

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, September 24, 2015
2 S. Broad Street, Conference Room B
Woodbury, NJ 9:30 AM**

Meeting called to order by Gerald A. White, Chairman. Open Public Meetings notice read into record.

ROLL CALL OF COMMISSIONERS:

Gerald White, Chairman	Present
Michael Burke, Vice Chairman	Present
Tamarisk Jones	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joe Hrubash
Claims Service	Inservco Insurance Services, Inc. Veronica George Ashley Nelms Keith Platt
	Consolidated Services Group, Inc. Jennifer Goldstein
	Conner Strong & Buckelew Michelle Leighton
Underwriting Services Director/RMC	Hardenbergh Insurance Group Bonnie Ridolfino Jenna Quattrone (via teleconference)
Attorney	Long Marmero & Associates Doug Long, Esq.
Treasurer	Tracey Giordano
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Dean Sizemore, Gloucester County (*arrived 9:56 AM*)

Matt Lyons, Gloucester County

Prudence M. Higbee, Esq. Capehart & Scatchard

Dennis Skalkowski, Bowman & Company, LLP

Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open Minutes and Closed Minutes of June 24, 2015 & July 22, 2015

MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF JUNE 24, 2015 & JULY 22, 2015

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

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the GCIC Safety and Accident Review Committee met on September 15th at the Gloucester County Utilities Authority. Mr. Prince advised the committee discussed Confinement and Space Training, BRIT On-Line Training Update, and the BRIT Safety Grant. Mr. Prince noted the next meeting was scheduled for December 1st at the Gloucester County Improvement Authority.

CLAIMS COMMITTEE: There was no report.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had 3 actions items for his report along with some informational items.

COMMISSION TREASURER: Executive Director welcomed Ms. Giordano to the Commission. Executive Director advised Mr. Schwarz was retiring from the County as of October 1st.

APPOINTMENT OF TRACEY GIORDANO: Executive Director referred to a copy of Resolution 43-15, Appointment of Commission Treasurer, which was included in the agenda. Executive Director advised Ms. Giordano would replace Mr. Schwarz as the Commission Treasurer. Executive Director also referred to Resolution 44-15, Designating Authorized Signatures for Commission Bank Accounts which was included in the agenda. Executive Director asked if anyone had any questions and advised motions were needed for the two resolutions.

MOTION TO APPROVE RESOLUTION 43-15 APPOINTMENT OF COMMISSION TREASURER

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

MOTION TO APPROVE RESOLUTION 44-15 DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS

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

2014 AUDIT REPORT AS OF DECEMBER 31, 2014: Executive Director reported the next agenda item was the 2014 audit and advised Mr. Skalkowski of Bowman & Company would provide the Commission with an overview of the audit. Mr. Skalkowski distributed copies of the 2014 draft audit. Mr. Skalkowski advised it was a “clean audit” with no findings. Mr. Skalkowski reviewed the balance sheet and advised there was an increase in the net position of approximately \$810,000 compared to 2013. Mr. Skalkowski referred to the Income and Expense Statement and explained total operating revenues decreased by approximately \$400,000 which was attributed to the closing of the jail. The operating expenses also decreased in the amount of \$700,000 as the claims expenses also decreased. Mr. Skalkowski advised that concluded his report unless anyone had any questions. Executive Director referred to the Financial Highlights on page 7 and noted the drop off in operating expenses for years 2012 and 2013 was due to the health insurance being moved to the State. Chairman White requested a motion for Resolution 45-15.

MOTION TO APPROVE RESOLUTION 45-15 CERTIFICATION OF ANNUAL REPORT FOR THE PERIOD ENDING DECEMBER 31, 2014

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

CORRECTIVE ACTION PLAN FOR 2014 AUDIT: Executive Director advised even though there were no findings the Corrective Action Plan and Resolution accepting the Corrective Action Plan was required by State Law.

MOTION TO APPROVE RESOLUTION 46-15 AUTHORIZING THE CORRECTIVE ACTION PLAN FOR THE 2014 ANNUAL AUDIT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2014

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

REVISED RISK MANAGEMENT PLAN: Executive Director referred to an amended 2015 Risk Management Plan, Resolution 47-15 which was included in the Appendix II of the agenda. Executive Director advised Addendum # 2 was revised to reflect underinsured motorist coverage in addition to uninsured motorist coverage. Executive Director advised there were no changes in coverages the amendment was needed for clarification.

MOTION TO APPROVE RESOLUTION 47-15 REVISED RISK MANAGEMENT PLAN

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

CERTIFICATE OF INSURANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the period of 6/19/15 to 9/15/15. There were a total of 29 certificates issued for this period.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised that the May, June, and July Property & Casualty Financial Fast Tracks were included in the agenda. The Commission had a surplus of \$2,851,491 as of July 31, 2015. Executive Director advised that \$1,166,208 on line 8 of the report “Investment in Joint Venture was the GCIC’s share of the CEL JIF equity. Executive Director asked if anyone had any questions.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the May, June, and July Financial Fast Tracks for the NJ CEL. As of July 31, 2015 the CEL had a surplus of \$5,345,387.

HEALTH BENEFITS FINANCIAL FAST TRACK: Executive Director reported the agenda included the April, May, and June Health Benefits Financial Fast Tracks. As of July 31, 2015 there was a surplus of \$92,124. 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 August 31, 2015. Executive Director referred to the Claim Activity Report and advised the purpose of the report was to look for any inconsistencies in open and closed claims along with changes in reserve. Executive Director advised he did not note anything unusual about the report. Executive Director also reviewed the Claims Management Report Expected Loss Ratio Analysis” report as of August 31st. Executive Director explained this report compared the actual incurred amount of losses against the budget amount and the Actuary target projections. Executive Director explained the 2015 Fund Year was running slightly higher than the Actuary projected; however this could be due to the winter months. Executive Director reviewed the other Fund

Years with the Commission and indicated all of the years were doing exceptionally well except for 2011.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL last met on June 25, 2015 and was scheduled again to meet in the afternoon. Executive Director advised the next CEL meeting was scheduled for October 22nd.

OPRA FORM: Executive Director advised the Fund office revised the OPRA form used for all of the County Insurance Commissions. Executive Director referred to a copy of the revised form which was included in the agenda and pointed out the Mr. Brad Stokes was now the main contact.

2015 PROPERTY & CASUALTY ASSESSMENTS: Executive Director advised the third and final assessment payment for 2015 was due on October 15, 2015. Executive Director advised statement of accounts were e-mailed to the member entities on August 26, 2015. Executive Director noted the statements included a credit for the reconciliation of the ancillary coverages.

2016 RFP'S FOR PROFESSIONAL SERVICES: Executive Director reported the RFP's for the positions of Executive Director, Risk Management Consultant, Underwriting Services Director, Third Party Administer, Managed Care Provider and Defense Panel Attorneys would be issued in November. The appointments would be awarded at the December meeting.

NJCEJIF MEMBERSHIP: Executive Director advised Gloucester County's 3 year membership in the CEL JIF would expire on December 31, 2015. Executive Director reported the CEL mailed the applicable resolution to the County for execution. Executive Director noted Chairman White had advised the Resolution and Agreement would be presented to the Freeholders at the November meeting.

ENTITY MEMBERSHIP IN THE INSURANCE COMMISSION: Executive Director reported the entity three year membership in the Gloucester County Insurance Commission is expiring at the end of the year. Executive Director advised his office would mail the applicable Indemnity and Trust Agreement to the member entities for execution.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP: Executive Director asked Ms. Leighton to talk about the workshop. Ms. Leighton reported the fourth annual workshop was scheduled for Tuesday, October 6th at the Conner Strong & Buckelew Marlton office. Ms. Leighton explained a planning committee was formulated to create the topics for the workshop. Ms. Leighton provided a brief summary of the topics which was included in the agenda.

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

Executive Director's Report Made Part of Minutes.

EMPLOYEE BENEFITS: Executive Director reported the June and July Client Activity Reports were included in the agenda. Executive Director advised the June report indicated there were 27

inquires and for the month of May there were 36 inquiries. Executive Director noted the year to date inquiries were 263.

TREASURER REPORT: Chairman White advised the July, August, and September Bill Lists were included in the agenda and requested motions to approve.

**MOTION TO APPROVE THE JULY BILL LIST,
RESOLUTION 48-15 IN THE AMOUNT OF \$66,078.09**

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

**MOTION TO APPROVE THE JULY HEALTH BILL
LIST, RESOLUTION 49-15 IN THE AMOUNT OF
\$3,350.50**

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

**MOTION TO APPROVE THE AUGUST BILL LIST,
RESOLUTION 50-15 IN THE AMOUNT OF \$54,272.44**

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

**MOTION TO APPROVE THE AUGUST HEALTH
BILL LIST, RESOLUTION 51-15 IN THE AMOUNT
OF \$3,350.50**

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

**MOTION TO APPROVE THE SEPTEMBER BILL
LIST, RESOLUTION 52-15 IN THE AMOUNT OF
\$1,045,881.97**

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

MOTION TO APPROVE THE SEPTEMBER HEALTH BILL LIST, RESOLUTION 53-15 IN THE AMOUNT OF \$3,350.50

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

Executive Director also pointed out the monthly Treasurer's reports showing the cash transactions and investments were included in the agenda.

CLAIMS REPORT:

Chairman White presented Resolution 54-15 Inservco Liability Check Register for the period of 6/1/15 through 6/30/15 and 7/1/15 and 7/31/15 and 8/1/15 through 8/31/15.

MOTION TO APPROVE RESOLUTION 54-15 LIABILITY CHECK REGISTER FOR THE PERIOD OF 6/1/15 THROUGH 6/30/15, 7/1/15 THROUGH 7/31/15, AND 8/1/15 TO 8/31/15

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

MANAGED CARE PROVIDER: Ms. Goldstein reviewed the Client Bill Review Summary Report for the months of June, July, and August which were included in the agenda. Ms. Goldstein advised there were 67 bills received for the month of June. Ms. Goldstein advised the total provider charge for June was \$279,640.86 which included some surgery bills. The total allowed amount was \$124,748.79. Ms. Goldstein advised after fees the net reduction for June was \$133,207.17 or 48% savings. Ms. Goldstein also reviewed the figures for July advising there were 55 bills received. Ms. Goldstein advised the total provider charge for July was \$33,815.68. The total allowed amount was \$19,841.46. Ms. Goldstein advised after fees the net reduction for July was \$12,015.10, 36% savings. Ms. Goldstein noted the PPO penetration for July was slightly lower due to some anesthesiologist bills not in network, however there were still some reductions. Ms. Goldstein reported there were 53 bills received for the month of August. Ms. Goldstein advised the total provider charges for August were \$31,973.86. The total allowed amount was \$14,550.20 and after fees the net reduction for August was \$14,984.34, or 47% savings. Ms. Goldstein advised that concluded her report unless anyone had any questions.

CEL SAFETY DIRECTOR:

REPORT: Mr. Prince reviewed the June through September 2015 Risk Control Activity Report which was included in the agenda. Mr. Prince pointed out there were several training sessions conducted at the GCIA relating to Reasonable Suspicion, Emergency Action Planning, and Barn Safety for the Dream Park.

Mr. Prince advised that concluded his report unless anyone had any questions.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Ridolfino advised her report was included in the agenda. Ms. Ridolfino pointed out that the CEL report included an item regarding the development of an underlying College JIF to bring the majority of the NJ Community Colleges into the Fund. Ms. Ridolfino reported that Rowan College at Gloucester County would remain a member of the Commission.

Ms. Ridolfino advised the Commission had embraced the BRIT On-Line Training Program. Ms. Ridolfino reported due to timing constraints some of the administrators have not been able to assign the training, however they did commit to do so within the next 90 days. Also some administrative suggestions were made which would be submitted to J.A. Montgomery.

Ms. Ridolfino reported previously there was a discussion on purchasing cameras with the BRIT Safety Grant. However, since the \$10,000 grant was applicable to all of the ten Counties, the cameras would be too costly to purchase with the grant. Ms. Ridolfino advised there would be a discussion at the CEL meeting later today on how to allocate the monies.

Ms. Ridolfino advised the 2016 Safety Kick-off Meeting was fast approaching. Ms. Ridolfino reported at the last Safety Committee meeting there was a discussion on converting the Supervisor's Accident Investigation form to an on-line form. Ms. Ridolfino noted her office would contact the GCIC webmaster to implement the form and find out if there was any cost associated with the new procedure. Ms. Ridolfino advised she would provide an update at the next meeting. In response to Ms. Ridolfino's comments about the Kick-off Meeting, Chairman White indicated it was important to review the losses. Ms. Ridolfino advised there would be a 20 minute presentation on trending claims at the Kick-off Meeting.

Ms. Ridolfino advised all of the renewal applications had been submitted. Executive Director thanked everyone for their efforts in completing the applications.

Ms. Ridolfino advised she would review the coverages for members that could not be placed through the GCIC/NJCEJIF for its master programs.

Ms. Ridolfino reported the first item was an update on the GCIA Volunteer Accident coverage. Coverage was replaced with QBE for an annual cost of \$450 with broader terms.

Ms. Ridolfino noted the GCIA's final package premium was \$7,227 and the umbrella premium of \$2,219.80 was a decrease of 2%. Ms. Ridolfino advised the Commission authorized her agency to renew the coverages at the June 25th meeting contingent upon the renewal premium not exceeding a 10% increase.

Ms. Ridolfino advised the College's Volunteer Accident Policy through Starr Indemnity was renewing on 9/30/15. Ms. Ridolfino advised the policy term would be extended to 12/31/16 for a

total cost of \$1,900. The number of participants was increased and the medical expense limit increased to \$250,000 from \$25,000.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO BIND FOR RC@GC's VOLUNTEER ACCIDENT POLICY THROUGH STAR INDEMNITY EFFECTIVE 9/30/15 TO EXPIRE 12/31/16 FOR A TOTAL COST OF \$1,900

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

Ms. Ridolfino advised the next action item pertained to the County's Antique Inland Marine policy covering the contents at the battlefield. Ms. Ridolfino reported Travelers provided a flat renewal with all other terms and conditions per expiring. Ms. Ridolfino requested a motion to renew the coverage with an annual premium of \$4,840 effective 10/7/15.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO BIND FOR THE COUNTY'S ANTIQUE INLAND MARINE POLICY THROUGH TRAVELERS EFFECTIVE 10/7/15 FOR AN ANNUAL PREMIUM OF \$4,840

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

Ms. Ridolfino advised the next item was for the Improvement Authority. Ms. Ridolfino indicated the Volunteer Accident Policy with Starr Indemnity was renewing on 10/9/15. Ms. Ridolfino reported she was still awaiting the renewal terms from the carrier, but did not anticipate the renewal to exceed \$500.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO BIND FOR THE AUTHORITY'S VOLUNTEER ACCIDENT POLICY FOR THE NURSING HOME THROUGH STARR INDEMNITY EFFECTIVE 10/9/15 FOR AN ANNUAL PREMIUM NOT TO EXCEED \$500

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

Ms. Ridolfino advised Commerce and Industry provided a renewal quote of \$2,272.80 for the College's UST Storage Tank policy which was a 5% increase. Ms. Ridolfino advised the policy renewed on 10/22/15 with the same terms and conditions as expiring.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO BIND FOR THE COLLEGE'S UST POLICY THROUGH COMMERCE AND INDUSTRY EFFECTIVE 10/22/15 AT AN ANNUAL PREMIUM OF \$2,272.50

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

Ms. Ridolfino advised the last item was the Notary Bond for the Library effective 11/17/15. Ms. Ridolfino indicated C N A provided a flat renewal with terms and conditions per the expiring.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO BIND FOR THE GCLC'S NOTARY BOND THROUGH C N A EFFECTIVE 11/17/15 AT THE ANNUAL PREMIUM OF \$125.12

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

ATTORNEY: Commission Attorney stated he did not have anything to report.

OLD BUSINESS: None

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 White 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 White read and requested a motion to approve Resolution 55-15 authorizing a Closed Session to discuss PARS & SARS relating to pending or anticipated litigation as listed.

Motion: Commissioner Burke
Second: Commissioner Jones
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

Commission Attorney advised he would read the applicable motions to approve the PARS/SARS discussed during closed session.

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530001313 FROM \$15,000 TO \$40,625 AN INCREASE OF \$25,626

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

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530000649 FROM \$15,000 TO \$25,000 AN INCREASE OF \$10,000

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

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530000295 FROM \$38,343.60 TO \$46,343.60 AN INCREASE OF \$8,000

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

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530001257 FROM \$15,000 TO \$119,837

Motion: Commissioner Burke
Second: Chairman White
Roll Call Vote: Unanimous

**MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM
3530001255 FROM \$15,000 TO \$61,500 AN INCREASE OF \$46,500**

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

**MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM
3530001397 FROM \$15,000 TO \$43,500 AN INCREASE OF \$28,500**

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

**MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM
3530001117 FROM \$80,000 TO \$125,000 AN INCREASE OF \$45,000**

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: 10:28 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary