

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – February 28, 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:**

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  
**Chris Roselli**

PERMA  
**Jennifer Conicella**

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>Doug Borden</b> <b>Diane Pursell</b> <b>Aricka Simms</b>
----------------------------	--

Attorney	<b>Paul Adezio, Esq.</b>
----------	--------------------------

Safety Director	J.A. Montgomery Consulting <b>Glenn Prince</b> <b>Paul Shives</b>
-----------------	---

**ALSO PRESENT:**

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 JANUARY 24, 2022**

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF JANUARY 24, 2022**

Moved: Commissioner Walker  
Second: Commissioner Hughes  
Vote: Unanimous

**CORRESPONDENCE: None**

**SAFETY COMMITTEE:** Mr. Prince reported that the Safety and Accident Review Committee met on February 23<sup>rd</sup>. Mr. Prince advised that 17 claims were discussed, 6 were deemed preventable, 7 were deemed non-preventable, and 4 were tabled pending additional information in order to arrive at an educated conclusion. Mr. Prince further advised that the next Safety and Accident Review Committee meeting is scheduled for March 23, 2022. With no questions, Mr. Prince concluded his report.

**CLAIMS COMMITTEE:** Ms. Conicella reported the Claims Committee did not meet, however 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 was one action item.

**2022 PLAN OF RISK MANAGEMENT** – Executive Director referred to the 2022 Plan of Risk Management enclosed within agenda. Executive Director advised that the Plan is an overview of the Commission’s coverage, risks retained by the Commission, reserving philosophy, method of assessing member contributions, claims payment authority, etc. Mr. Cooney added that the changes are highlighted in yellow and reflect the renewal. Executive Director asked if there were any questions. Hearing none, Executive Director asked for a motion to approve the resolution.

**MOTION TO APPROVE RESOLUTION 17-22, PLAN OF RISK MANAGEMENT**

Moved: Commissioner Walker  
Second: Chair Nazzaro  
Vote: Unanimous

**NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE)** – Executive Director reported that the NJCE conducted its Reorganization Meeting on February 24<sup>th</sup>. 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 28<sup>th</sup> at 9:30 AM via Zoom.

**2022 BUDGET DELTA** – Executive Director reported that the NJCE Finance Committee met on February 22<sup>nd</sup> to discuss the 2022 Budget Delta in the amount of \$744,455. Executive Director advised that the NJCE Board of Commissioners accepted the recommendation of the Finance Committee to charge an additional premium to cover the delta. Executive Director referred to a copy of the Finance Committee agenda explaining the 2022 Budget Delta and the payment options for the members. Executive Director noted that most member Counties and Insurance Commissions have chosen to add the payment to their 3<sup>rd</sup> installment in 2022. Executive Director noted that in the case of Mercer County, the additional premium is \$94,187, and it is split between the County and the Improvement Authority. Executive Director said the Underwriting Manager did a great job with the renewal under the circumstances of the hard market for insurance. Executive Director advised that with regard to the cyber liability marketplace, deductibles are increasing at a rapid rate and limits are being reduced as public entities are one of the top three targets for cyber-crimes.

**2022 RENEWAL OVERVIEW WEBINAR** – Executive Director reported that the NJCE Underwriting Manager has completed the 2022 Renewal Marketing and noted that there are a number of changes summarized in the renewal overview enclosed within the agenda. Executive Director then asked the Underwriting Manager to provide a brief overview. Mr. Cooney reported that the NJCE held two Zoom meetings to review the renewal changes with the membership. Mr. Cooney advised that if any members have questions regarding the renewal and/or the presentation, they should contact him.

**KEY TASKS FOR 2022** – Executive Director referred to the list of Key Tasks for 2022 prepared by the NJCE Underwriting Manager. Executive Director commended all of the member Counties and Insurance Commissions for making tremendous strides in updating the underwriting data in Origami which made the renewal process for the Underwriting Manager easier. Executive Director said there is additional work that needs to be done which is outlined on the Key Tasks list. Mr. Cooney added that the completion of the COPE information is critical for the property renewal as carriers will apply a higher rate if information is missing.

**NJCE CYBER TASK FORCE** – Executive Director reported that the NJCE Cyber Task Force issued a bulletin focusing on Third Party Vulnerabilities, which is one of the top 3 causes of claims. Executive Director referred to the bulletin which included four stories outlining what NJCE members have experienced with their cyber claims. Executive Director added that the stories conclude by pointing which NJCE Cyber Program items directly address the four claim examples. Mr. Cooney added that Cyber Task Force is trying to release monthly updates on cyber issues which will include claim stories of fellow members. Mr. Cooney further added the Task Force believes that monthly updates are the best way of expressing the urgency associated with cyber issues is by telling stories of fellow NJCE members, as well as NJCE's sister-JIF, the MEL. Chair Nazzaro asked if a copy of the Cyber Task Force bulletin could be emailed to her. Executive Director advised that a copy would be emailed.

**CERTIFICATE OF INSURANCE REPORTS** – Executive Director referred to a copy of the certificate of insurance issuance reports from the NJCE listing certificates issued during the month

of January. Executive Director advised there were (11) eleven certificates of insurance issued during the month.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK** – Executive Director referred to the Financial Fast Track for the month of November enclosed within the agenda. Executive Director reported that as of November 30, 2021, the Commission has a surplus of \$10,077,545. 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 November 30, 2021 is \$1,179,827 and advised that the total cash balance is \$3,212,096.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK** - Executive Director referred to the NJCE Financial Fast Track for the month of November. Executive Director reported that as of November 30, 2021 the Fund has a surplus of \$12,987,213. Executive Director advised that Line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of \$5,107,551 and noted that the NJCE cash balance is \$31,395,191.

**CLAIMS TRACKING REPORTS** - Executive Director advised the Claims Tracking Reports as of November 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 reported that the Commission is performing better than the actuary projections in multiple years which has led to a sufficient amount of surplus. Executive Director reviewed the reports with the Commission and advised that 2021 is running a deficit and noted that the deficit is likely the result of COVID claims. Executive Director reported that as of November 2021, workers’ comp is running considerably higher than what the actuary projected the number to be; 91% as opposed to the actuary projected 52%. Executive Director said he is going to ask the Claims Administrator and the PERMA Claims team to prepare a list of the larger claims that have contributed to the 91%.

**2022 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES** – Executive Director reported that the NJCE renewal policies will again be available electronically through the Conner Strong & Buckelew Egnyte Connect for authorized users. Executive Director advised that the Limit Schematics are also posted to the site and noted that if anyone has any difficulty in accessing the website, they should contact the Fund Office.

**2022 MEL, MRHIF & NJCE Educational Seminar** - Executive Director advised that the 11<sup>th</sup> Annual Educational Seminar will be held virtually again this year. Executive Director noted there will be two sessions; Friday, April 29<sup>th</sup> and Friday, May 6<sup>th</sup>, 9:00 AM to Noon. Executive Director reported that the seminar qualifies for Continuing Education Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents.

**2022 MEETING SCHEDULE** – Executive Director reported that the Commission is not scheduled to meet in March and noted that the next scheduled meeting is on April 25, 2022 at 10:30 AM.

With no questions, Executive Director concluded his report.

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Chair Nazzaro advised the February Bill List, Resolution 18-22 was included in the agenda.

**MOTION TO APPROVE RESOLUTION 18-22, FEBRUARY BILL LIST**

Moved: Commissioner Walker  
Second: Commissioner Hughes  
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 19-22, Disclosure of Liability Claims Check Registers were included in the agenda along with a copy of the check register for January 1, 2022 through January 31, 2022.

**MOTION TO APPROVE RESOLUTION 19-22 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 January. 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 %
Jan-22	\$ 95,054	\$ 52,876	\$ 42,178	44%	59	57	\$ 33,742	97%

With no questions, Ms. Hrubash concluded her report.

**NJCE SAFETY DIRECTOR:** Mr. Prince referred to the Safety Director’s report for January through February enclosed within the agenda. Mr. Prince referred to the listing of all virtual trainings scheduled through the end of April enclosed within the agenda. Mr. Prince advised that any questions regarding trainings should be directed to him. Mr. Prince reported that on February 18<sup>th</sup>, he met with Warden Ellis at the correctional facility and discussed a variety of topics. Mr. Prince reported that a new camera system for the correctional facility is going to be installed and will cover areas that were not covered in the past. Mr. Prince further reported that the new camera system will be IP enabled and will allow the Warden and his Command Staff access to sign-on remotely and review areas of the facility. Chair Nazzaro asked where the new cameras are going to be installed. Mr. Prince advised that the cameras will be installed in the areas that were not monitored previously, such as housing unit entrances, admissions, and stairwells. Mr. Prince reported that the NJCE is initiating a Safety Committee that will meet quarterly via Zoom. Mr. Prince explained that the purpose of the NJCE Safety Committee is to provide the various members with an opportunity to roundtable what works and does not work for their Counties/Commissions, training opportunities, as well as other safety items. Mr. Prince requested that the Commission consider appointing a representative to the NJCE Safety Committee. Chair Nazzaro asked if the appointee should come from a particular department. Mr. Prince suggested that the appointee be an individual that is able to attend the quarterly meetings and bring back information from the meetings for distribution throughout the county. With no further questions, Mr. Prince concluded his report.

**RISK MANAGER CONSULTANT:** Ms. Pursell reported that since the last Commission meeting, her office was involved in contract discussions with Ultra Artists and Morris Day Entertainment, and risk management advice was provided. Ms. Pursell reported that her office has begun working on the upcoming renewal and has contacted the carrier to obtain renewal terms. With no questions, Ms. Pursell concluded her report.

Correspondence Made Part of Minutes.

**OLD BUSINESS: None**

**NEW BUSINESS:** Chair Nazzaro advised that she had a question under New Business. Chair Nazzaro asked if an employee is working from home virtually, and they trip and fall, is that considered a workers' compensation injury. Ms. Bauersachs advised that it could be considered workers' compensation as there was a similar case where the court deemed the injury compensable. Ms. Bauersachs further advised that it is a very complex issue, as it is brand new, and she will do some research to provide a better answer.

**PUBLIC COMMENT: None**

**CLOSED SESSION:** Executive Director read and requested a motion to approve Resolution 20-22 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 20-22 FOR EXECUTIVE SESSION**

Moved:	Commissioner Walker
Second:	Commissioner 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: 11:24 AM**

Minutes prepared by:  
Jason Thorpe, Assisting Secretary