

MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – January 23, 2023
Meeting Held Telephonically
10:30 AM

Meeting was called to order by Acting Chair Walker. Executive Director 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 Davis Shai McLeod Zareena Majeed
Managed Care Services	First MCO Marie Lamb
NJCE Underwriting Manager	Conner Strong & Buckelew Ed Cooney
Risk Management Consultant	CBIZ Borden Perlman Doug Borden Diane Pursell
Treasurer	Dr. Sharon Sharp - Absent
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
Jason Thorpe, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF DECEMBER 19, 2022

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF DECEMBER 19, 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 January 10th and advised that a variety of safety related resources and training opportunities were discussed. Mr. Prince reported that the next Safety and Accident Review Committee meeting is scheduled for February 14, 2023 via Zoom. 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. 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.

REORGANIZATION RESOLUTIONS – Executive Director referred to the Reorganization Resolutions which were included in the agenda. Executive Director said with the Chair’s permission, he would review the Resolutions and then ask to approve the resolutions as a consent.

- Resolution 1-23 Appointing MCIFC Commissioners
- Resolution 2-23 Appointing NJCE Commissioner & Alternate
- Resolution 3-23 Appointing Treasurer
- Resolution 4-23 Appointing Commission Attorney
- Resolution 5-23 Designating Authorized Depositories for Fund Assets
- Resolution 6-23 Designating Authorized Signatures for Commission Bank Account
- Resolution 7-23 Designating Custodian of Records
- Resolution 8-23 Designating Official Newspapers
- Resolution 9-23 Establishing Cash Management Plan
- Resolution 10-23 Authorizing Commission Treasurer to Process Payments & Expenses
- Resolution 11-23 Utilizing Mercer County Approved Counsel

Executive Director asked if there are any questions on the resolutions. Hearing none, Executive Director asked for a motion approve the resolutions as a consent.

MOTION TO APPROVE REORGANIZATION RESOLUTION NUMBERS 1-23 THROUGH 11-23

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

2023 RENEWAL CONTRACTS & APPOINTMENTS – Executive Director reported that the County has informed the Fund Office that at the January 24th County Commissioners’ meetings, resolutions are being considered for the following MCIC-related contracts.

- Actuarial Services – Actuarial Advantage, Inc.
- Auditor Services – Bowman & Company, LLP
- Risk Manager – CBIZ Insurance Services, Inc
- Third Party Administrator – Inservco Insurance Services, Inc.
- Risk/ Loss Control Services – J.A. Montgomery Risk Control
- Executive Director – PERMA Risk Management Services

2023 MCIFC MEETING DATES - Executive Director referred to a copy of the 2023 Annual Meeting Schedule which was included in the agenda. Executive Director advised there were no meetings for February, April, June, August, and November. Executive Director said if the Commissioners agreed with the meeting schedule, Resolution 12-23, adopting the meeting dates for 2023 was included in the agenda and requested a motion.

MOTION TO ADOPT RESOLUTION #12-23, APPROVING PUBLIC MEETING DATES FOR THE YEAR 2023

Moved: Commissioner Walker
Second: Commissioner Hughes
Vote: Unanimous

2023 PROPERTY & CASUALTY BUDGET – Executive Director reported that at the December 19, 2022 Commission meeting the 2023 Property & Casualty Budget was introduced. Executive Director noted the budget was advertised in the Commission’s official newspapers. Executive Director said the Public Hearing for the budget was today. Executive Director referred to a copy of the budget enclosed within the agenda. Executive Director reported the budget was in the amount of \$7,606,024. Executive Director reported that the budget has increased slightly (0.01%) since introduction due to the NJCE 2023 budget increase. Executive Director noted a copy of the assessments were also included in the agenda.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2023 PROPERTY & CASUALTY BUDGET

Moved: Commissioner Walker
Second: Commissioner Hughes
Vote: Unanimous

Executive Director asked if there were any questions on the budget or assessments. Hearing none, Executive Director asked for a motion to close the Public Hearing.

MOTION TO CLOSE THE PUBLIC HEARING

Moved: Commissioner Walker
Second: Commissioner Hughes
Vote: Unanimous

MOTION TO ADOPT THE PROPERTY & CASUALTY BUDGET FOR MERCER COUNTY INSURANCE FUND COMMISSION FOR THE 2023 YEAR AND CERTIFY THE 2023 ASSESSMENTS

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

MCIFC DIVIDEND – Executive Director advised that there were dividend options available to the Commission for Fund Years 2014, 2015 and 2016. Executive Director reported that Chair Nazzaro informed him that she discussed the dividend with the Commission Treasurer and the County would like to take option #4, \$1,500,000. Executive Director noted that the Dividend will appear as a credit on the 2023 statement of accounts and will be applied to the outstanding receivable. Executive Director referred to Resolution 13-23 and asked if there were any questions. Hearing none, Executive Director asked for a motion authorizing the return of the 2022 dividend.

MOTION TO ADOPT RESOLUTION #13-23 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$1,500,000 AND APPLY IT TO THE OUTSTANDING RECEIVABLE

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

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE) – Executive Director reported the NJCE Finance Committee met on January 10th to review and finalize the 2023 NJCE JIF Budget for budget adoption based on the final marketing results and their 2022 dividend recommendation to the Board of Fund Commissioners. Executive Director advised that the NJCE met on January 12th and adopted the 2023 budget and authorized a 2022 dividend based on the Finance Committee recommendations. Executive Director referred to a written summary report of the meeting is included in the agenda. Executive Director reported that the NJCE Board of Fund Commissioners voted to use some of its surplus to keep the budget at 9.9% increase which allows the underlying Insurance Commissions to avoid amending their budgets. Executive Director reported that the following key items were discussed during the January 12th NJCE meeting:

Property Appraisals: Considering the issues with property insurers and the need for insurance to value, the NJCE will procure a vendor or vendors to perform property appraisals and collecting Construction, Occupancy, Protection and Exposure Characteristics (COPE) information for the larger county owned properties and establish a threshold. PERMA understands that a couple of our member counties do annual appraisals so we would need to coordinate the scope of the program. The goal is for our membership to determine their own insurable values for their larger locations rather than the insurer and to make sure we capture the necessary COPE information to obtain broader coverage at the best available price.

Cyber Security Expert: The NJCE will procure Cyber Security Expert Services via Extraordinary Unspecifiable Services contract. NJCE Underwriting Manager expects to have a final proposal from the Chertoff Group for consideration and will provide a status update prior to the next NJCE meeting.

2023 Renewal Overview Webinar: NJCE Underwriting Manager will be scheduling a webinar in the coming weeks to provide a high-level overview of the changes in the 2023 renewal. Please hold the tentative date of January 31, 2023 at 11AM via Zoom for this webinar; an invitation will be distributed.

NJCE 10 Year Anniversary: 2020 marked the 10th anniversary of the Fund's inception, which began with two County members and has grown to ten members and 19 affiliated entities. To commemorate the occasion, a luncheon and NJCE JIF meeting will be held on April 27, 2023 at the Forsgate Country Club in Monroe, NJ. Please save the date and an invitation will be sent to all Fund Commissioners, Professionals, and staff to attend.

Executive Director advised that the NJCE is scheduled to meet on February 23, 2023 at 9:30 am via Zoom to conduct the 2023 Reorganization Meeting.

NJCE 2022 DIVIDEND – Executive Director reported that the NJCE Finance Committee has recommended a \$850,000 dividend from various years. Executive Director advised that the NJCE Board of Fund Commissioners accepted the recommendation and adopted a resolution on January 12th authorizing the release of a dividend in the amount of \$850,000 from various fund years, subject to State approval. Executive Director further advised that Mercer County Insurance Commission's share of the dividend is \$97,910. Executive Director referred to the applicable member's share of the dividend and noted that members may opt for a check or apply the dividend as a credit to the 2023 assessment billing.

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, 2022 the Commission has a surplus of \$10,051,445. Executive Director reported that the fund office is monitoring deficits in the 2021 and 2022 fund years. Executive Director said expects the 2021 fund year to remain in a deficit position as most Insurance Commissions are trending the same way, mostly due to Covid. Executive Director said it is too early to determine whether the 2022 fund year will remain in a deficit position as the claims will need time to mature. 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, 2022 is \$1,448,372 and advised that the total cash balance is \$2,325,510. Executive Director asked if there were any questions. Commissioner Walker asked if the 2022 fund year deficit is based on Covid as well or if there is some other extraordinary circumstance. Executive Director advised that property claims and workers' comp claims are running higher than the amount budgeted for those lines. Executive Director said he will have an exhibit prepared outlining the larger claims for the 2022 fund year.

NJCE PROPERTY AND 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, 2022 the Commission has a surplus of \$15,299,523. 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 \$33,218,329.

CLAIMS TRACKING REPORTS – Executive Director advised the Claim Tracking reports as of November 30, 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.

With no questions, Executive Director concluded his report.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Executive Director advised the January Bill List, Resolution 14-23 was included in the agenda.

MOTION TO APPROVE RESOLUTION 14-23, THE JANUARY BILL LIST

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

ATTORNEY: Mr. Adezio began by thanking the Commission for re-appointment. Mr. Adezio then advised he did not have anything to report for the month.

CLAIMS SERVICE: CLAIMS ADMINISTRATOR – Executive Director advised Resolution 15-23, Disclosure of Liability Claims Check Registers, was included in the agenda along with a copy of the check registers for December 1, 2022 to December 31, 2022.

MOTION TO APPROVE RESOLUTION 15-23 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

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

MANAGED CARE: Ms. Lamb began by thanking the Commission for re-appointment. Ms. Lamb then advised she would review First MCO's report, which was included in the agenda for the month of December. 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 %
Dec-22	\$ 327,009	\$ 154,538	\$ 172,471	53%	90	87	\$ 137,977	97%

With no questions, Ms. Lamb concluded her report.

NJCE SAFETY DIRECTOR: Mr. Prince began by thanking the Commission for re-appointment. Mr. Prince then referred to the Safety Director's report for December through January 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 March. Mr. Prince advised that any questions regarding trainings should be directed to him. Mr. Prince reported that on January 4th he conducted an Accident Investigation at Bell Care. Mr. Prince advised that the Accident Investigation Report will be forwarded to Commissioner Hughes upon completion. Lastly, Mr. Prince reported that he has been asked to perform a Hazard Assessment and Loss Control visit at 640 Broad St. Mr. Prince advised that he has spoken to the Director of Buildings & Grounds for that facility and he will be conducting the assessment on January 24th. Commissioner Walker thanked Mr. Prince in advance for conducting the assessment. With no questions, Mr. Prince concluded his report.

RISK MANAGEMENT CONSULTANT: Ms. Pursell began by thanking the Commission for re-appointment. Ms. Pursell then reported that since the last Commission meeting, her office assisted the Improvement Authority on a bid packet that was being issued for recycling and discussing the insurance requirements. With no questions, Ms. Pursell concluded her report.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Executive Director thanked the Commission for Perma's re-appointment and its continued confidence.

PUBLIC COMMENT: None

CLOSED SESSION: Executive Director requested a motion to approve Resolution 16-23 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 16-23 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: 11:10 AM

Minutes prepared by:
Jason Thorpe, Assisting Secretary