

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – September 27, 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 <b>Joseph Hrubash</b>
Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Amy Zeiders</b> <b>Richard Crooks</b>
	Qual Lynx <b>Chris Roselli</b>
	PERMA <b>Robyn Walcoff</b>
Managed Care Services	First MCO <b>Alyssa Hrubash</b>
NJCE Underwriting Manager	Conner Strong & Buckelew <b>Ed Cooney</b>
Risk Management Consultant	CBIZ Borden Perlman <b>Diane Pursell</b> <b>Aricka Simms</b>
Attorney	<b>Paul Adezio, Esq.</b>
Treasurer	<b>David Miller - Absent</b>
Safety Director	J.A. Montgomery Consulting <b>Glenn Prince</b> <b>Paul Shives</b>

**ALSO PRESENT:**

Ana Bauersachs, Esq., Capehart Scatchard  
Susan Schaefer, Susan Schaefer, LLC  
Dennis Skalkowski, Bowman & Co.  
Cathy Dodd, PERMA Risk Management Services  
Jason Thorpe, PERMA Risk Management Services  
Rachel Chwastek, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF AUGUST 24, 2021**

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF  
AUGUST 24, 2021**

Moved:	Chair Nazzaro
Second:	Commissioner Hughes
Vote:	Unanimous

**CORRESPONDENCE: None**

**SAFETY COMMITTEE:** Mr. Prince reported that he and Commissioner Hughes have been coordinating the scheduling of a Safety and Accident Review Committee meeting. Mr. Prince said that the Safety and Accident Review Committee will be meeting on the third Wednesday of every month, beginning October 20<sup>th</sup>. Mr. Prince advised that J.A. Montgomery will be distributing the Committee agenda to all participants and will report back to the Board of Fund Commissioners at the following meeting. Executive Director asked if the committee meetings are being held via Zoom or in-person. Mr. Prince advised that the meetings will be held via Zoom and the meeting invite will be distributed prior to the meeting along with the agenda. With no further questions, Mr. Prince concluded his report.

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

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised his report was included in the agenda and the first action item was a review of the 2020 Year-end Audit.

**2020 AUDIT REPORT AS OF DECEMBER 31, 2020:** Executive Director advised Mr. Dennis Skalkowski, Senior Manager, who prepared the audit was present in the meeting and would provide an overview. Mr. Skalkowski advised pages 3-7 were the independent auditor's report and reviewed the auditor's responsibility. Mr. Skalkowski advised that after completing all of the auditing procedures, he is happy to report that there were no findings or recommendations noted and they are clean opinion reports. Mr. Skalkowski referred to page 11 of the report and reviewed the Comparative Statements of Net Position. Mr. Skalkowski advised the total assets were \$19,188,707 and noted that the total included a receivable of \$14,701,983 that is mainly due from Mercer County. Mr. Skalkowski further noted the total asset amount includes the Investments in Joint Ventures in the amount of \$1,381,702 which is the Commission's equity ownership in the NJCE. Mr. Skalkowski continued to review the Net Positions and results of operations for the Commission and advised the net position was \$9,262,537. Mr. Skalkowski advised that the decrease in net position of \$2,665,437, over last year, is directly related to an increase in estimated case reserves and IBNR as well as a return in surplus in the amount of \$1,590,044. Executive Director added that with regard to the

Contributions Receivable amount, the Commission Treasurer is funding the Commission similar to a cash basis rather than an accrual basis. Mr. Skalkowski said despite the decrease in net position, the Commission is still in a good financial position. Chair Nazzaro asked if the increase in reserves was due to COVID. Mr. Skalkowski advised that the increase was partially due to COVID, but also a re-estimation of prior year claims. Executive Director commented that in addition to COVID, the NJ Department of Labor making changes to how the pension offset is being handled with workers' compensation as primary is contributing to the re-estimation of claims reserves. Mr. Skalkowski continued to review the audit expressed his appreciation for the opportunity to conduct the audit and the assistance provided to his office during the audit process. Mr. Skalkowski asked if there were any questions. Hearing none, Executive Director referred to Resolution 35-21 certifying the 2020 Year-end Audit and advised that a motion was needed to adopt resolution.

**MOTION TO APPROVE RESOLUTION 35-21 CERTIFICATION OF ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2020**

Moved:	Chair Nazzaro
Second:	Commissioner Walker
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 month of August is included in the agenda. Executive Director advised there was (1) one certificate of insurance issued during the month.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT**

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	Unanimous

**NJ COUNTIES EXCESS JOINT INSURANCE FUND:** Executive Director reported the NJCE met on September 23, 2021. Executive Director advised that during the meeting the NJCE approved its 2020 Year-end Audit and noted that there were no recommendations. Executive Director reported that during the meeting the Underwriting Manger provided a pre-renewal presentation for the Commissioners. Executive Director reported that the Claims Manager also provided an update on Hurricane Ida claims as well as COVID claims. Lastly, Executive Director reported that the NJCE will appoint a 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.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director referred to the Financial Fast Track for the month of June enclosed within the agenda packet. Executive Director reported that as of June 30, 2021 the Commission has a surplus of \$10,279,324. 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 June 30, 2021 is \$1,196,276 and advised that the total cash balance is \$2,629,141.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK** – Executive Director referred to the NJCE Financial Fast Track for the month of June. Executive Director reported as of June 30, 2021 the Fund has a surplus of \$14,849,217. Executive Director advised that line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of \$5,107,551 and advised that the total cash balance is \$24,670,162.

**CLAIMS TRACKING REPORTS:** Executive Director advised the Claims Tracking Reports as of June 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 that although claims are currently running higher than the actuary’s projections, there is plenty of time to correct that trend. Executive Director advised that the Commission is performing better than the actuary projections in every other year which has led to a sufficient amount of surplus.

**2022 RENEWAL – UNDERWRITING DATA COLLECTION:** Executive Director reported that the deadline to complete the data underwriting renewal was September 17, 2021. Executive Director said it is very important that exposure data be updated as soon as possible as it will provide the Underwriting Manager ample time to negotiate the best possible renewal. Executive Director advised that the Fund office will follow up with members to have the exposure data completed.

**CYBER AWARENESS MONTH (OCTOBER):** Executive Director referred to a memorandum from the NJCE Underwriting Manager Team and asked Mr. Cooney to provide a brief overview of the memorandum. Mr. Cooney reported that the NJCE Cyber Task Force will be rolling out the NJCE Cyber Risk Management framework and it will be a great tool for the entire membership to use. Mr. Cooney advised that October is National Cyber Security Awareness Month which is being run by a non-profit organization that many industries are involved in. Mr. Cooney said the non-profit organization will release new themes for cyber security will be released on a weekly basis and different media will be released based upon the weekly themes. Mr. Cooney advised that the first theme pertains to cyber standards which will be the release of the NJCE Cyber Risk Management Program. Mr. Cooney informed the Commissioners that because of the NJCE’s efforts in creating the cyber program, the non-profit organization named the NJCE as one of its Cyber Security Champions for the month.

**10<sup>TH</sup> ANNUAL BEST PRACTICES WORKSHOP – NOVEMBER 3, 2021 VIRTUAL EDITION:** Executive Director reported that this year’s Best Practices Workshop will be taking place virtually via an interactive webinar on November 3, 2021. Executive Director advised that the length of workshop is scheduled for 2.5 to 3 hours, with adequate breaks, and asked Ms. Walcoff to provide a brief overview of what Commissioners can expect from the workshop. Ms. Walcoff reported that Mr. Earle of J.A. Montgomery will conduct an Implicit Bias training during the workshop. Ms. Walcoff noted that the entire PERMA and CSB staff attended the training and it was a very interesting and informative session. Ms. Walcoff advised that the Implicit Bias training session will provide CE credits. Ms. Walcoff also reported that the workshop will include an overview of the current state of COVID and the law as it pertains to changes within the last year that have affected public safety workers and essential workers. Ms. Walcoff added that the workshop will also cover COVID vaccine mandates, OPRA requests, and an overview of renewals. Please save the date and more information will follow shortly.

**2021 NJLM ANNUAL CONFERENCE:** Executive Director reported that the annual New Jersey State League of Municipalities Conference is scheduled for November 16 through November 18 at the Atlantic City Convention Center in Atlantic City. Executive Director noted that the MELJIF will hold its annual elected officials seminar on November 18. Executive Director advised that this year’s program will be “Local Government Risk Management”.

With no questions, the Executive Director concluded his report.

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Chair Nazzaro advised the September Bills List, Resolution 36-21, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 36-21, SEPTEMBER BILLS LIST**

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

**ATTORNEY:** Mr. Adezio advised that he had no report for the month.

**CLAIMS SERVICE:** Ms. Walcoff advised that she had nothing further to add to the Claims Committee report she provided earlier in the meeting.

**CLAIMS ADMINISTRATOR:** Chair Nazzaro advised Resolution 37-21, Disclosure of Liability Claims Check Registers were included in the agenda along with a copy of the check register for August 1, 2021 through August 31, 2021.

**MOTION TO APPROVE RESOLUTION 37-21 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

Moved:	Commissioner Hughes
Second:	Commissioner Walker
Vote:	Unanimous

**INSERVCO INSURANCE SERVICES, INC. STEWARDSHIP REPORTS:** Ms. Zeiders advised she would review the workers’ compensation and liability stewardship reports that were included in the agenda packet.

Ms. Zeiders advised she would provide an overview of the worker compensation report. Ms. Zeiders noted the information was for a three-year period and reported during 2018 there were 211 claims, 219 in 2019 and 171 in 2020. Ms. Zeiders reported that 2019 had the highest number of claims with 173 of them being medical only and 46 being indemnity. Ms. Zeiders reported that in 2019 the net incurred was \$3,126,739.69. Ms. Zeiders advised the majority of claims were from the Correction Center with 30.8%, followed by the Transportation and Infrastructure Department with 12.8% of the total claims. Ms. Zeiders pointed out most medical claims were reported on Wednesdays, while indemnity claims were mostly reported on Mondays. Ms. Zeiders indicated that the average amount of days to report a claim has fluctuated over the three-year period. Ms. Zeiders reported that in 2018

it took an average of 9.72 days to report a claim and in 2020 it increased to 33.96 days. Ms. Zeiders recommended that employees and supervisors report the claims as quickly as possible. Executive Director asked Ms. Zeiders to email the details on the reporting time increase to the Commissioners. Chair Nazzaro asked if there were any suggestions on how to reduce the number of days to report a claim. Ms. Zeiders suggested having a meeting with all department heads and emphasize the importance of reporting claims in a timely manner. Ms. Walcoff asked if the delay in reporting was due to claims being reported to the departments and the departments not reporting them to Inservco or employees not reporting claims to the department. Ms. Zeiders indicated that she did not have the breakdown to that level but would review and report back. Ms. Walcoff said she would also be interested in knowing whether most of those claims were COVID claims due to the uncertainty early on in the pandemic and employees not realizing that their claim could be workers' compensation related. Ms. Walcoff asked Ms. Zeiders to separate the COVID cases from the other cases when conducting her review to determine whether that was the cause for the reporting issues. Ms. Zeiders indicated that she would produce several reports to break out the information further. Ms. Zeiders then proceeded to review the Top 5 Cause of Injury Chart. Ms. Zeiders reported that Motor Vehicle was the highest at 42.59% and had a net incurred of \$1,013,405.61. Ms. Zeiders proceeded to review the Top 5 Types of Injury Chart. Ms. Zeiders reported that No Physical Injury was the highest at 39.44%, but noted the largest net incurred was from Contusion/Bruise injuries in the amount of \$3,203,884.19. Ms. Fowlkes added that examples of "No Physical Injuries" may include Correction Officers having liquid thrown on them by inmates or psych claims. Executive Director asked for additional detail on the "No Physical Injury" category. Ms. Zeiders advised that she would run a report for the Commissioners and the Executive Director. Lastly, Ms. Zeiders reviewed the Top 5 Part of Body – Net Incurred Chart. Ms. Zeiders reported that Multiple Body Parts, meaning multiple body parts injured at one time, was the highest at 31.10%.

Ms. Zeiders advised she would now provide an overview of the liability report. Ms. Zeiders referred to Claim Summary by Policy Period Report for the past 3 years. Ms. Zeiders noted in 2018 there were 371 claims, 2019 255 claims, and 2020 136 claims. Ms. Zeiders noted that in July of 2019 Qual Lynx began handling the property claims so there is a carve-out of that line of coverage. Ms. Zeiders reported that the claims have decreased each year over the three-year period. Ms. Zeiders proceeded to review the Top 5 Cause of Injury – Frequency Chart. Ms. Zeiders reported that Fall–Same Level was the highest at 27.54%. Lastly, Ms. Zeiders reviewed the Top 5 Cause of Injury – Net Incurred Chart. Ms. Zeiders reported that Water Damage was the highest at 35.74%.but noted that the majority of that percentage is from the water damage claim at the courthouse in 2018. Ms. Zeiders advised that concluded the review of the Stewardship Reports unless anyone had any further questions. Ms. Nazzaro thanked Ms. Zeiders for the presentation and reports.

**MANAGED CARE:** Ms. Hrubash advised she would review First MCO's report, which was included in the agenda for the month of August. 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 %
August	\$ 122,424	\$ 70,544	\$ 51,879	42%	140	135	\$ 41,503	96%

With no questions, Ms. Hrubash concluded her report.

**NJCE SAFETY DIRECTOR:** Mr. Prince advised a copy of the Safety's Director Report for August through September was included in the agenda. Mr. Prince reported the agenda included the online instructor led trainings scheduled through November 29th. Mr. Prince advised that if any department

would like to participate in any of the training programs they should visit the NJCE website and click on the Safety tab at the top of the page. Mr. Prince reported that he and the Director of Safety Services, Mr. Shives conducted a presentation at the Government Finance Officers Association of NJ (GFOANJ). Mr. Prince advised that the presentation provided an overview of all the resources that J.A. Montgomery provides to all of the members. Mr. Prince reported that the Learning Management System has been rolled out. Mr. Prince advised that if any departments would like to name an additional administrator for the system to please let him know so a brief tutorial on the system capabilities can be provided. Mr. Prince reported that the deadline for the Munich Re Safety Grant was September 1<sup>st</sup> and urged the Commissioners to begin thinking about safety initiatives and incentives for 2022. Mr. Prince noted that he is available to provide assistance to the Commissioners if needed for their grant submission. Lastly, Mr. Prince reported that he and Commissioner Hughes have been communicating with regard to a follow-up investigation at the Department of Transportation (DOT). Mr. Prince advised that he has a meeting with the DOT on September 29<sup>th</sup> to conduct that follow-up investigation. Mr. Prince noted that during the meeting he will discuss the various resources available for the DOT to participate in. With no questions, Mr. Prince concluded his report.

**RISK MANAGER CONSULTANT:** Ms. Pursell reported that all of the underwriting information has been gathered and is being entered into the Origami database, including the underwriting information for the Hopewell Valley Golf & Country Club. With no further questions, Ms. Pursell concluded her report.

**OLD BUSINESS: None**

**NEW BUSINESS: None**

**PUBLIC COMMENT: None**

**CLOSED SESSION:** Chair Nazzaro requested a motion to approve Resolution 38-21 authorizing a Closed Session to discuss PARs and SARs.

**MOTION TO APPROVE RESOLUTION 38-21 FOR EXECUTIVE SESSION**

Moved:	Commission Walker
Second:	Commission Hughes
Vote:	Unanimous

**MOTION TO RETURN TO OPEN SESSION**

Moved:	Commission Walker
Second:	Commission Hughes
Vote:	Unanimous

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

Moved:	Commissioner Walker
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Second:  
Roll Call Vote:

Commissioner Hughes  
Unanimous

**MOTION TO ADJOURN:**

Moved:  
Second:  
Vote:

Chair Nazzaro  
Commissioner Hughes  
Unanimous

**MEETING ADJOURNED: 11:42 AM**

Minutes prepared by:  
Jason Thorpe, Assisting Secretary