

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – April 25, 2022
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:

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| Lillian Nazzaro, Esq. | Present |
| Raissa Walker | Present |
| K. Megan Clark Hughes | Absent |

FUND PROFESSIONALS PRESENT:

| | |
|----------------------------|---|
| Executive Director | PERMA Risk Management Services Joseph Hrubash |
| Claims Service | Inservco Insurance Services, Inc. Nancy Fowlkes Amy Zeiders Richard Crooks Sureatha Hobbs |
| | Qual Lynx Chris Roselli - <i>Absent</i> |
| | PERMA Jennifer Conicella |
| Managed Care Services | First MCO Alyssa Hrubash |
| NJCE Underwriting Manager | Conner Strong & Buckelew Ed Cooney |
| Risk Management Consultant | CBIZ Borden Perlman Diane Pursell Bob Whartenby |
| Attorney | Paul Adezio, Esq. |
| Safety Director | J.A. Montgomery Consulting Glenn Prince |

ALSO PRESENT:

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

APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF FEBRUARY 28, 2022

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF
FEBRUARY 28, 2022**

Moved: Commissioner Walker
Second: Chair Nazzaro
Vote: Unanimous

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Prince reported that the Safety and Accident Review Committee met on March 23rd. Mr. Prince advised that 13 claims were discussed to determine preventability and/or if additional information was needed to arrive at an educated conclusion. Mr. Prince further advised that the next Safety and Accident Review Committee meeting is scheduled for May 25, 2022. With no questions, Mr. Prince concluded his report.

CLAIMS COMMITTEE: Ms. Conicella reported the Claims Committee did not meet prior to the meeting, but noted that the PARs and SARs would be presented during closed session via 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 there were no action items.

STEWARDSHIP REPORT – Executive Director reported that during a recent County Commissioners meeting a question was raised on the benefits of membership in MCIFC and NJCE JIF. Executive Director advised that the fund office provided Chair Nazzaro with its stewardship report summarizing the benefits of membership in the MCIFC and NJCE JIF. Executive Director referred to a copy of the report enclosed within the agenda and said he is available to attend a County Commissioner meeting if necessary. Chair Nazzaro commented that the report was excellent and that she would distribute it at the next County Commissioners meeting.

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE) – Executive Director reported that the NJCE conducted its Reorganization Meeting on February 24th and referred to a written summary report of the meeting enclosed within the agenda. Executive Director reported that the NJCE renewed certain professional contracts as well as the Origami underwriting database contract. Executive Director advised that the NJCE is scheduled to meet again on April 28th at 9:30 AM via Zoom.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK – Executive Director referred to the Financial Fast Track for the month of February enclosed within the agenda. Executive Director reported that as of February 28, 2022 the Commission has a surplus of \$10,120,928. 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 February 28, 2022 is \$1,317,131 and advised that the total cash balance is \$1,306,581.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK - Executive Director referred to the NJCE Financial Fast Track for the month of February. Executive Director reported that as of February 28, 2022 the Fund has a surplus of \$14,323,659. Executive Director advised that Line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of \$5,857,551 and noted that the NJCE cash balance is \$12,413,800.

CLAIMS TRACKING REPORTS – Executive Director advised the Claim Tracking reports as of February 28, 2022, were included in the agenda. Executive Director referred to a copy of the Claims Management Report Expected Loss Ratio Analysis Report. Executive Director advised this report measured how the losses were running compared to the actuary’s projections. Executive Director reviewed the Fund Years with the Commission.

With no questions, Executive Director concluded his report.

INFORMATIONAL ITEMS REPORT: Mr. Thorpe advised that he had three informational items for his report, one of which was an action item.

CERTIFICATE OF INSURANCE REPORT – Mr. Thorpe referred to copies of the certificate of insurance issuance reports from the NJCE listing certificates issued in the months of February and March. Mr. Thorpe advised there were (2) two certificates of insurance issued during the month of February and (2) two certificates of insurance issued during the month of March. Mr. Thorpe asked if anyone had any questions on the reports. Hearing none, Mr. Thorpe asked for a motion to approve the reports.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORTS

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| Moved: | Chair Nazzaro |
| Second: | Commissioner Walker |
| Vote: | Unanimous |

2022 MEL, MRHIF & NJCE EDUCATIONAL SEMINAR – Mr. Thorpe reminded the Commissioners that the 11th Annual Educational Seminar will be held via two virtual sessions: Friday, April 29th and Friday, May 6th, 9:00 AM to Noon. Mr. Thorpe reported that the seminar qualifies for several Continuing Education Credits and referred to the list enclosed within the agenda. Mr. Thorpe advised that the Keynote Speaker for the seminar is Jacquelyn Suarez, Director NJ Division of Local Government Services.

2022 MEETING SCHEDULE – Mr. Thorpe reported that the Commission is not scheduled to meet in May or June. Mr. Thorpe advised that the next scheduled meeting is on July 25, 2022 but noted that if claim payment authorization is needed prior to the July meeting, a special meeting can be scheduled for PARs/SARs approval. Executive Director asked whether the Commissioners would like to hold the July meeting in-person or hold the meeting via Zoom. The Commissioners indicated that they would like the July meeting to be held via Zoom.

With no questions, Mr. Thorpe concluded his report.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chair Nazzaro advised the March Bill List, Resolution 21-22 and the April Bill List, Resolution 22-22 were included in the agenda.

MOTION TO APPROVE RESOLUTIONS 21-22 AND 22-22, MARCH AND APRIL BILL LISTS

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

ATTORNEY: Mr. Adezio advised he did not have anything to report for the month.

CLAIMS SERVICE: CLAIMS ADMINISTRATOR – Chair Nazzaro advised Resolution 23-22, Disclosure of Liability Claims Check Registers were included in the agenda along with a copy of the check register for February 1, 2022 through February 28, 2022 and March 1, 2022 through March 31, 2022.

MOTION TO APPROVE RESOLUTION 23-22 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

Moved: Commissioner Walker
Second: Chair Nazzaro
Vote: Unanimous

MANAGED CARE: Ms. Hrubash advised she would review First MCO's report, which was included in the agenda for the months of February and March. 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 % |
|--------|----------------------|-----------------|-----------|-----------------------|-----------------|------------------|-------------|-------|
| Feb-22 | \$ 38,224 | \$ 22,592 | \$ 15,632 | 41% | 81 | 74 | \$ 12,506 | 91% |
| Mar-22 | \$ 206,213 | \$ 108,330 | \$ 97,884 | 47% | 109 | 105 | \$ 78,307 | 96% |

With no questions, Ms. Hrubash concluded her report.

NJCE SAFETY DIRECTOR: Mr. Prince referred to the Safety Director's report for February through April enclosed within the agenda. Mr. Prince referred to the listing of all virtual trainings scheduled through June 30th enclosed within the agenda. Mr. Prince referred to the Safety Expo flyer within the agenda and advised that the next Safety Expo is scheduled for June 7th. Lastly, Mr. Prince reported that Mr. Genna, of J.A. Montgomery, has been assisting the libraries with their written programs for their emergency action plans and fire prevention plans. Mr. Prince noted that it is an ongoing initiative which is nearing completion. With no questions, Mr. Prince concluded his report.

RISK MANAGER CONSULTANT: Ms. Pursell reported that a slight reorganization of the account service team has taken place. Ms. Pursell advised that she will now be the main day-to-day contact. Ms. Pursell reported that her office has been working on the upcoming Hull policy renewal and has a quote prepared that will be sent to Commissioner Hughes for review. Ms. Pursell reported that her office has placed a surety bond for the Prosecutor's Office for a camera project they are working on. Ms. Pursell reported that her office consulted on insurance language in a vendor contract that the Prosecutor's Office was working on with a cyber security vendor. Lastly, Ms. Pursell advised that Commissioner Hughes had sent her an email regarding electric vehicle charging stations that she will review and provide comment on. Chair Nazzaro commented that the County is working on a number of electric vehicle charging station sites as well as supercharger sites, but noted that they await approval by the County Commissioners. With no questions, Ms. Pursell concluded her report.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Commissioner Walker reported that during the past 3 weeks there have been numerous discrimination and harassment complaints all emanating from the same department and the same individuals. Commissioner Walker advised that her team is in the process of finishing the investigations and will provide a report to the Commission advising how the issues were concluded. Executive Director asked if the carrier should be put on notice regarding the complaints. Commissioner Walker said they are not ready to notify the carrier until after the investigation.

Chair Nazzaro reported that the County has organized a Cannabis Task Force to review county policies. Chair Nazzaro advised that the task force will meet monthly to discuss the legalization as there are now questions with respect to law enforcement and cannabis use. Chair Nazzaro asked how insurance coverage would apply if an employee got into an accident while under the influence of cannabis and would an additional insurance policy be needed. Mr. Cooney advised that in terms of insurance coverage there is nothing specific to cannabis in the policies, so the policies would react the same way they normally would to any other claim. Mr. Cooney further advised that in terms of the county's internal policies and procedures, in a general sense, cannabis should be treated similar to how other drug and alcohol use is treated. Chair Nazzaro asked with respect to policies and procedures, is there a recommendation not to test for cannabis now that it is legalized and would it affect insurance coverage. Mr. Cooney advised that it would not impact insurance coverage, it would impact risk. Mr. Cooney indicated that he does not know what the exact right answer is but noted that the Executive Director may have information from the MEL that may answer the question. Executive Director advised that the MEL Fund Attorney is working on a memorandum to address cannabis but noted that it had not been finalized. Executive Director further advised that once the memorandum is finalized that it would be shared with the NJCE membership. Mr. Cooney added that one of the biggest hurdles pertaining to cannabis is the inability to test as it stays in an individual's system for many days after use. Chair Nazzaro asked if the inability to test impacts workers' comp. Mr. Cooney advised that it would not dictate whether a workers' comp claim is covered or not, but noted it may have an impact on the employment practices side. Mr. Cooney advised that it depends on how the employer disciplines individuals, or not, and also what policies are in the Employee Handbook. Ms. Bauersachs added that the Supreme Court has required that medical marijuana be provided when prescribed by a pain management doctor. Ms. Bauersachs advised that national insurance companies have dealt with the issue by reimbursing the petitioners for payments for medical marijuana.

Chair Nazzaro advised that she had another item under New Business. Chair Nazzaro thanked Ms. Bauersachs for her memo regarding workers' comp coverage for employees injured while working virtually and said it was very informative. Chair Nazzaro asked if the memo was distributed to the entire Commission. Ms. Bauersachs advised that she distributed the memo to the entire Commission. Commissioner Walker commented that the state implemented a pilot program regarding workers' compensation for employees working virtually and asked if the program would eventually affect county employees. Ms. Bauersachs advised that she would research the details of the new program.

Chair Nazzaro advised that her last item under New Business pertains to cyber security. Chair Nazzaro asked if additional cyber coverage was needed as there have been a lot of cyber security issues throughout the country. Mr. Cooney advised that there is cyber coverage for the entire NJCE membership, and the underwriting team is now looking to steadily increase limits for the entire program. Mr. Cooney further advised that the underwriting team will present those proposals once they are available. Mr. Cooney added that the cyber marketplace for public entities is difficult and the NJCE bought all the coverage available at renewal, which was very limited. Mr. Cooney advised that there are several key controls that all insurance companies are asking for which will provide an opportunity for as much insurance as possible. Mr. Cooney explained that one of the most notable controls is the multi-factor authentication for any remote access. Mr. Cooney further explained that the remote access includes any employee working remotely, those accessing emails from their phones, among other items. Mr. Cooney advised that the underwriting team will be distributing a full list of items needed. Mr. Cooney added that he is working with New Jersey GMIS, which is the government IT Association. Mr. Cooney recommended that the county's IT personnel get involved with the association if they have not done so. Mr. Cooney reported that GMIS International is having their world conference in Philadelphia in either August or September. Chair Nazzaro asked Mr. Cooney to send her information about the association, the upcoming conference, as well as the list of key controls as she would like to forward them to the county's IT manager.

PUBLIC COMMENT: None

CLOSED SESSION: Executive Director read and requested a motion to approve Resolution 24-22 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 24-22 FOR EXECUTIVE SESSION

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| Moved: | Commissioner Walker |
| Second: | Chair Nazzaro |
| Vote: | Unanimous |

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

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| Moved: | Commissioner Walker |
| Second: | Chair Nazzaro |
| Roll Call Vote: | Unanimous |

MOTION TO ADJOURN:

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| Moved: | Commissioner Walker |
| Second: | Chair Nazzaro |

Vote:

Unanimous

MEETING ADJOURNED: 11:24 AM

Minutes prepared by:

Jason Thorpe, Assisting Secretary