

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, January 23, 2020
2 South Broad Street
Woodbury, NJ 9:30 AM**

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

PLEDGE OF ALLEGIANCE

ROLL CALL OF COMMISSIONERS:

Timothy Sheehan, Chairman	Present
Michael Burke, Vice Chairman	Present
Tamarisk Jones	Present
Karen Christina (Alternate)	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Veronica George (<i>via conference call</i>) Yvonne Frey (<i>via conference call</i>) Amy Zeiders
	Qual-Lynx Joe Lisciandri (<i>via conference call</i>)
	Medlogix Jennifer Goldstein
	PERMA Jennifer Conicella
NJCE Underwriting Manager	Conner Strong & Buckelew Ed Cooney
Underwriting Services Director/RMC	Hardenbergh Insurance Group Christina Violetti
Attorney	Grace Marmero & Associates Al Marmero, Esq.
Treasurer	Tracey Giordano

Safety Director

J.A. Montgomery Risk Control
Glenn Prince

ALSO PRESENT:

Scott Burns Esq., Gloucester County
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open Minutes and Closed Minutes of December 12, 2019

MOTION TO APPROVE THE OPEN MINUTES OF DECEMBER 12, 2019

Motion:	Commissioner Burke
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

MOTION TO APPROVE THE CLOSED MINUTES OF DECEMBER 12, 2019

Motion:	Commissioner Burke
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

CORRESPONDENCE: None

Executive Director stated this was the 2020 Reorganization Meeting of the Commission and asked the Commission Attorney to administer the Oath of Office.

Commission Attorney administered the Oath of Office to Chairman Sheehan, Commissioner Burke, Commissioner Jones and Commissioner Christina.

COMMITTEE REPORTS: Ms. VanOyen advised the Safety and Accident Review Committee is scheduled to meet again on February 4, 2020. Ms. VanOyen reported they were in the process of the 300 log which was the number one violations of the PEOSH inspections. Ms. VanOyen concluded her report unless there were any questions.

SAFETY COMMITTEE:

CLAIMS COMMITTEE: Mr. Sheehan advised the Claims Committee met via teleconference and discussed the PARS and SARS that would be presented during closed session.

Executive Director stated his report was included in the agenda and advised he had several action items.

EXECUTIVE DIRECTOR REPORT: Executive Director advised the GCIC was required to reorganize at the January Executive Committee meeting per the Commission's by Laws. Executive Director reported he would review Resolutions 1-20 through 11-20 as noted below and then request approval by consent.

- Resolution 1-20 Certifying the Appointment of Chairperson and Vice Chairman
- Resolution 2-20 Appointing Agent for Service of Process and Custodian of Records for the Year 2020
- Resolution 3-20 Designating Official Newspapers for the Commission
- Resolution 4-20 Designating Authorized Depositories for Fund Assets and Establishing Cash Management Plan
- Resolution 5-20 Designating Commission Treasurer
- Resolution 6-20 Designating Authorized Signatures for Commission Bank Accounts
- Resolution 7-20 Indemnifying Gloucester County Insurance Fund Commission Officials/Employees
- Resolution 8-20 Appointing A Commissioner to the New Jersey Counties Excess Joint Insurance Fund for Fund Year 2020
- Resolution 9-20 Authorizing Commission Treasurer to Process Contracted Payments and Expenses
- Resolution 10-20 Fixing Public Meeting Dates for Year 2020
- Resolution 11-20 Plan of Risk Management for 2020

Executive Director noted the Cash Management Plan had been amended to reference the NJ Statutes that list the permissible investments as opposed to actually listing each permissible investment. This will reduce the human error factor.

Executive Director advised the Plan of Risk Management was attached in Appendix II of the agenda. Executive Director reported the Plan was 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 asked if anyone had any questions regarding the resolutions and requested a motion to approve.

**MOTION TO APPROVE REORGANIZATION
RESOLUTIONS NUMBER 1-20 THROUGH 11-20**

Motion:	Commissioner Burke E
Second:	Commissioner Jones
Roll Call Vote	Unanimous

MEETING DATES FOR 2020: Executive Director advised the 2020 Meeting Schedule was also approved with the Reorganization Resolutions. Executive Director pointed out there were no meetings scheduled for March, May, July, August and November. However, additional meetings could be scheduled with the proper notice.

2019 PROPERTY AND CASUALTY BUDGET: Executive Director advised the 2020 Property and Casualty Budget was introduced at the December 12, 2019 meeting. Executive Director reported the budget was advertised in the Commission’s official newspapers. Executive Director referred to a copy of the budget in the amount of \$6,599,053 which was included in the agenda along with the

assessments by member entity. Executive Director advised the assessments were due on 3/15/20, 5/15/20 and 10/15/20. Executive Director reported the budget did not change since it was introduced. Executive Director noted the NJCE Dividend along with the GCIC Dividend would appear as a credit on the first assessment bill.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2020 PROPERTY & CASUALTY BUDGET

Motion: Commissioner Burke
Second: Commissioner Jones
Call Vote: Unanimous

MOTION TO CLOSE THE PUBLIC HEARING

Motion: Commissioner Burke
Second: Commissioner Jones
Call Vote: Unanimous

MOTION TO ADOPT THE PROPERTY & CASUALTY BUDGET FOR THE GLOUCESTER COUNTY INSURANCE COMMISSION AS PRESENTED FOR THE COMMISSION YEAR 2020 & CERTIFY THE 2020 ASSESSMENTS

Motion: Commissioner Burke
Second: Commissioner Jones
Roll Call Vote: Unanimous

2020 HEALTH BENEFITS BUDGET: Executive Director reported the 2020 Health Benefits Budget was also introduced at the December 12, 2019 meeting and advertised in the Commission's official newspapers. Executive Director referred to a copy of the 2020 Health Benefits Budget which was included in the agenda in the amount of \$597,882. Executive Director reported the budget reflected the self-insured dental program.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2020 HEALTH BENEFITS BUDGET

Motion: Commissioner Burke
Second: Commissioner Jones
Call Vote: Unanimous

MOTION TO CLOSE THE PUBLIC HEARING

Motion: Commissioner Burke
Second: Commissioner Jones
Call Vote: Unanimous

MOTION TO ADOPT THE HEALTH BENEFITS BUDGET FOR THE GLOUCESTER COUNTY INSURANCE COMMISSION AS PRESENTED FOR THE COMMISSION YEAR 2020

Motion: Commissioner Burke
Second: Commissioner Jones
Roll Call Vote: Unanimous

2020 PROFESSIONAL SERVICE RESOLUTIONS: Executive Director reported at the December Meeting the Commissioners discussed the responses to the RFP's and made their recommendations. Executive Director referred to copies of the resolutions which were included in the agenda. Executive Director noted the resolutions were reviewed by the Commission Attorney. Executive Director asked if anyone had any questions on the resolutions and then requested a motion to approve all resolutions by a consent.

- Resolution 12-20 Appointing Auditor – *Bowman & Company, LLP*
- Resolution 13-20 Appointing Actuary – *Actuarial Advantage, Inc.*
- Resolution 14-20 Appointing Defense Attorney:
Madden & Madden, P.A., Parker McCay, P.A., Chance & McCann, LLC, Capehart Scatchard, Brown & Connery, LLP, John A. Alice, Florio, Perrucci Steinhardt & Cappelli, LLC
- Resolution 15-20 Appointing Nurse Case Manager – *Susan Schaefer, RN CCM.*
- Resolution 16-20 Appointing Alternate Nurse Case Manager – *Medlogix, LLC*
- Resolution 17-20 Appointing Commission Attorney – *Grace Marmero & Associates*
- Resolution 18-20 Appointing Functional Capacity Testing & Evaluation Service,
Synergy Joint & Spine

MOTION TO APPROVE RESOLUTIONS NUMBER 12-20 THROUGH 18-20

Motion: Commissioner Burke
Second: Commissioner Jones
Roll Call Vote: Unanimous

CAIR MOTOR VEHICLE REPORTS: Executive Director reported the renewal invoice from the New Jersey Motor Vehicle Commission was received in the amount of \$150. Executive Director stated as in the past the Commission would pay for this expense and the expense would be allocated to the miscellaneous and contingency account. Executive Director noted the payment was included on the January Bill List and requested a motion for approval.

MOTION TO APPROVE PAYMENT TO THE NEW JERSEY MOTOR VEHICLE COMMISSION IN THE AMOUNT OF \$150 FOR THE ANNUAL ADMINISTRATIVE FOR ONLINE MOTOR VEHICLE REPORTS

Motion: Commissioner Burke
Second: Commissioner Jones
Roll Call Vote Unanimous

NJ EXCESS COUNTIES INSURANCE FUND (NJCE): Executive Director reported the NJCE would hold its Reorganization Meeting on February 27, 2020 at 1:00 PM at the Camden County College Regional Training Center.

CERTIFICATE OF INSURANCE REPORT: Executive Director referred to a copy of the Certificate of Insurance report from the NJCE listing the certificates issued for the month of December which was included in the agenda. Executive Director advised there were 4 certificates of insurances issued during December.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised the October Property & Casualty Financial Fast Track was included in the agenda. Executive Director reported the Commission had a surplus of \$2,831,673 as of October 31, 2019. Executive Director advised that \$2,573,946 on line 10 of the report “Investment in Joint Venture was the GCIC’s share of the NJCE equity. Executive Director noted the cash amount was \$3,803,270.

NJCE PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the October Financial Fast Track for the NJCE. As of October 31, 2019 the NJCE had a surplus of \$16,597,044. Executive Director advised line 7 of the report “Dividend” represented the dividend figure released by the NJCE of \$3,607,551. Executive Director noted the cash amount was \$32,149,785.

HEALTH BENEFITS FINANCIAL FAST TRACK: Executive Director reported the agenda included the October Health Benefits Financial Fast Track. As of October 31, 2019 there was a surplus of \$233,345. Executive Director asked if anyone had any questions on the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included the claim monitoring reports as of October 31, 2019. Executive Director reviewed the Claims Management Report Expected Loss Ration Analysis with the Commission.

Executive Director reported he had two additional items which were not included in the agenda. Executive Director advised two documents were handed out at the beginning of the meeting. The first was a memorandum from the NJCE Underwriting Manager. Executive Director asked Mr. Cooney to review the memo. Mr. Cooney advised the insurance marketplace had been hardening over the past few years. Mr. Cooney also advised the NJCE had experienced a high frequency of property losses over the last several years which caused the need for increased retentions and premium rates. Mr. Cooney reported the casualty market experienced the same hardening and after the NJCE had set their budget, Brit along with all other Excess Casualty insurers, cut back their limits from \$15,000,000/\$20,000,000 to \$10,000,000/\$20,000,000. Brit did return the premium for that layer of insurance in the amount of \$240,000, however that amount was far below the new market’s premium

for that layer of insurance. Mr. Cooney advised Old Republic provided the only quotation for this layer at the \$1,000,000 premium mark. They would also replace Argonaut's layer.

Executive Director advised the differential was approximately \$750,000 and at the next NJCE meeting a recommendation would be made to the Board for the NJCE to absorb the difference due to their surplus. Executive Director noted this was another benefit of participating in a JIF because commercial markets would collect that additional premium right away.

Executive Director advised the second handout was a copy of the enrollment form for the 10th annual educational seminar presented by the MEL MRHIF and NJCE. Executive Director advised the seminar was scheduled for Friday, May 1st at the National Conference Center in East Windsor, NJ. Executive Director noted the seminar qualified for Continuing Educational Credits.

Executive Director advised that concluded his report unless anyone had questions.

Executive Director reported the Employee Benefits monthly report for December was included in Appendix III section of the agenda. Executive Director noted the year to date activity was 192 items.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Sheehan advised the January Bill Lists were included in the agenda and requested motions for approval.

**MOTION TO APPROVE RESOLUTION 22-20
JANUARY PROPERTY & CASUALTY BILL LIST**

Motion:	Commissioner Jones
Second:	Commissioner Burke
Roll Call Vote	Unanimous

**MOTION TO APPROVE RESOLUTION 23-20
JANUARY HEALTH INSURANCE FUND BILL LIST**

Motion:	Commissioner Jones
Second:	Commissioner Burke
Roll Call Vote	Unanimous

Chairman Sheehan pointed out the monthly Treasurer's reports showing the cash transactions and investments were included in the agenda.

CLAIMS REPORT:

Chairman Sheehan presented Resolution 24-20 Inservco Liability Check Register for the period of 12/1/19 through 12/31/19.

MOTION TO APPROVE RESOLUTION 24-20 LIABILITY CHECK REGISTER FOR THE PERIOD OF 12/1/19 THROUGH 12/31/19

Motion: Commissioner Burke
 Second: Commissioner Jones
 Roll Call Vote: Unanimous

MANAGED CARE PROVIDER: Ms. Goldstein reviewed the Client Bill Review Summary Report for the month of December as noted below.

Month	Number of Bills	Total Provider Charges	Total Allowed	Total Reductions	Net Reductions	Percent of Net Savings
December	40	\$ 43,942.19	\$ 16,380.23	\$ 17,151.61	\$24,025.22	55%

Ms. Goldstein mentioned that after last month’s meeting she reviewed the Bill Penetration Rate and found that the percentage entered on the report in January 2019 was incorrect and was corrected on this month’s report. Ms. Goldstein noted the total bills received in 2019 totaled \$745,449.30 and the overall net savings was \$369,189.52 or 49%. Ms. Goldstein thanked the Commission for the re-appointment as the alternate for Nurse Case Manager. Ms. Goldstein advised that concluded her report unless anyone had any questions.

NJCE SAFETY DIRECTOR:

REPORT: Mr. Prince reviewed the December - January 2020 Risk Control Activity Report which was included in the agenda. In response to Mr. Cooney’s report regarding some of the exposures in the law enforcement community, Mr. Prince advised the J.A. Montgomery staff now included six full time retired law enforcement officers to address many of the issues. Mr. Prince spoke about the 2020 BRIT and advised the amount was \$45,000 to split between the ten counties in the NJCE. Mr. Prince advised all of the submissions should be submitted to Hardenbergh Insurance Group. Mr. Prince advised that concluded his report unless anyone had any questions.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Violetti advised a copy of their report was included in the agenda. Ms. Violetti reported the Gloucester County Insurance Commission 10th Anniversary Celebration was a success and there were 79 attendees. Ms. Violetti advised a breakfast was provided to thank the many individuals who make safety a top priority. Assemblyman Adam Taliaferro was the guest speaker and spoke about his personal accident.

Ms. Violetti reported Gloucester County was originally awarded \$12,749.65 from the 2019 BRIT Safety Grant for the submission of Watch Guard cameras for the County’s Sherriff’s Department. Ms. Violetti announced the County would be awarded an additional amount of \$1,467.85.

Ms. Violetti advised her office was working with PERMA to schedule a regional training for the members of the NJCE on the Child Abuse Bill S477. Ms. Violetti reported the training should be scheduled within the first quarter of the year.

Ms. Violetti reported as of January 1, 2020 the cyber liability policy number changed. Ms. Violetti noted there was no change to the insurance carrier or hotline. Ms. Violetti advised her office distributed laminated cards with the updated policy number to all members.

Ms. Violetti advised the below renewal was in process and had been finalized. No action was required. Ms. Violetti noted the 3.8% increase was due to an increase in the number of volunteers from 220 to 272 at the College.

Member	Coverage	Carrier	Exp. Date	Expiring Premium	Renewal Premium
College	Volunteer Accident	Starr Indemnity	12/31/19	\$2,916	\$3,027

Ms. Violetti advised that concluded her report unless there were any questions.

ATTORNEY: Mr. Marmero advised he did not have anything to report but wanted to thank the Commission for the re-appointment.

OLD BUSINESS:

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Burke
 Second: Commissioner Jones
 Roll Call Vote: Unanimous

Seeing 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 Jones
 Second: Commissioner Burke
 Roll Call Vote : Unanimous

CLOSED SESSION: Chairman Sheehan read and requested a motion to approve Resolution 25-20 authorizing a Closed Session to discuss PARS & SARS relating to pending or anticipated litigation as listed.

Motion: Commissioner Jones
 Second: Commissioner Burke
 Roll Call Vote: Unanimous

MOTION TO GO INTO CLOSED SESSION

Motion: Commissioner Jones
Second: Commissioner Burke
Roll Call Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Jones
Second: Commissioner Burke
Roll Call Vote: Unanimous

Chairman Sheehan requested Mr. Marmero to make the motion approving the PAR.

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM #3530002289 FROM \$15,000 TO \$67,750 AN INCREASE OF \$52,750

MOTION TO AUTHORIZE A PAYMENT AUTHORITY FOR CLAIM #3530002206 IN THE AMOUNT OF \$500

Motion: Commissioner Jones
Second: Commissioner Burke
Roll Call Vote: Unanimous

MOTION TO ADJOURN:

Motion: Commissioner Jones
Second: Commissioner Burke
Roll Call Vote: Unanimous

MEETING ADJOURNED: 10:08 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary