

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, December 7, 2023
ZOOM VIRTUAL MEETING
1:00 PM**

Meeting called to order by Tim Sheehan, Chairman. Open Public Meetings notice read into record.

ROLL CALL OF COMMISSIONERS:

Timothy Sheehan, Chairman	Present
Scott Burns, Esq., Vice Chairman	Present
Karen Christina	Present
George Hayes (Alternate)	Excused

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Richard Crooks, Sureatha Hobbs, Amy Zeiders, Veronica George
	Qual-Lynx Chris Roselli
	Medlogix Adam Giaquinto
	PERMA Robyn Walcoff, Shai Mcleod, Jennifer Conicella
Treasurer	Tracey Giordano
Underwriting Services Director/RMC	Hardenbergh Insurance Group Christina Violetti, Danielle Colaianni Joe Henry, Christopher Powell
Auditor	Bowman & Company
Attorney	Chance & McCann, LLC Kevin McCann, Esq.
Safety Director	J.A. Montgomery Risk Consulting Glenn Prince

ALSO PRESENT:

Cheryl Y. Lewis, Rowan College of South Jersey
Carolyn Oldt, Gloucester County Library Commission
Prudence Higbee, Esq., Capehart & Scatchard
Susan Panto, Conner Strong & Buckelew
Brandon Tracy, PERMA Risk Management Services
Bradford Stokes, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open and Closed Minutes of October 26, 2023 and November 21, 2023 Open minutes.

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF OCTOBER 26, 2023 AND OPEN MINUTES OF NOVEMBER 21, 2023.

Motion:	Chairman Sheehan
Second:	Commissioner Burns
Vote:	Unanimous

CORRESPONDENCE: NONE

SAFETY & ACCIDENT REVIEW COMMITTEE REPORT: Ms. Violetti reported the Safety & Accident Review Committee has not meet since their last meeting and is scheduled to meet again March 6, 2024.

CLAIMS COMMITTEE: Chairman Sheehan reported on the mandatory year end claims reporting memo, which was included in the agenda and distributed separately to department heads for the administration office.

EXECUTIVE DIRECTOR REPORT:

2024 PROPERTY AND CASUALTY BUDGET INTRODUCTION – Included in the agenda for review and discussion was the proposed 2024 Property & Casualty Budget in the amount of \$8,804,321. The introductory budget represents an overall increase of \$554,958 or 6.73%. The proposed budget was previously discussed with the Chairman, Commission Treasurer and Commission Risk Manager. In lieu of a dividend it is recommended that a premium surplus transfer be used to reduce the overall budget. The recommended amount is \$150,000, line 6 in the budget. The NJCE portion of the budget is on line 10. The NJCE introduced their budget at the November 17, 2023 meeting.

- **CLAIMS (Line 1-5):** Loss Funds are determined by the Actuary. Increases in Property (4.32%), decreases in Auto (-0.72%) and Liability (-8.66%), Workers' Comp (9.43%) while POL/EPL came in flat. Executive Director said Surplus Loss Funds Offset item on *line 6* was added to the budget in lieu of a dividend in the amount of \$150,000 to offset the budget increase.
- **SUBTOTAL – CLAIMS (Line 8):** Decrease in the subtotal of claims (-1.18%).
- **CEL JIF (Line 11):** Increase of (15.38%) and increase of (4.73%) for ancillary coverages. The ancillary coverages (*Line 34*) affect the CEL budget and combined with the CEL increase averages out to a (12%) increase, which is below the overall CEL budget increase of 12.8%.

- **EXPENSES, FEES & CONTINGENCY (Lines 18–28):** These line items represent expenses to run the Insurance Commission and reflect a cost-of-living increase. Safety Service came from the County program and increased (5.3%) and an increase of Risk Management increased (2%) an overall increase of (6.3%).

A copy of the proposed assessments for the member entities was included in the agenda. The annual assessment would be billed in three installments and payable as follows: 40% due on 3/15/24, 30% on 5/15/24 and 30% on 10/15/24. The Fund Office will advertise the proposed 2024 budget in the applicable newspapers.

MOTION TO INTRODUCE THE 2024 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$8,804,321 AND SCHEDULE A PUBLIC HEARING ON JANUARY 25, 2024 AT 1:00 PM

Motion: Chairman Sheehan
 Second: Commissioner Burns
 Roll Call Vote: 2 Ayes – 0 Nays

2024 HEALTH DENTAL BUDGET INTRODUCTION – Included in the agenda for review and discussion was the proposed 2024 Health Dental Budget in the amount of \$704,021. Ms. Panto said the introductory budget represented an overall increase of \$1,716 or .24%.

Ms. Panto reported there were no plan design changes for 2024 and adjust enrollment from 781 members to 790 members. The budget on lines 1-5 reflected incurred and paid through August of 2023 and represented an overall increase of less than 1% with the main increase a result of administrative fees. With a dental surplus of more than \$400,000 and stable claims the claims margin was reduced to 1.5%.

A copy of the budget was previously sent to the County for their review. The Fund Office will advertise the proposed 2024 budget in the applicable newspapers.

MOTION TO INTRODUCE THE 2024 HEALTH DENTAL BUDGET IN THE AMOUNT OF \$704,021 AND SCHEDULE A PUBLIC HEARING ON JANUARY 25, 2024, AT 1:00 PM

Motion: Chairman Sheehan
 Second: Commissioner Burns
 Roll Call Vote: 2 Ayes – 0 Nays

RFP’S FOR PROFESSIONAL SERVICES – The Fund Office prepared the Request for Proposals for the positions of Actuary, Auditor, Defense Panel, Nurse Case Manager, and Commission Attorney. Executive Director said the responses are being reviewed and evaluated. Executive Director requested scheduling a special meeting of the Commissioners on Thursday, December 21, 2023 at 1:00 PM to discuss further. The Commissioners granted this request.

MOTION TO SCHEDULE A SPECIAL MEETING ON THURSDAY, DECEMBER 21, 2023 AT 1:00 PM

Motion: Chairman Sheehan
 Second: Commissioner Burns
 Roll Call Vote: 2 Ayes – 0 Nays

CERTIFICATE OF INSURANCE REPORTS – Included in the agenda were the certificate of issuance report from the NJCE which lists those certificates issued in the months of October & November. Executive Director said there were (4) four certificates of insurance issued during the month of October and (5) five certificates of insurance issued in November.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – The NJCE met on October 26, 2023. A summary report of the meeting is included in the agenda on pages 11-12. The NJCE also met on November 17, 2023; included in the agenda was a summary report. The NJCE introduced a proposed budget in the amount of \$41,363,126; a copy of the budget and ancillary budget was included in the agenda. Executive Director said the wild card remains the Property renewal as Zurich, our primary carrier is no longer underwriting Joint Insurance Funds. Underwriting Manager traveled to Atlanta and London to market the program in the domestic and international markets. Executive Director said the completed property appraisals have been included in the budget and we added a 9% buffer on the property values for the members who have yet to complete the appraisals. A public hearing is scheduled on January 11, 2024 at 11:00 AM.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK - Included in the agenda was a copy of the Property & Casualty Financial Fast Track Report for the month of September. As of September 30, 2023 there is a statutory surplus of \$2,698,936. Line 10 of the report, “Investment in Joint Venture” is the Gloucester County Insurance Commission’s share of the equity in the NJCE \$1,831,353. The total cash amount is \$4,225,845.

NJCE PROPERTY AND CASUALTY FINANCIAL FAST TRACK – Included in the agenda was a copy of the NJCE Financial Fast Track Report for the month of September. Executive Director reported the Financial Fast Track reflects most of the adverse property claims experienced this year, which have resulted in significant dollars lost. As of September 30, 2023 the NJCE has a surplus of \$12,379,844. Line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of \$6,707,551. The cash amount is \$34,301,023.

GCIC HEALTH BENEFITS FINANCIAL FAST TRACK – Included in the agenda was a copy of Health Benefits Financial Fast Track for the month of September. Ms. Panto reported that as of September 30, 2023 there is a statutory surplus of \$411,133. The total cash amount is \$496,158.

CLAIM TRACKING REPORTS - Included in the agenda were copies of the Claim Activity Report and the Claims Management Report Expected Loss Ratio Analysis report as of September 30, 2023. Executive Director reviewed the reports, which compares the losses experienced against the losses projected by the actuary. Executive Director advised 2021 continues to be a tough year for the Commission, which has been the case for all of the Commission’s.

2024 MEETING PLATFORM – In order to best streamline and leverage Microsoft 365 suite of applications, the Fund Office will eliminate the use of the Zoom application for meetings and webinars. Microsoft Teams will become the default option for audio or video conferencing beginning January 2024.

2024 PROPOSED MEETING SCHEDULE – Below are the proposed meeting dates for 2024 with a start time of 1:00 PM. Executive Director said the 2024 GCIC Reorganization meeting is scheduled for January 25, 2024. The meetings will continue to be held virtually in the beginning of the year and we will reassess as needed. The dates were acceptable, and a resolution will be prepared for approval with the Reorganization Resolutions in January. Additional meetings can be scheduled if needed. Suggested meeting dates were *January 25, February 22, April 25, June 27, September 26, October 24, and December 12.*

EMPLOYEE BENEFITS: Ms. Panto said her report was included in the appendages of the agenda. The October report had a total issue of 35 new issues, which is common during open the open enrollment period.

TREASURER REPORT: Chairman Sheehan reported the agenda included Resolution 74-23 November Bill List, Resolution 75-23 November Benefit Bill List and Resolution 76-23 December Bill List.

MOTION TO APPROVE RESOLUTIONS 74-23 THROUGH RESOLUTION 76-23

Motion: Chairman Sheehan
Second: Commissioner Burns
Roll Call Vote 2 Ayes – 0 Nays

Ms. Dodd requested Resolution 79-23 December Supplemental Bill List that was distributed separately, to be adopted.

MOTION TO APPROVE RESOLUTION 79-23

Motion: Chairman Sheehan
Second: Commissioner Burns
Roll Call Vote 2 Ayes – 0 Nays

Chairman Sheehan noted the monthly Treasurer’s reports were included in the agenda and asked if anyone had questions on the reports; there were none.

CLAIMS ADMINISTRATOR: Chairman Sheehan presented Resolution 77-23 Inservco Liability Check Register for the period of 10/01/23 to 10/31/23.

MOTION TO APPROVE RESOLUTION 77-23 LIABILITY CHECK REGISTER FOR THE PERIOD OF 10/1/23 to 10/31/23

Motion: Commissioner Burns
Second: Commissioner Christina
Roll Call Vote: 3 Ayes – 0 Nays

MANAGED CARE PROVIDER: Mr. Giaquinto in the absence of Ms. Goldstein, reviewed the Client Bill Review Summary Report for the month October and November as noted.

Month	Number of Bills	Total Provider Charges	Total Allowed	Total Reductions	Net Reductions	Percent of Net Savings	PPO Penetration
October	54	\$47,590.03	\$23,431.74	\$24,158.29	\$20,776.11	93%	94%
November	54	\$70,294.79	\$70,924.79	\$20,400.05	\$17,630.55	97%	89%

NJCE SAFETY DIRECTOR:

REPORT: Mr. Prince advised the Safety Director’s report was included in the agenda and referred to the Risk Control Activities for October through December and training opportunities through January 2024. The training opportunities can be found through the NJCE website. The NJCE Leadership Academy open enrollment is from December 1st to December 20th.

Commissioner Christina joined the virtual meeting at 11:37am.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Violetti said her report was included in the agenda.

2024 MEETING SCHEDULES – SAFETY AND ACCIDENT REVIEW COMMITTEE AND CLAIMS COMMITTEE: Enclosed are the meeting schedules for each Committee.

MOTION TO APPROVE BOTH SCHEDULES AS PRESENTED.

Motion: Chairman Sheehan
Second: Commissioner Burns
Roll Call Vote: 3 Ayes – 0 Nays

WELLNESS INCENTIVE GRANT PROGRAM: As this program has continuously received positive feedback from the entities that have participated, we respectfully request continued

funding for the Wellness Incentive Grant for 2024. There are no changes to the program. Included in the agenda were the program documentation.

The Safety and Accident Review Committee respectfully request the Commission approve an amount not to exceed \$10,000 (\$1,000 per grant – total of 10 grants) for this program. We will discuss it further at the meeting.

MOTION TO AUTHORIZE \$10,000 FOR THE WELLNESS INCENTIVE PROGRAM.

Motion:	Commissioner Burns
Second:	Commissioner Christina
Roll Call Vote:	3 Ayes – 0 Nays

2024 SAFETY KICK OFF MEETING: Invitations will be sent shortly for the January 11, 2024, kick-off meeting. Ms. Violetti said as stated at the October meeting, the focus topic will be First Amendment Audits and will be presented by Keith Hummel at J.A. Montgomery.

There will be light refreshments served at the meeting as it will be held at Rowan College of South Jersey – Gloucester Campus. We are requesting authorization for funding of the refreshments at the meeting. We are working with the County to select the vendor.

MOTION TO AUTHORIZE NOT TO EXCEED \$750 FOR REFRESHMENTS FOR THE 2024 SAFETY KICK-OFF MEETING.

Motion:	Commissioner Burns
Second:	Commissioner Christina
Roll Call Vote:	3 Ayes – 0 Nays

2023 CLAIMS SWEEP ON CLAIMS MADE POLICIES: Ms. Violetti said Hardenbergh has contacted all the members and reminded them to advise our office if they have any knowledge of an incident which may give rise to a claim under the “claims made” policies: Public Officials/Employment Practices, Medical Malpractice, Employed Lawyers, Crime, Pollution, and Cyber Liability. These policies have strict definitions to what constitutes “knowledge of a claim” and the time in which it must be reported to the carrier for coverage to be afforded. As these policies expire on 1/1/2024, we need to report any potential claims that may have been throughout 2023 to the carriers prior to 1/1/2024.

2023 NJCEL REINSURER MUNICH RE SAFETY GRANT: A submission from the Gloucester County Library Commission for the 2023 NJCE reinsurer Munich Re Safety Grant was provided to J.A. Montgomery. The submission was for automatic external defibrillators (AEDs) and corresponding accessories; total cost for five AEDs and corresponding accessories is \$22,352.70. This will allow five library locations to each receive one AED with necessary accessories. The locations are Mullica Hill Branch, Logan Township Branch, Glassboro Branch, Greenwich Branch in Gibbstown, and Swedesboro Branch.

The Library Commission was awarded \$4,398.05 to purchase one AED and corresponding accessories. Our office will work closely to ensure that the documentation is provided to J.A. Montgomery.

UNDERWRITING SERVICES DIRECTOR

ANCILLARY COVERAGES: The following coverages for members could not be placed through the GCIC/NJCELJIF for its master programs at this time and it has been determined the following bond/policies need to be renewed.

Member	Coverage	Carrier	Exp. Date	Expiring Premium	Renewal Premium
Improvement Authority	Builders' Risk – Fossil Park Project	Selective Insurance Company	12/24/2023	\$59,536.00	\$59,536.00
College	Volunteer Accident	Starr Indemnity	12/31/2023	\$2,878.00	\$2,878.00
County	Bond – Chila	CNA	1/1/2024	\$70.00	\$70.00
County	Bond – McKenna	CNA	1/1/2024	\$70.00	\$70.00
Improvement Authority	Dream Park Volunteer Accident	QBE	1/28/2024	\$400.00	\$400.00

All terms and conditions are per expiring.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE POLICIES LISTED ABOVE.

Motion: Commissioner Burns
 Second: Commissioner Christina
 Roll Call Vote: 3 Ayes – 0 Nays

FOR INFORMATIONAL PURPOSES ONLY – NO ACTION REQUIRED:

The following renewals were in process and have been finalized.

Member	Coverage	Carrier	Exp. Date	Expiring Premium	Renewal Premium
County	Pollution Liability – Underground Storage Tanks	Liberty Surplus Insurance Companies	10/30/2023	\$4,413.64	\$4,638.00

The 5% increase in the County's pollution liability policy is due to a carrier rate increase. All other terms and conditions are per expiring.

The following renewals are in process. We request authority to renew the policies contingent upon the premium not increasing more than 10% and no significant reduction in the terms and conditions. If there is, we will seek direction from the member and then advise the Commissioners accordingly.

Member	Coverage	Carrier	Exp. Date	Expiring Premium
County	Pollution Liability – Underground Storage Tanks	Liberty Surplus Insurance Companies	10/30/2023	\$4,431.64

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE ABOVE POLICY CONTINGENT UPON THE RENEWAL PREMIUM NOT INCREASING MORE THAN 10% AND NO SIGNIFICANT REDUCTION IN THE TERMS AND CONDITIONS.

Motion: Commissioner Burns
Second: Commissioner Christina
Roll Call Vote: 3 Ayes – 0 Nays

ATTORNEY: NONE

OLD BUSINESS: NONE

NEW BUSINESS: Executive Director reported that effective January 1, 2024, that the NJCE is going to be using Microsoft Teams for virtual meetings. There has been no discussion about returning to in-person meetings at this time.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

Moved: Commissioner Burns
Second: Commissioner Christina
Vote: Unanimous

Hearing no members of the public wishing to speak Chairman Sheehan asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE THE MEETING TO THE PUBLIC

Moved: Commissioner Burns
Second: Commissioner Christina
Vote: Unanimous

CLOSED SESSION: Chairman Sheehan read and requested a motion to approve Resolution 78-23 authorizing a Closed Session to discuss PARS & SARS relating to pending or anticipated litigation as listed. Chairman Sheehan advised Closed Session would be held using a Zoom breakout room.

MOTION TO GO INTO CLOSED SESSION

Motion: Commissioner Burns
Second: Commissioner Christina
Roll Call Vote: 3 Ayes – 0 Nays

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Burns
Second: Commissioner Christina
Vote: Unanimous

Chairman Sheehan asked Mr. McCann to present the motion approving the SARs.

MOTION TO AUTHORIZE A SETTLEMENT AUTHORITY FOR CLAIM #3530002907 IN THE AMOUNT OF \$97,500 TO \$210,000 AN INCREASE OF \$112,500.

MOTION TO AUTHORIZE A SETTLEMENT AUTHORITY FOR CLAIM #3530003013 IN THE AMOUNT OF \$5,000 TO \$70,000 AN INCREASE OF \$65,000.

Moved: Commissioner Burns
Second: Commissioner Christina
Roll Call Vote: 3 Ayes – 0 Nays

Chairman Sheehan advised the next meeting would be on Thursday, January 25, 2024, at 1:00 PM via Microsoft Teams.

MOTION TO ADJOURN:

Motion:	Commissioner Burns
Second:	Commissioner Christina
Vote:	Unanimous

MEETING ADJOURNED: 12:11 PM

Minutes prepared by: Brandon Tracy, Assisting Secretary