

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – December 19, 2022
Meeting Held Telephonically
10:30 AM**

Meeting was called to order by Acting Chair Walker. Mr. Thorpe read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Lillian Nazzaro, Esq.	Absent
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 Richard Crooks Suretha Hobbs Amy Zeiders Yvonne Frey
	Qual Lynx Chris Roselli
	PERMA Jennifer Conicella Jennifer Davis
Managed Care Services	First MCO Marie Lamb
NJCE Underwriting Manager	Conner Strong & Buckelew Ed Cooney - <i>Absent</i>
Risk Management Consultant	CBIZ Borden Perlman Doug Borden Diane Pursell
Treasurer	Dr. Sharon Sharp - <i>Absent</i>
Attorney	Paul Adezio, Esq.
Safety Director	J.A. Montgomery Consulting Glenn Prince Paul Shives

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 OCTOBER 17, 2022

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF OCTOBER 17, 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 December 7th and advised that a variety of safety related resources and training opportunities were discussed. Mr. Prince reported that 30 claims were reviewed and discussed during the meeting. Mr. Prince advised that 13 of the claims were deemed preventable based on the information provided, and 17 were deemed non-preventable. Mr. Prince said he will discuss the information provided during the loss control visits and will attempt to provide beneficial recommendations. Mr. Prince reported that the next Safety and Accident Review Committee meeting is scheduled for January 10, 2023 via Zoom. Lastly, Mr. Prince advised that for 2023, the Safety Committee will now meet on the second Tuesday of each month. With no questions, Mr. Prince concluded his report.

CLAIMS COMMITTEE: Ms. Davis reported the Claims Committee did not meet, however PARs will be presented during closed session. Lastly, Ms. Davis referred to the mandatory year-end claims memo enclosed within the agenda. Ms. Davis asked that any claims for the ancillary coverages be reported by December 31st. Ms. Davis advised that failure to report the claims by the deadline can result in denial of coverage by the insurance carrier. With no questions, Ms. Davis concluded her report.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and there were several action items.

2023 PROPERTY AND CASUALTY BUDGET INTRODUCTION – Executive Director referred to the proposed 2023 Property and Casualty Budget in the amount of \$7,605,334, included in the agenda. Executive Director reported that he met with the Commission Chair and Treasurer to review the proposed budget and it is being recommended for approval.

Executive Director reported that lines 1 through 5 were the loss fund figures as projected by the Actuary. Executive Director noted that the largest increase is the Liability line item which is increasing by \$23,000 or 14.74%. Executive Director advised that the overall loss funds are increasing by \$242,439 or 7.44%.

Executive Director reported that the CEL JIF line item represents the NJCE portion of the budget. Executive Director advised that the NJCE introduced their budget at the November 18th meeting with a 9.9% increase.

Executive Director reported that lines 17 through 30 represent the expenses to run the Commission, which include a 2% cost of living increase for the TPA, Safety Director, Executive Director, Risk Manager, Actuary, and Auditor. Executive Director noted that the 2% increases are contingent on the County's review and approval of the RFPs submitted for those positions. Executive Director further noted that the Miscellaneous Expense and Contingency line item is remaining flat.

Executive Director reported that lines 34 through 45 represent the Ancillary Coverages for the Commission. Executive Director explained that the ancillary coverages run directly from the Commission to the commercial insurer and the increases are all driven by the current hard insurance market.

Executive Director reported that the introductory budget represents an overall increase of \$622,131 or 8.91%., which is in the mid-range of all the Insurance Commissions.

Executive Director referred to a copy of the proposed assessments for the two member entities, which were included in the agenda. Executive Director advised the assessment payments were due on 3/15/23, 5/15/23 and 10/15/23.

Executive Director asked if there were any questions on the budget and/or assessments. Hearing none, Executive Director requested a motion to introduce the budget.

MOTION TO INTRODUCE THE 2023 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$7,605,334 AND SCHEDULE A PUBLIC HEARING ON JANUARY 23, 2023 AT 10:30 AM VIA ZOOM.

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

MCIFC DIVIDEND – Executive Director reported that there are dividend options available to the Insurance Commission from Fund Years 2014, 2015 and 2016. Executive Director advised that the Commission dividend history is as follows: 2019 - \$500,000; 2020 - \$1,500,000; 2021 - \$500,000. Executive Director further advised that the dividend options have been reviewed by the Commission Chair and Treasurer and that a dividend in the amount of \$1,500,000 is being recommended. Executive Director noted that the 2022 dividend will be applied to the outstanding receivable. Executive Director advised that a motion is being requested now and a resolution will be prepared for the January meeting.

MOTION TO AUTHORIZE A 2022 DIVIDEND IN THE AMOUNT OF \$1,500,000 AND APPLY IT TO THE OUTSTANDING RECEIVABLE

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

EMPLOYEE DISHONESTY COVERAGE RENEWAL – Executive Director advised that the Employee Dishonesty Coverage policy with Selective Insurance Company renews on January 1, 2023. Executive Director noted that the policy covers the positions of Executive Director, Third Party Administrator, and the Treasurer. Executive Director reported that the annual premium is \$1,872, which is the expiring premium, with a \$1,000,000 limit per loss and a \$10,000 deductible. Executive Director advised that the cost for this coverage will be paid out of the miscellaneous and contingency budget line.

MOTION TO APPROVE EXPENDITURE FOR EMPLOYEE DISHONESTY COVERAGE IN THE AMOUNT OF \$1,872

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

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND (NJCE) – Executive Director reported that the NJCE met on October 27th and referred to the written summary report enclosed within the agenda. Executive Director reported that the NJCE also met on November 18, 2022 and introduced the 2023 budget in the amount of \$36,022,934 and referred to a written summary of the meeting, and a copy of the Proposed 2023 NJCE Budget, enclosed within the agenda. Executive Director advised that the Public Hearing and adoption of the 2023 budget has been rescheduled for January 12, 2023 to allow for the completion of the excess renewal marketing and an additional NJCE Finance Committee meeting. Executive Director advised that the NJCE Finance Committee will also review dividend options during its meeting.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK – Executive Director referred to the Financial Fast Track for the month of October enclosed within the agenda. Executive Director reported that as of October 31, 2022 the Commission has a surplus of \$10,101,371. 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 October 31, 2022 is \$1,437,045 and advised that the total cash balance is \$1,974,732.

NJCE PROPERTY AND CASUALTY FINANCIAL FAST TRACK – Executive Director referred to the NJCE Financial Fast Track for the month of October. Executive Director reported that as of October 31, 2022 the NJCE has a surplus of \$15,184,380. 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 \$30,000,454.

CLAIMS TRACKING REPORTS – Executive Director advised the Claim Tracking reports as of October 31, 2022, were included in the agenda. Executive Director referred to a copy of the Claims Management 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.

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

CERTIFICATE OF INSURANCE REPORT – Mr. Thorpe referred to the certificate of insurance report from the NJCE which lists those certificates issued for the month of October. Mr. Thorpe noted that there were (4) four certificates of insurance issued during the month. Mr. Thorpe advised that there were no certificates of insurance issued during the month of November and asked for a motion to approve the report.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	Unanimous

2023 PROPOSED MEETING SCHEDULE – Mr. Thorpe referred to proposed Commission meeting dates for 2023 included in the agenda (*January 23, March 27, May 22, July 24, September 25, October 23, and December 18*). Mr. Thorpe reported that the start time for each meeting will be 10:30 AM and the 2023 MCIFC Reorganization meeting is scheduled for January 23, 2023. Mr. Thorpe advised that if the dates are acceptable, a resolution will be prepared for approval with the Reorganization Resolutions in January. Mr. Thorpe noted that additional meetings can be scheduled if needed. Executive Director said that when the Commissioners are interested in resuming in-person meetings they can let the Fund Office know and it will be scheduled accordingly.

With no questions, Mr. Thorpe concluded his report.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Executive Director advised the November Bill List, Resolution 41-22, and the December Bill List, Resolution 42-22, were included in the agenda.

MOTION TO APPROVE RESOLUTIONS 41-22 AND 42-22, THE NOVEMBER AND DECEMBER BILL LISTS

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 – Executive Director advised Resolution 43-22, Disclosure of Liability Claims Check Registers, was included in the agenda along with a copy of the check registers for October 1, 2022 to October 31, 2022 and November 1, 2022 to November 30, 2022

MOTION TO APPROVE RESOLUTION 43-22 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

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

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

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	Net Savings	PPO %
Nov-22	\$ 210,952	\$ 109,149	\$ 101,803	48%	66	63	\$ 81,442	95%

With no questions, Ms. Lamb concluded her report.

NJCE SAFETY DIRECTOR: Mr. Prince referred to the Safety Director’s report for October through December enclosed within the agenda, which included all risk control and safety activities. Mr. Prince then referred to the listing of all training opportunities that are scheduled through February. Mr. Prince advised that any questions regarding trainings should be directed to him. Lastly, Mr. Prince reported that the new Learning Management System (LMS) is scheduled to be rolled out during the 1st Quarter of 2023. Mr. Prince advised that the LMS vendor has agreed to provide a variety of tutorials and webinars for named administrators so that they become comfortable with the new system. Mr. Prince added that J.A. Montgomery will also be available to provide in-person training. With no questions, Mr. Prince concluded his report.

RISK MANAGEMENT CONSULTANT: Ms. Pursell reported that since the last Commission meeting, her office assisted the Improvement Authority in contract reviews for some work with Vicinity Energy and the NJ Cure Arena. With no questions, Ms. Pursell concluded her report.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

CLOSED SESSION: Commissioner Walker requested a motion to approve Resolution 44-22 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 44-22 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: 11:22 AM

Minutes prepared by:

Jason Thorpe, Assisting Secretary