

UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – January 23, 2018
County of Union
Administration Building – 6th Floor
Freeholder Conference Room
10 Elizabethtown Plaza
Elizabeth, NJ
11:00 AM

Meeting was called to order by Chair Wagner. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Amy Wagner	Present
Claudia Martins	Present
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	D&H Alternative Risk Solutions, Inc. Wayne Dietz Nancy Carrasco Janine Leahy Conner Strong & Buckelew Michelle Leighton Michael Cusack
Managed Care Services	First MCO Kelly Royce
CEL Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Acrisure, LLC Robin Racioppi
Treasurer	Bibi Taylor
Attorney	Robert Barry, Esq.
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Terry Pacheco, Union County

Cathy Dodd, PERMA Risk Management Services

Executive Director stated with the Chair's permission he would start with his report which was included in the agenda. Executive Director reported this was the Organization Meeting of the Commission and he would review the Organizational Resolutions included in the agenda. Executive Director advised the resolutions could be approved all at once by a consent motion.

Mr. Barry stated as a result of some conversations he had with Chair Wagner an Executive Session was needed prior to the vote on any resolutions. Mr. Barry asked Executive Director to proceed with the 2018 Budget.

2018 PROPERTY & CASUALTY BUDGET ADOPTION: Executive Director advised the budget was revised to remove the CEL Premiums and the Ancillary Coverages so the focus of the Budget was only on items paid out by the Commission. Executive Director stated over the past few days there were some discussions on the property coverage. Executive Director advised in preparation of the agenda various property options were prepared. Executive Director referred to a copy of the 2018 Proposed Budget included in the agenda marked as Option # 3. Executive Director explained lines 1-4 of the Budget now included loss funds provided by the Actuary for Property Coverage including auto physical damage with a deductible of \$2,500. Executive Director advised the Budget of \$5,694,356 also included the expenses, lines 18-22 which were discussed with the County previously. Executive Director stated any property claim resulting in over \$2,500 would be paid out of the Commission up to \$100,000 where the Zurich policy attached.

In response to the Chair's inquiry, Executive Director advised there were four different budget options included in Appendix II of the agenda. Executive Director reviewed Option # 1, with no property, Option # 2 with a \$0 property deductible, Option # 4, with a \$5,000 property deductible and Option # 5, with a \$10,000 property deductible. Mr. Barry indicated after a discussion with Ms. Taylor the question was if the County would be paying the deductible the funding would come from since the County has converted from the Insurance Fund to the Insurance Commission. Executive Director explained the liability, auto and workers' compensation were first dollar and many of the JIF's carried a maintenance deductible for property, however, there was an option with a no maintenance deductible for the property coverage. Ms. Taylor advised they no longer had access to the Trust Account as of 12/3/17 and was looking for legal guidance. After a brief discussion Mr. Barry thought the best option was # 2 with no property deductible. In response to the Chair's inquiry, Ms. Taylor advised that made sense as she did not have access to the Trust Account. Executive Director advised the Budget to act on was included on page 3 of Appendix II in the agenda referred to as Option # 2: Property Deductible \$0 in the amount of \$5,751,960.

Executive Director advised if there were no other questions regarding the budget he would ask for a motion to open the Public Hearing on the 2018 Budget.

Mr. Barry suggested at this time we act on Resolution 1-18, Appointing Chair and Vice Chair. Executive Director reviewed Resolution 1-18 and asked if there were any questions and then requested a motion for approval.

MOTION TO APPROVE RESOLUTION 1-18 APPOINTING CHAIR AND VICE CHAIR

Moved:	Commissioner Scutari
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

Mr. Barry advised at this time we should enter into an Executive Session. Executive Director requested a motion to go into Executive Session.

MOTION TO ENTER INTO EXECUTIVE SESSION

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

Mr. Barry stated in pursuant to the Open Public Meetings Act a public body may enter into Executive Session to discuss certain enumerated subjects. At this point the Board wishes to go into Executive Session to discuss potential personnel matters and potential contracts related to the Commission. The minutes of the Executive Session should be separated from the minutes of the Open Public Session. The minutes of the Executive Session should be redacted as appropriate and made available in approximately thirty days upon the vote of the majority of the members present.

Mr. Barry advised since we were in Executive Session he asked that everyone vacate the room except for the Commissioners, Ms. Taylor and the PERMA representatives.

MOTION TO RETURN TO OPEN SESSION

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	3 Yes, 0 Nays

At this time the attendees returned to the meeting room.

Mr. Barry reported as a result of the discussions during Executive Session there was no need to act on Resolution 2-18 and the resolution was pulled from the agenda. Mr. Barry advised revisions were needed to Resolutions 3-18, 4-18, 5-18 and 6-18. Mr. Barry noted with reference to Resolutions 3-18 and 4-18 amendments were made to the stipends for Treasurer and Attorney. Resolution 5-18 was amended to include wording regarding the GUDPA certifications and Resolution 6-18 was amended to reflect the Treasurer's signature on any of the checks and also including wording that transfers made by wire would need the Treasurer's approval. Mr. Barry advised the Rules and Regulations were amended to read "The Treasurer shall have the following duties and responsibilities". Lastly, Mr. Barry reported the budget was amended to reflect a total Expense, Fees & Contingency of \$185,934 and the total fund disbursement was reduced to \$5,739,960. Mr. Barry advised the County's property deductible was reduced to "0". Mr. Barry noted the Counsel Fee and Treasurer Fee amounts were reduced to \$4,000.

REORGANIZATION RESOLUTIONS: Executive Director reported the resolutions were reviewed in Executive Session and suggested a motion to approve the resolutions by consent per the Attorney's amendments previously stated.

MOTION TO APPROVE RESOLUTIONS 3-18 TO 13-18

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

2018 PROPERTY & CASUALTY BUDGET ADOPTION: Executive Director reported the Budget for adoption appeared on page 3 in Appendix II section of the agenda with the amendments stated by the Commission Attorney. Executive Director advised the budget amount was \$5,739,960 and requested a motion to open the Public Hearing on the 2018 Budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2018 BUDGET

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

Executive Director asked if there were any other questions or discussions on the budget. Since there were not any Executive Director requested a motion to close the Public Hearing.

MOTION TO CLOSE THE PUBLIC HEARING ON THE 2018 BUDGET

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

**MOTION TO ADOPT THE BUDGET FOR THE UNION COUNTY
INSURANCE FUND COMMISSION, RESOLUTION 14-18 AS AMENDED**

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

CERTIFICATION OF ANNUAL ASSESSMENTS: Executive Director advised there was a discussion in Executive Session regarding the annual assessments. Ms. Taylor had recommended the first installment of 30% would be due on February 1, 2018, second installment of 35% due on June 1st and the third installment of 35% due on September 1st. Executive Director asked for a motion to approve the assessments.

MOTION TO APPROVE THE 2018 ASSESSMENTS

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

2018 PLAN OF RISK MANAGEMENT: Executive Director reported the NJCE Underwriting Manager was drafting the 2018 UCIFC Risk Management Plan and it would be available at the February meeting for approval. Executive Director noted he would ask the Commission Attorney to review the Plan prior to the February meeting.

ACTUARY & AUDITOR POSITIONS: Executive Director advised the next item for discussion was the Actuary and Auditor positions. Executive Director reported the Auditor Position was not that urgent since the audit for 2018 would be completed in 2019. Executive Director suggested an RFP be issued during 2018. Executive Director stated the Actuary Position was more urgent, as the Actuary servicing other Commissions had been working on the Union Commission. Executive Director suggested with the Commissioners approval a RFQ be issued for the Actuary Position. Mr. Barry referred to the budget and advised he would review to determine if a RFQ or RFP was needed due to the amount in the budget. Mr. Barry suggested based on the amount, quotes should be obtained from at least three providers. In response to Ms. Dodd's inquiry, Mr. Barry advised PERMA should prepare the request for quotes.

**MOTION TO AUTHORIZE THE FUND OFFICE TO ISSUE A RFQ FOR
THE ACTUARY POSITION**

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

CERTIFICATE OF INSURANCE REQUEST: Executive Director reported the New Jersey Counties Excess Joint Insurance Fund would continue to issue certificates of insurances and there would be no change in the procedure. Requests should be send to njcounty@connerstrong.com or faxed to 856-685-2230.

2018 AUTO ID CARDS/WC POSTING NOTICES: Executive Director advised a discussion took place previously on the ID Cards. Ms. Martins indicated there may be a change in the contact information for the ID cards and she would notify us when the information was available.

Executive Director distributed and reviewed a list of potential February Agenda items. Executive Director noted he previously mentioned the Risk Management Plan. Executive Director mentioned in reviewing his notes from last month the Chair suggested the County could assist with the Commission Website. In response to Executive Director's inquiry, Ms. Dodd advised there were applications needed for the Crime Policy. Executive Director noted the Crime Policy covered the positions of Executive Director, Treasurer and Third Party Administrator. Executive Director reported there was a procedure for any Commission related OPRA requests. Executive Director advised future agendas would include a monthly bill list and Safety Director Reports. Executive Director noted going forward T&M Associates would be added to the e-mail distribution list to attend the meetings or provide any reports. Executive Director reported there were two additional resolutions that were not yet discussed with the Commission Attorney. Executive Director explained the first resolution as passed by the other Commissions to give authority to the Commission Treasurer to pay monthly expenses when the Commission did not meet. The second resolution authorized an Executive Session to present payment authority requests or anticipated litigation. Executive Director advised he would share the resolutions with the Commission Attorney.

Ms. Dodd noted that Resolution 12-18 was approved, however the Commission did not discuss the meeting dates. After a brief discussion on available dates the Chair suggested a February meeting date be scheduled and then everyone should bring their schedules to the next meeting so the remainder of the year meetings could be scheduled. Ms. Dodd suggested tabling Resolution 12-18. It was agreed the next meeting was scheduled for February 26, 2018 at 2:00 PM. Executive Director noted most of the Commissions meet nine times a year and some less. The Chair suggested the meetings could be determined on a month to month basis depending on the need.

MOTION TO RESCIND RESOLUTION 12-18

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

MOTION TO SCHEDULE THE NEXT MEETING FOR FEBRUARY 26, 2018 AT 2:00 PM

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

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

Executive Director's Report Made Part of Minutes.

DISCUSSION ON CLAIMS COMMITTEE AND CLAIMS: Ms. Leighton advised Mr. Cusack would provide a report to further elaborate on the initial discussions on December 20th. Mr. Cusack started his report by reviewing the items previously discussed at the meeting of December 20th which included the roles of Conner Strong & Buckelew, PERMA and the Third Party Administrator, D&H. Mr. Cusack advised there was also a discussion on the Claims Committee, the Claims Charter and a Claims Committee Agenda. Mr. Cusack distributed a Sample Agenda for a Claims Committee Meeting. Mr. Cusack explained the Claims Committee was a sub-committee that usually met in advance of the Commission Meeting to discuss the claims and payment and or settlement authority requests. The sub-committee does not take any action but makes recommendations to the Commission on how to handle the claim. Mr. Cusack advised the Claims Committee Chair was Claudia Martins and would include Commission members and affiliates along with some others recommended by Ms. Martins. Mr. Cusack continued to review the documents and advised he was working with Ms. Leahy to finalize the format of the PARS and SARS so the presentations were standard.

Mr. Cusack explained the PARS addressed open claims and an established process for informing the Commission of the sub committee's recommendations. The PARS would be prepared by D&H and would include a financial summary including reserve rationales and any updates from a previous PAR. Mr. Cusack advised the payment authorization for worker compensation and liability claims were set at \$15,000. Ms. Leighton advised since the Commission opted for a "0" deductible on property claims a payment authority level should be determined. Ms. Leighton stated D&H would include auto physical damage claims in the PARS process and she recommended the payment authority for property claims be set at \$5,000. Ms. Leighton advised the payment authorization

amounts would be included in the Claims Committee Charter and Executive Director indicated the Risk Management Plan also included the authorization amounts. Executive Director asked if anyone had any questions on the payment authorization amounts. Mr. Cusack advised D&H would send the PARS to Ms. Dodd with a copy to him so he could prepare the Claims Committee Agenda. Mr. Cusack continued to review the balance of the Claims Committee Agenda.

Mr. Cusack referred to the Chubb EPL Assist document which was included in the package he distributed. Mr. Cusack advised the Public Official and EPL coverage moved from AIG to Chubb. Mr. Cusack reviewed the information with the Commission and indicated insureds had online and live access to the legal experts at Littler, the largest employment and labor firm in the US with no cost to the insured.

Lastly, Mr. Cusack advised he would work with Ms. Martins on the Claims Committee Charter. Ms. Leighton advised the Claims Committee Meetings dates had to be determined. Ms. Leighton suggested if there were any PARS for the first meeting they could be discussed during the Commission Meeting. In response to Mr. Barry's inquiry Executive Director advised the Treasurer could participate in the Claims Committee Meetings, however only one Commissioner could participate. Ms. Dodd noted the Commission Attorney was usually a part of the Committee. Ms. Leighton mentioned that typically if there were less than five claims, the meetings could be held telephonically but recommended meeting in person for now.

In response to Executive Director's inquiry, Ms. Leighton advised Union did not purchase the cyber coverage.

Mr. Cusack advised that concluded his report unless there were any questions.

CEL SAFETY DIRECTOR: Mr. Prince advised he would continue to work with the County on the PEOSH compliance and also with T&M Associates. Mr. Prince noted there was a meeting scheduled for February 2nd to discuss the safety going forward in the absence of Mr. McGrady. Mr. Prince advised he looked forward to continuing the relationship with the County.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Moved:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

MEETING ADJOURNED: 12:11 PM

Minutes prepared by:
Cathy Dodd, Assisting Secretary