, and any other information required by the [Insurance](#) Commissioners. The Treasurer's report shall include budget status, account balances, claims information, investment status, earnings and the costs of making investments.

2. A sworn annual report in a form prescribed by the [Insurance](#) Commissioners shall be prepared by the Commission, and be made available to each Commission member not later than one hundred eighty (180) days after the end of each Commission year. The report shall be accompanied by an annual audited statement of the financial condition of the Commission prepared by the Auditor, and performed in accordance with generally accepted accounting principles.

Coverages:

The Commission may offer coverage to its members for the following purposes:

1. To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
2. To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
3. To insure against liability for its negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);
4. To insure against any loss or damage from liability as established by chapter 15 of Title 34 of the Revised Statutes;
5. To provide contributory or noncontributory self-funded, or partially self-funded, health benefits to employees or their dependents, or both, in accordance with rules and regulations of the Director of the Division of Local Government Services in the Department of Community Affairs. The establishment and operation of a Commission to provide health benefits by a local unit prior to the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby validated; however, any such health benefits Commission shall comply with all rules and regulations promulgated by the director pursuant to this subsection.

Services:

The Commission may also provide its members with safety and loss control programs and may jointly purchase or lease, on behalf of its membership, safety and loss control services, training, equipment and apparatus, in connection with the provision of the coverage set forth above.

ARTICLE V - MEETINGS AND RULES OF ORDER

1. **Annual Organization Meeting:**

On or before January 15th the beginning of the Commission year, the [Insurance](#) Commissioners shall meet to elect officers and to appoint professionals and servicing organizations and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.

2. **Business Meetings:**

The [Insurance](#) Commissioners shall establish an annual schedule of meetings to conduct the business of the Commission.

3. **Special Meetings:**

The Chairperson or two (2) [Insurance](#) Commissioners may call a special meeting by notifying the Commission's Secretary at least three (3) days in advance. The Secretary shall notify the [Insurance](#) Commissioners by telephone.

4. **Quorum:**

The quorum for a meeting of [Insurance](#) Commissioners shall be a majority of the regular [Insurance](#) Commissioners.

5. **Conduct Of Meetings:**

- a. All meetings of the Commission shall be subject to the rules and regulations of the Open Public Meetings Act. (N.J.S.A. 10:4-6 et.seq.)
- b. Unless otherwise provided in these rules and regulations, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.
- c. The Secretary shall cause written minutes to be maintained of all Commission meetings, and shall cause the minutes to be made available to the [Insurance](#) Commissioner upon request. In addition, the Secretary shall tape record open sessions for clarity in preparing the minutes. Said meeting tape shall be maintained for 180 days or until the meeting

minutes are approved, whichever occurs first. There shall be no tape recording of closed session meetings.

6. Amendments to the Rules and Regulations

- a. Any Insurance Commissioner may propose an amendment to the bylaws by filing the proposed amendment in writing with the Secretary.
 - b. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Insurance Commissioners of the hearing date and shall send all Insurance Commissioners and members a copy of the proposed amendment. Notice shall be given to the County Commissioner ~~Freeholder~~ Chairperson-Director and County Administrator.
3. The amendment may be adopted by the Insurance Commissioners upon the completion of the hearing.

ARTICLE VI - BUDGETS

- A. On or before November 15 of each year, the Commission shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self insurance or loss retention accounts. The budget shall be prepared on a basis that does not recognize investment income or discounting of claim reserves, but recognizes all anticipated or forecasted losses and administrative expenses associated with that fiscal year.
- B. A copy of the Commission's proposed budget shall be made available to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget shall be adopted until a hearing has been held in accordance with N.J.S.A. 40A:4-1 et. seq. giving all members the opportunity to present comments or objections.
- C. Not later than December 1st of each year the Insurance Commissioners shall adopt by majority vote the budget for the Commission's operation for the coming fiscal year.

- E. An adopted budget may be amended by majority vote of [Insurance](#) Commissioners.

ARTICLE VII - ASSESSMENTS

Annual Assessment

1. In November of each year, the Executive Director/Administrator shall compute each member's assessments for the upcoming Commission year, which shall consist of an amount allocated for the administrative account plus specific assessment to establish and/or replenish the claim or loss retention trust fund account for each type of coverage provided by the Commission and in which such member participates.
2. The annual assessment of each participating local unit shall be its pro rata share of the Commission's budget for the upcoming year for each line of coverage provided to the member.
3. The calculation of pro rata shares shall be based on each member's manual premium by Commission year for that line of coverage. To the extent possible, the Commission shall use experience modification formulas in computing manual premiums. Unless otherwise approved by the [Insurance](#) Commissioners, the assessment for Worker's Compensation and Employer's Liability shall be based upon the experience rating plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner of Banking and Insurance. The [Insurance](#) Commissioners may also adopt a capping formula which limits the increase in any member's assessment to the Commission-wide average increase plus a percentage established by the [Insurance](#) Commissioners.
4. The total amount of each member's annual assessment shall be certified by majority vote of the [Insurance](#) Commissioners to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment shall be paid to the Commission in installments, to be determined by the [Insurance](#) Commissioners.
6. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention Trust Fund account.
7. If a member joins the Commission or elects to participate in a line of coverage after the start of the Commission year, such member's assessments and

supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

Supplemental Assessments:

1. The [Insurance](#) Commissioners shall by majority vote levy upon the member local units additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.
 - a. All supplemental assessments shall be charged to the members by applicable Commission year, and shall be apportioned by that year's assessments for that line of coverage.
 - b. All members shall be given at least thirty (30) days advance written notice of the Commission's intention to charge an additional assessment.
 - c. Members shall have thirty (30) days to pay the Commission from the due date established by the [Insurance](#) Commissioners at the time any supplemental assessment is adopted. Whenever possible, the due date shall be no sooner than the beginning of the Commission's next fiscal year.

Insolvency And/Or Bankruptcy Of Commission Members:

The insolvency or bankruptcy of a member does not release the Commission, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

ARTICLE VIII - REFUNDS

- A. Any monies for a Commission year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Commission.
- B. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission.

- C. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual assessment.

ARTICLE IX - TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS

Establishment of Trust Fund Accounts

1. By resolution, the Commission shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian shall report to the commission quarterly on interest and interest/income
2. The Commission shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums designated as the Claims or Loss Retention Fund Account.
 - a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a claim or loss retention account without the approval of the [Insurance](#) Commissioner.
 - b. The Commission shall maintain accounting records allocating all income, disbursements, and assets in the Claims account by line of coverage and by Commission year. Accounting records for closed Commission year(s) shall be allocated by member. Accounting records for loss fund contingency or excess loss contingency shall also be allocated by member.
3. The Commission shall also establish an administrative account which shall be utilized for payment of the Commission's general operating expenses, loss prevention activities, data processing services, and general legal expenses. The Commission shall maintain accounting records for the administrative account per 2(b) above.

Investments

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Commission's cash management plan and consistent with the statutes and rules governing the

investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.

2. The investment and interest income earned by the investment of the assets of each claim or loss retention account shall be credited to each account.
3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

Disbursements

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Commission's assets shall certify as to the availability of sufficient unencumbered funds to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the [Insurance](#) Commissioners.
3. Notwithstanding numbers 1 and 2 above, the Commission may provide for the expedient resolution of certain claims by designating the Commission's Administrator or service organization as a "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Commission may authorize the certifying and approving officer to approve for payment any specified claims in an amount not to exceed an amount approved by the [Insurance](#) Commissioners in the Plan of Risk Management. The Commission shall establish such other procedures and restrictions on the exercise of this authority as the Commission deems appropriate.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Commission's assets, directing that a check for payment be prepared.
5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the [Insurance](#) Commissioners at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.
6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and shall be certified by an officer or duly designated agent or employee of the Commission having knowledge of the facts that the goods have been received by, or the

services rendered to the Commission. In the case of claims or losses to be charged against any loss fund, the Commission's claims administrator shall certify as to the claims correctness and validity.

7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the [Insurance](#) Commissioners. Payment of claims may be made by wire transfer.
8. All claims or other disbursements approved for payment by the Commission shall be recorded in a claims register maintained by the custodian of the Commission's assets.

ARTICLE X - CONFLICT OF INTEREST

- A. All officials or employees of a member local unit or any members of the family of such officials or employees shall comply with N.J.S.A. 40A: 22.1 et. seq. (The "Local Government Ethics Law").

ARTICLE XI - VOLUNTARY DISSOLUTION OF THE COMMISSION

- A. If the [Insurance](#) Commissioners deem it in the best interest of the members to dissolve the Commission, they shall by majority vote direct that a written Plan of Dissolution be prepared.
- B. The Plan of Dissolution must provide for the payment of all unexpired losses of the Commission and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Commission or the trust fund accounts may be used for any other purpose.
- C. Upon completion of the plan, the Chairperson shall call a general meeting of all [Insurance](#) Commissioners who shall review the plan and make any appropriate amendments. By majority vote, the [Insurance](#) Commissioners may recommend to the County that the Commission be dissolved in accordance with the Plan of Dissolution.
- D. The ~~MERCER County~~ Board of [County Commissioners](#) ~~Freeholders~~ must by resolution vote to accept the Plan of Dissolution in order to dissolve the Commission.
- E. Such Plan of Dissolution shall contain a statement of the Commission's current financial condition computed both on a statutory basis and according to generally accepted accounting principles as attested to by an independent certified accountant.

ARTICLE XII - CLAIMS HANDLING PROCEDURE

~~CLAIMS HANDLING PROCEDURE (HEALTH INSURANCE)~~

~~A. Compliance: The Commission shall comply with the requirements of N.J.S.A. 17B:30-13.1 and 13.2 and N.J.A.C. 11:2-17 and N.J.A.C. 11:15-3.22.~~

~~B. Registration of Claims: Covered individuals shall submit claims to the Third Party Claims Administrator (TPA) retained by the Commission. Each covered employee shall have an identification card, which contains the name and telephone number of the TPA. Claim reporting forms shall be made available to each participant.~~

~~C. Claims Response: Upon receipt of the initial notice of claim, the TPA shall process the information in the following manner:~~

- ~~1. Validate that the person has coverage.~~
- ~~2. Determine if claim is eligible.~~
- ~~3. Calculate the amount payable based upon the plan or benefits deductible, coinsurance, any cost containment features in the plan, and coordination of benefits (COB) factors.~~
- ~~4. Pay valid claims or issue notice of rejection.~~
- ~~5. If a notice of rejection is issued, the reason for said rejection shall be stated thereon.~~

~~D. Periodic Review of Pending Claims: All pending claims will be reviewed not less than monthly. The TPA shall submit a report to the Commission not less than quarterly.~~

~~E. Approval of Payments: The Commission shall specify in the contract the TPA's claims payment authority.~~

~~F. Confidentiality:~~

- ~~1. The complaint handling procedure shall provide for the confidentiality of the claimant's identity as required by N.J.A.C. 11:15-3.22., All Employee claims information is privileged and confidential and shall not be included as a part of any open public record.~~
- ~~2. Commissioners and the officials of the member local unit shall not have access to any employee claim information which reveals the identity of any individual plan participant.~~
- ~~3. All claims are to be filed, and all inquiries are to be handled, directly with the Third Party Administrator. All employees of the Third Party Administrator~~

shall execute a non-disclosure statement to protect the identity of the plan participants.

4. ~~Only Commissioners members and necessary Commission professionals shall participate in any closed session discussion of claims. These claims discussions, whether general or specific to a coverage dispute, shall at all times be confidential and anonymous so t hat the identity of the local unit and/or claimant cannot be ascertained. When necessary, as in a specific claim dispute, the anonymity of the claimant shall be accomplished by assigning a blind claim number and deleting all references to the individual's name and place of employment. The claimant may demand that the matter be handled with disclosure of his identity by so indicating in writing to the Commission.~~
5. ~~Documents identifying the employee, or from which the employee's identity might be deduced, shall not be accessible to any persons other than the Third Party Administrator, Program Manager, Commission Attorney, or duly appointed claim auditors when such records are needed to verify the accuracy of claim data as part of an audit.~~
6. ~~Any person having access to claim information must sign a written non-disclosure statement.~~

G. ~~Disputed Claims Appeal Procedures~~

1. ~~If the plan participant is dissatisfied with the determination of the claim processor, the plan participant may appeal in writing the processor's determination to the TPA's Services Management Review Team, who shall notify the plan participant in writing of their determination. The plan participant shall, at that time, be advised that the determination may be appealed to the Commission's Executive Committee and that, at the plan participant's written request, the appeal may be made with the identity of the plan participant revealed. The plan participant's identify shall be revealed only upon the written request of the participant. A copy of this communication with the plan participant's name shall be sent to the Program Manager.~~
2. ~~The plan participant may appeal an adverse determination concerning a claim to the Executive Committee by forwarding a copy of the determination letter issued by TPA to the Program Manager, who shall place it on the agenda for a closed session discussion at the next regularly scheduled meeting of the Commission, unless the appeal is received seven (7) business days or fewer prior to the next meeting, in which case it shall be placed on the ensuing meeting agenda. Prior to distribution of any writing concerning this appeal, all reference to the plan participant or the Town shall be stricken. The Program Manager shall review the claim and make a written recommendation to the Executive Committee prior to their deliberation regarding same. Whenever~~

~~practical, the Executive Committee shall render its decision upon conclusion of the discussion at the appeal meeting, and if the plan participant is not present, advise the plan participant in writing of the determination and the reasons therefore within five (5) days.~~

- ~~3. If the plan participant is dissatisfied with the Executive Committee's determination, the plan participant may appeal this determination to the independent appeal organization designated by the Commission annually for a non-binding determination pursuant to fair, informal procedures adopted from time to time.~~
- ~~4. If the plan participant is dissatisfied with the determination of the independent appeal agency, the plan participant may exercise any remedies provided by law.~~

~~CLAIMS HANDLING (OTHER THAN HEALTH CLAIMS)~~

Claims Reporting:

Upon receipt of the initial notice of a claim, the member shall immediately forward the notice of claim and any other information available to the ~~third-party adjuster (TPA) claims administrator~~ retained by the Commission, and, where appropriate, to the Commission's ~~A~~ttorney for initial contact, investigation, court actions or other appropriate response.

Registration Of Claims:

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the ~~TPA claims administrator~~ shall cause each claim to be numbered, and to be included on a monthly report to the Executive Director. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, and an approximate estimate of the magnitude of the potential loss. This report shall be considered confidential.

Notice Of Request for Settlement Authority:

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, and such settlement exceeds the authority of the claims administrator, the ~~TPA claims administrator~~ shall submit to the Commission ~~A~~administrator for review at an Insurance Commissioners meeting, a request for settlement authority. This notice shall be on forms approved by the Insurance Commissioners and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Commission, a

summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement authority.

Approval Of Payments And Settlements:

Whenever the Commission shall make any payment or settlement of any claim, a notation thereof identifying the claim, and the amount paid shall be entered upon a ledger of claims paid.

ARTICLE ~~XIII~~^{IV} - COMPLAINT HANDLING PROCEDURE

- A. Whenever any interested party shall submit a complaint in writing to the Commission, the executive director/administrator, or any member of the Commission, a copy thereof shall be forthwith communicated to the [Insurance](#) Commissioners for consideration at its next regularly scheduled meeting.
- B. At said meeting the [Insurance](#) Commissioners shall consider the complaint, and by recorded vote take such action as might be appropriate.
- C. The complaining party, and the [Insurance](#) Commissioner from the local unit shall receive written notice of the Commissioners findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning his/her complaint before ~~the~~ [the Insurance](#) Commissioners.
- D. The shall keep a separate record of all complaints received and the disposition of same.
- E. If the complaining party is dissatisfied with the [Insurance](#) Commissioners decision, the complaining party may appeal this determination to the independent appeal organization or arbitrator designated by the Commission annually.
- F. If the complaining party is dissatisfied with the determination of the independent appeal agency or arbitrator, the complaining party may exercise any remedies provided by law.

ARTICLE ~~XIV~~^I - OTHER CONDITIONS

Inspection And Audit:

The Commission shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others, to determine or

warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Commission shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

Notice Of Injury:

When an injury occurs, written notice shall be given by or on behalf of the member to the Commission or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the member and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

Notice Of Claim Or Suit:

If claim is made or formal petition or a suit or other proceedings are brought against the member, it shall immediately forward to the Commission every demand, notice, summons or other process received by the member or its representative.

Assistance And Cooperation Of The Participant:

The member shall cooperate with the Commission and upon the Commission's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

Action Against Commission:

No action shall lie against the Commission unless, as a condition precedent thereto, the Member shall have fully complied with all the terms of this agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial or by written agreement of the member, the claimant and the Commission. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Commission as a co-defendant in any action against the member to determine the member's liability.

Bankruptcy or insolvency of the member shall not relieve the Commission of any of its obligations.

Subrogation:

In the event of any payment under the agreement, the Commission shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits of this agreement against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

Conformance With Statute:

In the event any portion of these rules and regulations conflict with any statute or administrative regulation, the provision of any such statute or administrative regulation shall control to the extent it conflicts.

THUS DONE, READ AND PASSED in my office in Trenton, Mercer County, State of New Jersey.

~~COUNTY OF MERCER~~ COUNTY INSURANCE FUND
COMMISSION

BY: _____
LILLIAN L. NAZZARO, ESQ., ANDREW A. MAIR,
CHAIR ~~PERSON~~ MAN

ATTEST: _____
RAISSA WALKER ELIZABETH SCANNELLA, VICE
CHAIR ~~PERSON~~ MAN

DATED: AUGUST 24, 2021
2021