

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – February 28, 2024
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08650-0068
10:30 AM**

Meeting was called to order by Chairman Marion. Mr. Thorpe read the Open Public Meetings notice into the record.

Pledge of Allegiance

ROLL CALL OF COMMISSIONERS:

Christopher R. Marion	Present
Alejandra M. Silva	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 Kelly Guerriero Qual Lynx Chris Roselli PERMA Jennifer Conicella
Managed Care Services	First MCO Mark Liggett
NJCE Underwriting Manager	Conner Strong & Buckelew Ed Cooney - <i>Absent</i>
Treasurer	Nicola Trasente
Attorney	Paul Adezio, Esq.
Safety Director	J.A. Montgomery Consulting Paul Shives Liam Callahan

ALSO PRESENT:

Jackie Tolbert, Mercer County Improvement Authority
Edwin Cruz, Mercer County
Isamar Maldonado, Mercer County
Jason Thorpe, PERMA Risk Management Services
Ana-Eliza Bauersachs, Esq., Capehart Scatchard

APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF OCTOBER 23, 2023

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF OCTOBER 23, 2023

Moved: Commissioner Silva
Second: Chairman Marion
Vote: Unanimous

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Shives reported that the Safety and Accident Review Committee met on January 23rd. Mr. Shives advised that a variety of topics were discussed including 45 claims; 27 of which were determined as non-preventable, 18 were determined to be preventable. Mr. Shives reported that educational training through the Learning Management was also discussed. Mr. Shives introduced Mr. Callahan of J.A. Montgomery Consulting and advised that Mr. Callahan will be the primary contact for Risk & Loss Control Services going forward. With no questions, Mr. Shives concluded his report.

CLAIMS COMMITTEE: Ms. Conicella reported that PARs and SARs will be presented during closed session. With no questions, Ms. Conicella 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 Chairman’s permission, he would review the Resolutions and then ask to approve the resolutions as a consent. Executive Director proceeded to review the Reorganization Resolution.

- Resolution 1-24 Appointing MCIFC Commissioners
- Resolution 2-24 Appointing NJCE Commissioner & Alternate
- Resolution 3-24 Appointing Treasurer
- Resolution 4-24 Appointing Commission Attorney
- Resolution 5-24 Designating Authorized Depositories for Fund Assets
- Resolution 6-24 Designating Authorized Signatures for Commission Bank Account
- Resolution 7-24 Designating Custodian of Records
- Resolution 8-24 Designating Official Newspapers
- Resolution 9-24 Establishing Cash Management Plan
- Resolution 10-24 Authorizing Commission Treasurer to Process Payments & Expenses
- Resolution 11-24 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 1-24 THROUGH 11-24

Moved:	Commissioner Silva
Second:	Chairman Marion
Roll Call Vote:	Unanimous

RULES & REGULATIONS AMENDMENT - Executive Director said based on prior discussions, it would be appropriate to amend the Insurance Commission’s Rules & Regulations to expand the Board of Commissioners from 3 Commissioners up to 5 Commissioners. Executive Director said the action will be ratified via Resolution at the Public Hearing on the Rules & Regulations Amendment at the March 25th Insurance Fund Commission meeting.

MOTION TO AMEND THE RULES & REGULATIONS OF THE MERCER COUNTY INSURANCE FUND COMMISSION TO INCREASE THE NUMBER OF COMMISSIONERS FROM 3 UP TO 5 FOR THE INSURANCE FUND COMMISSION, AND ADD AN INSURANCE FUND COMMISSION ALTERNATE COMMISSIONER

Moved:	Commissioner Silva
Second:	Chairman Marion
Vote:	Unanimous

2024 RENEWAL CONTRACTS & APPOINTMENTS – Executive Director reported that the County has informed the Fund Office that at the February 22nd County Commissioners’ meeting, the County approved the following MCIC-related contracts.

Third Party Administrator – Inservco Insurance Services, Inc.

Executive Director – PERMA Risk Management Services

Executive Director thanked the Commission for PERMA’s re-appointment. Executive Director advised that the MCIC-related contracts/appointments pending include The Actuarial Advantage (Actuary), Bowman & Company (Auditor) and J.A. Montgomery (Risk/Loss Control Services).

2024 MCIFC MEETING DATES - Executive Director referred to a copy of the 2024 Annual Meeting Schedule which was included in the agenda. Executive Director advised the Insurance Commission is scheduled to meet on a monthly basis. Executive Director said if the Commissioners agreed with the meeting schedule, Resolution 12-24, adopting the meeting dates for 2024 was included in the agenda and requested a motion.

MOTION TO ADOPT RESOLUTION #12-24, APPROVING PUBLIC MEETING DATES FOR THE YEAR 2024

Moved:	Commissioner Silva
Second:	Chairman Marion
Vote:	Unanimous

2024 PLAN OF RISK MANAGEMENT – Executive Director referred to the 2024 Plan of Risk Management enclosed within the 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. Executive Director noted that the changes from the previous year’s Plan are highlighted in yellow. With no questions, Executive Director asked for a motion to approve Resolution 13-24.

MOTION TO APPROVE RESOLUTION 13-24, PLAN OF RISK MANAGEMENT

Moved:	Commissioner Silva
Second:	Chairman Marion
Vote:	Unanimous

2024 PROPERTY AND CASUALTY BUDGET INTRODUCTION – Executive Director referred to the proposed 2024 Property and Casualty Budget in the amount of \$8,264,984, included in the agenda. Executive Director reported that the proposed budget was previously discussed with the Chairman and Commission Treasurer.

Executive Director reported that lines 1 through 5 were the loss fund figures as projected by the Actuary. Executive Director noted that the largest increases are the Property and Workers’ Compensation line items which are increasing by \$25,000 or 17.24% and \$425,500 or 15.65%, respectively. Executive Director advised that the overall loss funds are increasing by \$454,504 or 13.93%.

Executive Director reported that the CEL JIF line item represents the NJCE portion of the budget. Executive Director advised that all NJCE members are increasing between 13% and 16% due to the continuation of the hard insurance market. Executive Director reported that the Insurance Fund Commission’s CEL JIF premium is increasing 14.09%.

Executive Director reported that lines 17 through 24 represent the expenses to run the Commission, which include a 2% cost of living increase for the 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 TPA, Attorney, Treasurer, and Miscellaneous Expense and Contingency line items are remaining flat.

Executive Director reported that line 30 represents the Risk Management Consultant fee which is remaining flat. Executive Director said that the County has issued an RFP for the position and the line item may change based on the results of the RFP.

Executive Director reported that line 32 represents the Ancillary Coverages for the Commission which is increasing 2.02%.

Executive Director reported that the introductory budget represents an overall increase of \$897,960 or 12.19%.

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 4/15/24, 6/15/24 and 10/15/24.

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 2024 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$8,264,984 AND SCHEDULE A PUBLIC HEARING ON MARCH 25, 2024 AT 1:30 PM.

Moved: Commissioner Silva
Second: Chairman Marion
Vote: Unanimous

EMPLOYEE DISHONESTY COVERAGE RENEWAL – Executive Director reported the Employee Dishonesty Coverage policy with Selective Insurance Company was scheduled to renew on January 1, 2024. Executive Director advised that the Insurance Fund Commission Rules & Regulations requires that the policy is purchased which covers the positions of Executive Director, Third Party Administrator, and the Treasurer. Executive Director reported that the annual premium is \$547 which is a decrease from the expiring premium of \$1,872. Executive Director advised that the limit per loss is \$1,000,000 with a \$10,000 deductible. Executive Director noted 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 RETROACTIVE TO JANUARY 1, 2024 IN THE AMOUNT OF \$547.

Moved: Commissioner Silva
Second: Chairman Marion
Vote: Unanimous

CERTIFICATE OF INSURANCE REPORTS – Executive Director referred to the certificate of issuance report from the NJCE which lists those certificates issued in the months of October, November, and January. Executive Director reported that there were (3) three certificates of insurance issued during the month of October, (2) two certificates of insurance issued during the month of November, and (6) six certificates of insurance issued during the month of January.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORTS

Moved: Commissioner Silva
Second: Chairman Marion
Vote: Unanimous

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE) – Executive Director reported the NJCE Finance Committee met on January 11th to adopt the 2024 budget. Executive Director reported the NJCE Finance Committee met on February 22nd and conducted its reorganization meeting. Executive Director reported that the following key items were discussed during the January 11th NJCE meeting:

Increased cyber liability limits: Purchase additional excess limits from Great American in the amount of \$5 million excess aggregate shared by all members of the NJCE excess of primary \$5 million per member County Commission/County. This resulted in a premium increase of \$270,000 over the expiring premium and is already reflected in today’s proposed budget for adoption. *All member Commissions/Counties, except for Union County which has a policy outside of the NJCE program, will have a primary cyber liability limit of \$5 million per claim/\$5 million aggregate with the incumbent Cowbell.* Executive Director asked if there were any questions. Mr. Trasente asked if there is a cyber coverage deductible. Executive Director said yes, the deductible for both the County and the Improvement Authority is \$25,000. Executive Director reported that the NJCE provides \$225,000 above the \$25,000 retention. Executive Director said above the \$250,000 is a primary \$5 million policy specific to each County Commission/County. Lastly, Executive Director said there is an additional \$5 million, above the primary \$5 million, that is shared among all of the NJCE members.

An aggregate limit on the 5% named storm property deductible: Direct the Underwriting Manager to continue negotiations on a \$15million or \$20million aggregate option on the 5%

named storm deductible. A quote obtained for a \$10million aggregate option was \$3.5million and would have exceeded the budget parameters. The Fund office will prepare a resolution for members to share in the Named Storm deductible based their respective loss, which would also allow each member to file a claim submission to FEMA for reimbursement of their respective deductible. *The Underwriting Manager will continue to pursue quotes for a capping mechanism on the 5% named storm deductible.*

Underwriting Manager noted the 2024 marketing efforts were challenging, especially with Zurich leaving the property market, however, the final structure of the property program resulted in the reduction of the NJCE property retention from \$3million to \$1million within the budget parameters.

Property Appraisal Reimbursement Cap: Provide reimbursement to NJCE members for property appraisals in 2024. The requirement for 2024 is to appraise locations between \$500,000 to \$1,000,000 and trending those locations appraised in 2023. *Committee recommended that reimbursements be capped at \$20,000 per member.*

2024 RENEWAL WEBINAR - Executive Director reported that the Underwriting Manager of the New Jersey Counties Excess JIF conducted the 2024 Renewal Overview Webinar on Tuesday, February 13th at 2 pm. Executive Director said the NJCE Underwriting Manager detailed the challenges faced marketing the program and coverage changes to be aware of for 2024. Executive Director added that a recording of the webinar is posted to the NJCE website.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK – Executive Director referred to the Financial Fast Track for the month of December enclosed within the agenda. Executive Director reported that as of December 31, 2023 the Commission has a surplus of \$7,768,051. 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 December 31, 2023 is \$1,082,740 and advised that the total cash balance is \$15,006,528.

NJCE PROPERTY AND CASUALTY FINANCIAL FAST TRACK – Executive Director referred to the NJCE Financial Fast Track for the month of December. Executive Director reported that as of December 31, 2023 the Commission has a surplus of \$11,104,936. Executive Director advised that Line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of \$6,707,551 and noted that the NJCE cash balance is \$33,184,775.

NJCE ASSESSMENT PAYMENT – Executive Director reported that the Insurance Commission’s first installment NJCE assessment payment in the amount of \$2,353,465.80 is now due April 15, 2024. Executive Director said typically the first installment is due on March 15th but noted that the due date was moved back a month due to the change in the County’s Administration. Executive Director advised that following budget adoption on March 25th, the Insurance Commission will issue payment to the NJCE.

CLAIMS TRACKING REPORTS – Executive Director advised the Claim Tracking reports as of December 31, 2023, 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.

INFORMATIONAL ITEMS REPORT: Mr. Thorpe advised that he had three informational items for his report, none of which were action items.

2024 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES – Mr. Thorpe reported that the NJCE renewal policies will be available electronically through the Conner Strong & Buckelew OneDrive Program for authorized users. Mr. Thorpe added that the Limit Schematics are also posted to the site. Mr. Thorpe advised that if anyone has difficulty accessing the website they should contact the Fund Office.

2024 MEL, MRHIF & NJCE EDUCATIONAL SEMINAR – The 14th Annual Seminar will be conducted virtually on 2 half-day sessions: Friday, April 19 and Friday April 26 from 9AM to Noon. There is no fee for employees, insurance producers as well as personnel who work for services companies associated with the Municipal Excess Liability Joint Insurance Fund (MELJIF), Municipal Reinsurance Health Insurance Fund (MRHIF) and New Jersey Counties Excess Joint Insurance Fund (NJCE JIF). Attached on page 42 is more information on the seminar. We will send a link to register once it becomes available.

2024 MEETING SCHEDULE – Mr. Thorpe advised that the next Commission meeting is scheduled for Monday, March 25, 2024 at 1:30 PM

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Mr. Thorpe advised the November Bill List, Resolution 39-23, the December Bill List, Resolution 40-23, and the January Bill List, Resolution 14-24 were included in the agenda. Mr. Thorpe said a motion was needed to approve the various bills lists.

MOTION TO APPROVE RESOLUTIONS 39-23: THE NOVEMBER BILL LIST, 40-23: THE DECEMBER BILL LIST, AND 14-24: THE JANUARY BILL LIST

Moved:	Commissioner Silva
Second:	Chairman Marion
Roll Call Vote:	Unanimous

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

CLAIMS SERVICE: CLAIMS ADMINISTRATOR – Mr. Thorpe advised Resolution 15-24, Disclosure of Liability Claims Check Registers, was included in the agenda along with a copy of the check registers for November 1, 2023 to November 31, 2023; December 1, 2023 to December 31, 2023; and January 1, 2024 to January 31, 2024.

MOTION TO APPROVE RESOLUTION 15-24 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

Moved:	Commissioner Silva
Second:	Chairman Marion
Roll Call Vote:	Unanimous

MANAGED CARE: Mr. Liggett 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. Mr. Liggett provided the below information:

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	Net Savings	PPO %
Jan-24	\$ 173,462	\$ 69,617	\$ 103,845	60%	71	69	\$ 83,076	97%

With no questions, Mr. Liggett concluded his report.

RISK/LOSS CONTROL SERVICES: Mr. Shives referred to the Safety Director’s report for December through February enclosed within the agenda, which included all risk control and safety activities. Mr. Shives then referred to the listing of all training opportunities that are scheduled through April. Mr. Shives advised that if there are any specific training needs or any questions regarding trainings to please contact J.A. Montgomery. Mr. Shives asked if there were any questions and/or comments. Chairman Marion asked that additional information regarding the Leadership Academy be forwarded to him as he would like to share the information with various individuals at the County. Mr. Shives advised that Mr. Callahan will forward the Leadership Academy information. Chairman Marion commented that prior to doing capital assessments and improvements to facilities, one the County’s goals is having J.A. Montgomery conduct loss control visits at various county locations. Chairman Marion said he spoke to Mr. Prince during the previous week regarding conducting a loss control visit at the corrections center as there are concerns. Chairman Marion added that Mr. Prince has scheduled the loss control visit at the corrections center for February 29th. Chairman Marion said he would also like a loss control visit at the Dempster Center within the next 2 weeks.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Chairman Marion introduced Mr. Cruz and advised that he works on Workers’ Compensation matters for the County. Chairman Marion also introduced Ms. Maldonado, the County’s Qualified Purchasing Agent, and advised that she may be a future Commissioner for the Insurance Fund Commission.

Ms. Zeiders thanked the Commission for Inservco’s re-appointment. Ms. Zeiders the proceeded to introduce her staff in attendance; Ms. Fowlkes, Mr. Crooks, Ms. Guerriero, Ms. Frey, and Ms. Hobbs.

PUBLIC COMMENT: None

CLOSED SESSION: Executive Director requested a motion to approve Resolution 16-24 authorizing a Closed Session to discuss PARs and SARs.

MOTION TO APPROVE RESOLUTION 16-24 FOR EXECUTIVE SESSION

Moved:	Commissioner Silva
Second:	Chairman Marion
Vote:	Unanimous

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

Moved:	Commissioner Silva
Second:	Chairman Marion
Roll Call Vote:	Unanimous

MOTION TO ADJOURN:

Moved:	Commissioner Silva
Second:	Chairman Marion
Vote:	Unanimous

MEETING ADJOURNED: 11:49 AM

Minutes prepared by:

Jason Thorpe, Assisting Secretary