

**UNION COUNTY INSURANCE FUND COMMISSION  
AGENDA AND REPORTS  
JANUARY 17, 2019**

**COUNTY OF UNION  
ADMINISTRATION BUILDING – 6<sup>TH</sup> FLOOR  
FREEHOLDER CONFERENCE ROOM  
10 ELIZABETHTOWN PLAZA  
ELIZABETH, NJ  
9:30 AM**

**OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE**

**In accordance with the Open Public Meetings Act, notice of this meeting was given by:**

- I. Advertising the notice in the Star Ledger and Westfield Leader**
- II. Filing advance written notice of this meeting with the Commissioners of the Union County Insurance Fund Commission; and**
- III. Posting notice on the Public Bulletin Board of the Office of the County Clerk**

**UNION COUNTY INSURANCE FUND COMMISSION**  
**AGENDA**  
**OPEN PUBLIC MEETING: January 17, 2019**  
**ADMINISTRATION BUILDING – 6<sup>TH</sup> FLOOR**  
**FREEHOLDER CONFERENCE ROOM**  
**10 ELIZABETHTOWN PLAZA**  
**ELIZABETH, NJ**  
**9:30 AM**

- MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ROLL CALL OF COMMISSIONERS**
- APPROVAL OF MINUTES: December 19, 2018 Open Minutes.....Appendix I**  
**December 19, 2018 Closed Minutes.....Handout**
  
- CORRESPONDENCE:**
  
- COMMITTEE REPORTS**  
**Safety Committee: ..... Verbal**  
**Claims Committee: ..... Verbal**
  
- EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMA .....Pages 4-27**
  
- TREASURER – Bibi Taylor**  
**Resolution 11-19 January Bill List – Motion .....Page 28**  
**October Treasurer Reports ..... Pages 29-30**
  
- ATTORNEY – Robert Barry, Esq. .... Verbal**
  
- CLAIMS SERVICE – D&H Alternate Risk Solutions, Inc. .... Verbal**
  
- MANAGED CARE – First MCO**  
**Monthly Report –December ..... Pages 31-33**
  
- RISK MANAGER – Acirusure, LLC ..... Verbal**
  
- NJCE SAFETY DIRECTOR – J.A. Montgomery Risk Control**  
**Monthly Report..... Pages 34-35**  
**Safety Director Bulletins..... Pages 36-39**
  
- OLD BUSINESS**
- NEW BUSINESS**
- PUBLIC COMMENT**
- EXECUTIVE SESSION – in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-12(B)**  
**N.J.S.A 10:4-12 Statement.....Page 40**
  
- APPROVAL OF PARS - Motion**

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- MEETING ADJOURNMENT**

- **NEXT SCHEDULED MEETINGS: February 20, 2019 ADMINISTRATION BUILDING, 6<sup>TH</sup> FLOOR, FREEHOLDER CONFERENCE ROOM, 10 ELIZABETHTOWN PLAZA, ELIZABETH, NJ**

**UNION COUNTY INSURANCE FUND COMMISSION**

9 Campus Drive, Suite 216  
Parsippany, NJ 07054  
Telephone (201) 881-7632 Fax (201) 881-7633

Date: January 17, 2019  
Memo to: Commissioners of the Union County Insurance Fund Commission  
From: PERMA Risk Management Services  
Subject: Executive Director's Report

**☐ Reorganization Resolutions (Pages 6-17)** – The UCIFC is required to reorganize at the January Board of Commissioners meeting per the Commission’s Rules & Regulations. Listed below are the necessary Reorganization Resolutions which are included in the agenda on pages 6-17. The resolutions were reviewed by the Commission Attorney.

- Resolution 1-19 .Certifying the Appointment Chair and Vice Chair .....Page 6
- Resolution 2-19 .Designating Authorized Signatures for Commission Bank Accounts.....Page 7
- Resolution 3-19 .Appointing Agent for Services of Process and Custodian of Records .....Page 8
- Resolution 4-19 .Designating Official Newspapers .....Page 9
- Resolution 5-19 .Designating Authorized Depositories for Commission Assets and.....Pages 10-14  
Establishing Cash Management Plan
- Resolution 6-19 .Utilizing Union County Approved Counsel for the County .....Pages 15-16  
Insurance Commission
- Resolution 7-19 .Authorizing Commission Treasurer to Process Contracted Payments .....Page 17  
& Expenses
- Resolution 8-19.Plan of Risk Management 2019 .....Appendix II

The 2019 Plan of Risk Management is attached in Appendix II of the agenda. The changes are highlighted in yellow. Executive Director will review the changes at the meeting.

**☐ Motion to approve Reorganization Resolutions 1-19 through 8-19**

**☐ 2019 Meeting Schedule (Pages 18-19)** – Attached on page 18 for your consideration is a copy of the UCIFC Executive Meeting Schedule which was presented at our last meeting. However, there is one change. The October meeting date is changed to Thursday, October 17, 2019. There will be no meetings in August and November. However additional meetings can be scheduled with proper notice or cancelled if there are no action items. If the schedule is acceptable to the Commissioners we have prepared Resolution 9-19 for your approval which is included in the agenda on page 19.

**☐ Motion to approve Resolution 9-19, 2019 Meeting Schedule**

**☐ 2019 Property & Casualty Budget Introduction (Pages 20-21)** – Attached on page 20 is a copy of the proposed 2019 Property & Casualty Budget in the amount of \$8,449,506. At our

last meeting we approved a temporary budget of \$704,126 which represented 1/12 of the 2019 Property & Casualty Budget.

At the request of Chairperson Wagner we are requesting approval a second temporary budget in the amount of \$704,126 representing 1/12 of the 2019 Property & Casualty. The total 2019 temporary budget is \$1,408,252. Included in the agenda on page 21 is Resolution 10-19 to approve and adopt a temporary budget.

**☐ Motion to approve Resolution 10-19 adopting a second temporary 2019 Property & Casualty Budget in the amount of \$704,126 equal to 1/12 of the Proposed 2019 Property & Casualty Budget in the amount of \$8,449,506**

- ☐ **Certificate of Insurance Report (Page 22)** - Attached on page 22 is the certificate of insurance issuance report from the NJCE listing the certificates issued during the month of December. There were 5 certificates issued during December.

**☐ Motion to approve the certificate of insurance report**

- ☐ **NJ Counties Excess Joint Insurance Fund (NJCE)** – The NJCE will hold its Re-Organization Meeting on February 28, 2019 at 1:00 PM at the Camden County College Regional Emergency Training Center.

- ☐ **UCIFC Financial Fast Track (Page 23)** - Included in the agenda on page 23 is a copy of the Financial Fast Track for the month of October. As of **October 31, 2018** there is a statutory surplus of **\$1,673,497**. Line 10 of the report, “Investment in Joint Venture” is the Union County Insurance Commission’s share of the equity in the NJCE, **\$1,888,221**. The total cash amount is **\$4,493,752**.

- ☐ **NJCE Property & Casualty Financial Fast Track (Pages 24-25)** – Included in the agenda on pages 24-25 is a copy of the Financial Fast Track for the month of October. As of **October 31, 2018** the Fund has a surplus of **\$14,039,701**. The cash amount is **\$28,306,728**.

- ☐ **Claims Tracking Reports (Pages 26-27)** – Included in the agenda on page 26 is the Claim Activity Report as of October 31, 2018. Also included in the agenda on page 27 is the Claims Management Report Expected Loss Ratio Analysis Report as of October 31, 2018. This report measures how the losses are running compared to the actuary’s projections for 2018. Executive Director will review both reports at the meeting.

- ☐ **Restricted/Light Duty Subject** – The Fund Office is reviewing the Restricted/Light Duty summary report received from the TPA along with some Transitional Duty Policies. Recommendations will be available for the next meeting.

**RESOLUTION NO. 1-19**

**UNION COUNTY INSURANCE FUND COMMISSION  
CERTIFY THE APPOINTMENT OF CHAIR AND VICE CHAIR**

**WHEREAS**, the UNION COUNTY INSURANCE FUND COMMISSION (hereinafter “UCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**BE IT RESOLVED** by the Union County Insurance Fund Commission that the following persons have been appointed as Chairperson and Vice-Chairperson:

- |                 |              |
|-----------------|--------------|
| Amy Wagner      | Chair        |
| Claudia Martins | Vice Chair   |
| Laura Scutari   | Commissioner |

**BE IT FURTHER RESOLVED** that the Chairman and Vice Chairman shall serve for a one year term to expire through the reorganization of the Commission and until their successors shall be elected and qualified.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 2-19**

**UNION COUNTY INSURANCE FUND COMMISSION  
DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS**

**BE IT RESOLVED** by the Union County Insurance Fund Commission (hereinafter the Commission) that all funds of the Commission shall be withdrawn from the official named depositories by check, which shall bear the signatures of at least two (2) of the following persons who are duly authorized pursuant to this resolution, except for those checks in the amount of \$100,000 or more and in that instance at least three signatures shall be required;

**I.** All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the official named Depository which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this resolution.

- |                 |           |
|-----------------|-----------|
| Amy Wagner      | CHAIR     |
| Claudia Martins | SECRETARY |
| Bibi Taylor     | TREASURER |

**II.** All funds for Claims payments shall be withdrawn from the Official named Depository by check, which shall bear the signatures of the Treasurer and of one (1) of the D&H representatives listed below, duly authorized pursuant to this Resolution.

- |                     |                                |
|---------------------|--------------------------------|
| Wayne F. Dietz,     | D&H Alternative Risk Solutions |
| Arthur W. Gottheim, | D&H Alternative Risk Solutions |

Transfers approved by the Commission shall be by wire as authorized by the Treasurer between the administrative account and the claims account.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 3-19**

**UNION COUNTY INSURANCE FUND COMMISSION  
APPOINTING AGENT FOR SERVICE OF PROCESS AND CUSTODIAN OF RECORDS  
FOR THE COMMISSION  
FOR THE YEAR 2019**

**WHEREAS**, the UNION COUNTY INSURANCE FUND COMMISSION (hereinafter “UCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the UCIFC has the authority and deemed it necessary an appropriate to formally reorganize for the 2019 commission year; and

**NOW THEREFORE BE IT RESOLVED** by the Union County Insurance Commission that **PERMA Risk Management Services** is hereby appointed as agent for service of process upon the UCIFC, at its office located at 9 Campus Drive, Suite 216, NJ 07054 for the year 2019 or until its successor has been appointed and qualified. Said appointment shall be at no cost to the UCIFC; and

**BE IT FURTHER RESOLVED** that **PERMA Risk Management Services** shall also be the Custodian of Records at no cost to the UCIFC.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**



**RESOLUTION NO. 4-19**

**UNION COUNTY INSURANCE FUND COMMISSION  
DESIGNATING OFFICIAL NEWSPAPERS FOR THE COMMISSION**

**WHEREAS**, the UNION COUNTY INSURANCE FUND COMMISSION (hereinafter “UCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the UCIFC has the authority and deemed it necessary an appropriate to formally reorganize for the 2019 commission year; and

**BE IT RESOLVED** by the Union County Insurance Fund Commission, (hereinafter the UCIFC) the **Star Ledger** (Advanced Media) and **Westfield Leader** are hereby designated as the official newspapers for the Commission and all official notices required to be published shall be published in all newspapers; and

**BE IT FURTHER RESOLVED** that the designation of official newspapers shall be effective upon adoption of the within resolution for the term of one year through the 2020 re-organization of the UCIFC; and

**BE IT FURTHER RESOLVED** that in the case of special meetings or emergency meetings, the Executive Director of the UCIFC shall give notice of said meetings to the Star Ledger (Advanced) Media and Westfield Leader.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RESOLUTION NO. 5-19**

**UNION COUNTY INSURANCE FUND COMMISSION**

**DESIGNATING AUTHORIZED DEPOSITORIES FOR COMMISSION ASSETS  
AND ESTABLISHING CASH MANAGEMENT PLAN**

**WHEREAS**, the UNION COUNTY INSURANCE FUND COMMISSION (hereinafter “UCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the UCIFC has the authority and deemed it necessary an appropriate to formally reorganize for the 2019 commission year; and

**BE IT RESOLVED**, Investors Bank is hereby designated as the depository for assets of the Commission; and

**BE IT FURTHER RESOLVED** that the attached Cash and Investment Management Plan, which includes the designation of authorized depositories, be and is hereby adopted.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

**UNION COUNTY INSURANCE FUND COMMISSION**

**2019 CASH MANAGEMENT AND INVESTMENT POLICY**

1.) **Cash Management and Investment Objectives**

The UNION COUNTY INSURANCE FUND COMMISSION (hereinafter referred to as the FUND or COMMISSION) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the FUND's economic surplus.

2.) **Permissible Investments**

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- c.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- d.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e.) Debt obligations of federal agencies or government corporations with maturities not greater than five (5) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that the

investment a fixed rate of interest not dependent on any index or external factors.

- f.) Repurchase agreements of fully collateralized securities, subject to rules and conditions established by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than five (5) years from date of purchase.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, N.J.S.A. 17:9-14 et seq. (GUDPA).

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the FUND. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages, which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Fund Commissioners at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with N.J.S.A. 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Fund Commissioners by the Treasurer at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks, which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

**RESOLUTION NO. 6-19**

**UNION COUNTY INSURANCE FUND COMMISSION**

**UTILIZING UNION COUNTY APPROVED COUNSEL FOR THE COUNTY  
INSURANCE COMMISSION**

**WHEREAS**, the Union County Insurance Fund Commission is responsible for providing a defense to certain claims brought against its members in accordance with the Commission’s coverage documents; and

**WHEREAS**, the County of Union on behalf of itself and the UCIFC implemented a fair and open process for the procurement of litigation and/or defense counsel; and

**WHEREAS**, on October 4, 2018, “Request for Qualifications” (RFQ) were issued and responses were received on October 30, 2018; and

**WHEREAS**, having considered the recommendation of the Proposal Review Committee, the Board determined that the attached list of Law Firms should be deemed pre-qualified to provide the legal services outlined above; and

**WHEREAS**, this Commission wishes to accept the recommendations of the Proposal Review Committee and determined that the attached list of Law Firms should be deemed pre-qualified to provide the legal services as outlined:

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Union County Insurance Fund Commission that the assignment of specific claims for defense shall be made by the Commission, on advice from the County Counsel’s office.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

**RFQ FOR LITIGATION & DEFENSE COUNSEL SERVICES-POSTED ON OCTOBER 04, 2018  
AND OPENED ON OCTOBER 30, 2018:**

- Adams, Gutierrez & Lattiboudere (AG&L), LLC, 1037 Raymond Blvd., Suite 900, Newark, NJ 07102; (973) 735-2742
- Allan C. Roth, LLC, 150 Morris Avenue, Suite 303, Springfield, NJ 07081; (973) 258-1288
- Aloia Law Firm LLC, 2 Broad Street, Suite 407, Bloomfield, NJ 07003; (973) 337-6626
- Antonelli Kantor P.C., 1000 Stuyvesant Avenue, Suite #1, Union, NJ 07083; (908) 623-3676
- Biancamano & DiStefano, Executive Plaza, 10 Parsonage Road, Suite 300, Edison, NJ 08837; (732) 549-0220
- DECOTTIS, 500 Frank W. Burr Boulevard, Suite 31, Teaneck, NJ 07666; (201) 928-1100
- DiFrancesco Bateman, 15 Mountain Boulevard, Warren, NJ 07056; (908) 757-7800
- Eric M. Bernstein & Associates LLC, 34 Mountain Blvd, Building A. P.O. BOX 4922, Warren, NJ 07059; (732) 805-3360
- Florio, Kenny & Raval, LLP, 5 Marine View Plaza, Suite 103, Hoboken, NJ 07030; (201)-659-8011
- Florio, Perruci, Steinhardt & Cappelli, LLC, 218 Route 17 North Suite 410, Rochelle Park, NJ 07662; (201) 843-5858
- Francis D. McIntyre, PC, 316 East Broad Street, Westfield, NJ 07090; (908) 264-7220
- Gebhardt & Kiefer, P.O. Box 4001, Clinton, NJ 08809; (908) 735-5161
- Genova Burns LLC, 494 Broad Street, Newark, NJ 07102; (973) 533-0777
- Gluck Walrath, LLP, 428 River View Plaza, Trenton, NJ 08611; (609) 278-1900
- Kologi & Simitz, 500 North Wood Avenue, Suite 4B, Linden, NJ 07036; (908) 486-8877
- La Corte, Bundy, Varady & Kinsella, 989 Bonnel Court, Union, NJ 07083; (908) 810-0500
- Law Office of Michael A. D'Aquanni, LLC, 1481 Oak Tree Road, Iselin, NJ 08830; (732) 983-5779
- O'Donnell McCoy Heleniak, LLC, 86 Washington Street, Morristown, NJ 07960; (973) 998-9900
- Palumbo Renaud & Deappolonio LLC, 190 North Avenue E. (RTE. 28) Cranford, NJ 07016; (908) 272-9700
- Rainone Coughlin Minchello, One Woodbridge Center, Suite 515, Woodbridge, NJ 07095; (732) 709-4182
- Rogut McCarthy LLC, 37 Alden Street Cranford, NJ 07016; (908) 931-1150
- Ruderman, Horn & Esmerado, P.C., 675 Morris Avenue, Suite 100, Springfield, NJ 07081; (973) 467-5111
- Shain Schaffer, 150 Morristown Road, Bernardsville, NJ 07924; (908) 953-9300
- Weber Dowd Law, 365 Rifle Camp Road, West Paterson, NJ 07424; (973) 200-0805
- Weiner Law Group, LLP, 629 Parsippany Road, Parsippany, NJ 07054; (973)403-1100



**RESOLUTION NO. 7-19**

**UNION COUNTY INSURANCE FUND COMMISSION  
AUTHORIZING COMMISSION TREASURER TO PROCESS  
CONTRACTED PAYMENTS AND EXPENSES**

**WHEREAS**, the Union County Insurance Fund Commission (hereinafter “the Commission”) is duly constituted as an insurance commission and is subject to all applicable laws and regulations of the State of New Jersey; and

**WHEREAS**, the Board of Commissioners has deemed it necessary and appropriate to provide authorization to the Commission Treasurer to pay certain Commission contracted payments and expenses during the month(s) when the Commission does not meet; and

**WHEREAS**, payment by the Commission Treasurer of contracted payments and expenses for the month(s) in which the Commission does not meet shall be ratified by the Commission at its next regularly scheduled meeting; now, therefore,

**BE IT RESOLVED** by the Board of Commissioners of the UNION COUNTY INSURANCE FUND COMMISSION that the Commission Treasurer is hereby authorized to process the contracted payments and Commission expenses for all months in which the Commission does not meet during the year 2019.

**BE IT FURTHER RESOLVED** that the Board of Commissioners of the UNION COUNTY INSURANCE FUND COMMISSION shall ratify the contracted payments and Commission expenses so paid by the Commission Treasurer pursuant to the within Resolution at its next regularly scheduled monthly meeting.

**ADOPTED** by the UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

**UNION COUNTY INSURANCE FUND COMMISSION**  
**9 CAMPUS DRIVE, SUITE 216**  
**PARSIPPANY, NJ 07054**

TO: Members of the Commission

**2019 ANNUAL MEETING NOTICE**

Pursuant to Chapter 231, Laws of 1975, known as the Open Public Meeting Acts, the following have been designated as meeting dates of the Union County Insurance Fund Commission at which the business of said Commission may be formally discussed, decided or acted upon.

<u>TIME</u>	<u>DATE</u>	<u>LOCATION</u>	<u>PURPOSE</u>
10:00 AM	January 17, 2019	County of Union Administration Building Freeholder Conference Room 6 <sup>th</sup> Floor 10 Elizabethtown Plaza Elizabeth, NJ	Re-Organization Meeting
10:00 AM	February 20, 2019	“	Regular Meeting
10:00 AM	March 20, 2019	“	Regular Meeting
10:00 AM	April 17, 2019	“	Regular Meeting
10:00 AM	May 15, 2019	“	Regular Meeting
10:00 AM	June 19, 2019	“	Regular Meeting
10:00 AM	July 17, 2019	“	Regular Meeting
10:00 AM	September 18, 2019	“	Regular Meeting
10:00 AM	October 17, 2019	“	Regular Meeting
10:00 AM	December 18, 2019	“	Regular Meeting

In addition such other meetings as may be required shall be scheduled and held, but pursuant to and with such additional notice as may be required by statute.

**By: PERMA Risk Management Services**  
**Administrator**  
**UNION COUNTY INSURANCE FUND COMMISSION**

**RESOLUTION NO. 9-19**

**UNION COUNTY INSURANCE FUND COMMISSION  
2019 REGULAR MEETING SCHEDULE**

**WHEREAS**, the UNION COUNTY INSURANCE FUND COMMISSION (hereinafter “UCIFC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

**WHEREAS**, the Open Public Meetings Act of the State of New Jersey, N.J.S.A.10:4-6 et seq. requires public bodies to adopt an annual schedule of regular meetings and to furnish the public with notice of said schedule in a manner more specifically said forth in said Act; and

**NOW THEREFORE BE IT RESOLVED** by the Commissioners of said Union County Insurance Fund Commission as follows:

1. The schedule of regular meetings of the UCIFC for the year 2019 annexed hereto and made a part hereof be and is hereby adopted;
2. Copies of said annual schedule of regular meetings shall be posted and shall continue to be posted throughout the year on the bulletin board in the vestibule of the Administration Building, Elizabeth, New Jersey;
3. Copies of said annual schedule of regular meetings shall be provided to the Star Ledger and the Westfield Leader newspapers for publication;
4. A copy of said annual schedule of regular meetings shall be filed with the Union County Clerk.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

UNION COUNTY INSURANCE COMMISSION					
2019 PROPOSED BUDGET :					
				Total	
				Increase/Decrease	
APPROPRIATIONS		ANNUALIZED BUDGET FY2018	PROPOSED BUDGET FY2019	\$	%
<b>I. Claims and Excess Insurance</b>					
<b>Claims</b>					
1	Property	320,021	340,421	20,400	6.37%
2	Liability	427,942	428,501	559	0.13%
3	Auto	259,693	258,887	(806)	-0.31%
4	Workers' Comp.	4,546,370	4,637,297	90,927	2.00%
5					
6	<b>Subtotal - Claims</b>	<b>5,554,026</b>	<b>5,665,107</b>	<b>111,081</b>	<b>2.00%</b>
7					
8	<b>Premiums</b>				
9	CEL JIF	2,095,250	2,173,708	78,458	3.74%
10					
11	<b>SubTotal Premiums</b>	<b>2,095,250</b>	<b>2,173,708</b>	<b>78,458</b>	<b>3.74%</b>
12	<b>Total Loss Fund</b>	<b>7,649,276</b>	<b>7,838,814</b>	<b>189,538</b>	<b>2.48%</b>
13					
14	<b>II. Expenses, Fees &amp; Contingency</b>				
15					
16	Claims Adjustment	0	0	0	0.00%
17	Safety Director	0	0	0	0.00%
18	General Expense				
19	Exec. Director	153,686	156,760	3,074	2.00%
20	Actuary	7,569	6,018	(1,551)	-20.49%
21	Auditor	9,344	9,531	187	2.00%
22	Attorney	4,000	4,000	0	0.00%
23	Treasurer	4,000	4,000	0	0.00%
24					
25					
26	Misc. Expense & Contingency	7,335	7,000	(335)	-4.57%
27					
28	<b>Total Fund Exp &amp; Contingency</b>	<b>185,934</b>	<b>187,309</b>	<b>1,375</b>	<b>0.74%</b>
29	Risk Managers	0	0	0	0.00%
30					
31					
32	XS JIF Ancilliary Coverage				
33	POL/EPL	361,068	361,068	0	0.00%
34	Crime Program	8,944	8,944	0	0.00%
35	Medical Malpractice	0	0	0	0.00%
36	Pollution Liability	317	349	32	10.09%
37	Employed Lawyers Liab	47,440	47,440	0	0.00%
38	Cyber Liability/ Special Coverages	0	0	0	0.00%
39	Aviation	5,582	5,582	0	0.00%
40					
41	<b>Total FUND Disbursements</b>	<b>8,258,561</b>	<b>8,449,506</b>	<b>190,945</b>	<b>2.31%</b>

**RESOLUTION NO. 10-19**

**UNION COUNTY INSURANCE FUND COMMISSION**

**ADOPTION OF A TEMPORARY 2019 PROPERTY & CASUALTY BUDGET  
EQUAL TO 1/12 OF THE PROPOSED 2019 PROPERTY & CASUALTY BUDGET**

**BE IT RESOLVED** by the Union County Insurance Fund Commission that it hereby approves and adopts a second Temporary Budget in the amount of \$704,126 equal to 1/12 of the proposed 2019 Property & Casualty Budget in the amount of \$8,449,506 attached hereto as the Calendar Year 2019 Budget.

**ADOPTED** by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 17, 2019.

**ADOPTED:**

**BY:** \_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

\_\_\_\_\_  
**VICE CHAIR**

\_\_\_\_\_  
**DATE**

**Certificate of Insurance Monthly Report  
Union County Insurance Commission**

From 12/1/2018 to 12/31/2018

<b>Holder (H)/ Insured Name (I)</b>	<b>Holder / Insured Address</b>	<b>Description of Operations</b>	<b>Issue Date/ Cert ID</b>	<b>Coverage</b>
H - Liberty Hall Center I - County of Union	1085 Morris Ave Union, NJ 07083	Company D: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy # SP4056379 The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of facilities by Union County Office of Cultural & Heritage Affairs	12/17/2018 #2073901	GL AU EX WC OTH
H - City of Summit I - County of Union	512 Springfield Ave Summit, NJ 07901	Company D: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy # SP4056379 All operations usual to County Governmental Entity including certificate holder as additional insured for General Liability but only with respects to the negligent acts of the named insured. Subject to the terms, conditions, limitations and exclusions of the policy	12/17/2018 #2073915	GL AU EX WC OTH
H - U.C. Parks and Recs Board of I - County of Union	Education Evergreen Ave & Cedar St. Scotch Plains-Fanwood, NJ 07076	Company D: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy # SP4056379 RE: Concert Series (NJ Orchestra & Play) Echo Lake Park (Rain Site) Scotch Plains Fanwood High school	12/26/2018 #2080786	GL AU EX WC OTH
H - U.C. Parks & Recs Board of I - County of Union	Education Evergreen Ave & Cedar St Scotch Plains, NJ 07076	Company D: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/18 to 1/1/19 Policy # SP4056379 Evidence of insurance with respect to Concert Series (NJ Orchestra & Play) Echo - Lake Park (Rain Site) Scotch Plains Fanwood Highschool	12/27/2018 #2081796	GL AU EX WC OTH
H - U.C. Parks & Recs Board of I - County of Union	Education Evergreen Ave & Cedar St Scotch Plains, NJ 07076	Company D: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy # SP4056379 Evidence of insurance with respect to Concert Series (NJ Orchestra & Play) Echo - Lake Park (Rain Site) Scotch Plains Fanwood Highschool	12/27/2018 #2081797	GL AU EX WC OTH
<b>Total # of Holders: 5</b>				

UNION COUNTY INSURANCE COMMISSION					
FINANCIAL FAST TRACK REPORT					
AS OF		October 31, 2018			
ALL YEARS COMBINED					
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME	688,213	6,882,134	0	6,882,134
2.	CLAIM EXPENSES				
	Paid Claims	157,202	1,138,397	0	1,138,397
	Case Reserves	168,476	1,005,864	0	1,005,864
	IBNR	164,612	2,804,123	0	2,804,123
	Discounted Claim Value	(5,643)	(66,507)	0	(66,507)
	<b>TOTAL CLAIMS</b>	<b>484,647</b>	<b>4,881,877</b>	<b>0</b>	<b>4,881,877</b>
3.	EXPENSES				
	Excess Premiums	209,883	2,098,834	0	2,098,834
	Administrative	14,899	151,159	0	151,159
	<b>TOTAL EXPENSES</b>	<b>224,783</b>	<b>2,249,993</b>	<b>0</b>	<b>2,249,993</b>
4.	UNDERWRITING PROFIT (1-2-3)	(21,216)	(249,737)	0	(249,737)
5.	INVESTMENT INCOME	7,983	35,012	0	35,012
6.	PROFIT (4 + 5)	(13,234)	(214,724)	0	(214,724)
7.	CEL APPROPRIATION CANCELLATION	0	0	0	0
8.	DIVIDEND INCOME	0	0	0	0
9.	DIVIDEND EXPENSE	0	0	0	0
10.	INVESTMENT IN JOINT VENTURE	(75,240)	1,888,221	0	1,888,221
11.	<b>SURPLUS (6 + 7 + 8)</b>	<b>(88,474)</b>	<b>1,673,497</b>	<b>0</b>	<b>1,673,497</b>
<b>SURPLUS (DEFICITS) BY FUND YEAR</b>					
	2018	(88,474)	1,673,497		1,673,497
<b>TOTAL SURPLUS (DEFICITS)</b>		<b>(88,474)</b>	<b>1,673,497</b>	<b>0</b>	<b>1,673,497</b>
<b>TOTAL CASH</b>					
<b>4,493,752</b>					
<b>CLAIM ANALYSIS BY FUND YEAR</b>					
<b>FUND YEAR 2018</b>					
	Paid Claims	157,202	1,138,397		1,138,397
	Case Reserves	168,476	1,005,864		1,005,864
	IBNR	164,612	2,804,123		2,804,123
	Discounted Claim Value	(5,643)	(66,507)		(66,507)
	<b>TOTAL FY 2018 CLAIMS</b>	<b>484,647</b>	<b>4,881,877</b>	<b>0</b>	<b>4,881,877</b>
<b>COMBINED TOTAL CLAIMS</b>		<b>484,647</b>	<b>4,881,877</b>	<b>0</b>	<b>4,881,877</b>
This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.					

NEW JERSEY COUNTIES EXCESS JIF						
FINANCIAL FAST TRACK REPORT						
		AS OF	October 31, 2018			
ALL YEARS COMBINED						
		THIS	YTD	PRIOR	FUND	
		MONTH	CHANGE	YEAR END	BALANCE	
1.	UNDERWRITING INCOME	1,774,007	17,740,071	118,535,964	136,276,035	
2.	CLAIM EXPENSES					
	Paid Claims	117,770	342,304	3,142,296	3,484,600	
	Case Reserves	(87,332)	1,064,964	3,560,908	4,625,872	
	IBNR	238,913	(2,181,394)	10,479,791	8,298,397	
	Discounted Claim Value	(15,215)	121,667	(777,744)	(656,077)	
	<b>TOTAL CLAIMS</b>	<b>254,135</b>	<b>(652,460)</b>	<b>16,405,251</b>	<b>15,752,791</b>	
3.	EXPENSES					
	Excess Premiums	1,306,319	13,063,185	82,005,406	95,068,591	
	Administrative	144,310	1,401,968	8,815,738	10,217,706	
	<b>TOTAL EXPENSES</b>	<b>1,450,629</b>	<b>14,465,153</b>	<b>90,821,144</b>	<b>105,286,297</b>	
4.	UNDERWRITING PROFIT (1-2-3)	69,243	3,927,377	11,309,569	15,236,947	
5.	INVESTMENT INCOME	28,700	146,713	263,592	410,305	
6.	PROFIT (4+5)	97,943	4,074,091	11,573,162	15,647,252	
7.	Dividend	500,000	500,000	500,000	1,000,000	
8.	Cancelled Appropriations	0	0	607,551	607,551	
9.	<b>SURPLUS (6-7-8)</b>	<b>(402,057)</b>	<b>3,574,091</b>	<b>10,465,611</b>	<b>14,039,701</b>	
<b>SURPLUS (DEFICITS) BY FUND YEAR</b>						
	2010	872	268,827	487,880	756,707	
	2011	(165,175)	(14,386)	986,002	971,617	
	2012	1,637	251,699	670,408	922,106	
	2013	(163,715)	273,181	1,684,539	1,957,720	
	2014	(163,034)	369,906	2,114,583	2,484,489	
	2015	4,034	151,482	1,304,973	1,456,455	
	2016	4,661	881,049	2,228,683	3,109,731	
	2017	13,810	740,798	988,542	1,729,340	
	2018	64,853	651,535		651,535	
	<b>TOTAL SURPLUS (DEFICITS)</b>	<b>(402,057)</b>	<b>3,574,091</b>	<b>10,465,610</b>	<b>14,039,701</b>	
	<b>TOTAL CASH</b>				<b>28,306,728</b>	



NEW JERSEY COUNTIES EXCESS JIF FINANCIAL FAST TRACK REPORT AS OF October 31, 2018 ALL YEARS COMBINED				
	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
<b>CLAIM ANALYSIS BY FUND YEAR</b>				
<b>FUND YEAR 2010</b>				
Paid Claims	1,231	3,101	165,365	168,465
Case Reserves	(1,231)	(76,747)	84,636	7,889
IBNR	0	(201,354)	224,999	23,645
Discounted Claim Value	0	10,886	(12,655)	(1,769)
<b>TOTAL FY 2010 CLAIMS</b>	<b>0</b>	<b>(264,114)</b>	<b>462,345</b>	<b>198,230</b>
<b>FUND YEAR 2011</b>				
Paid Claims	4,675	36,384	435,147	471,531
Case Reserves	(4,675)	(19,691)	341,117	321,426
IBNR	0	(170,131)	238,736	68,605
Discounted Claim Value	0	9,259	(31,362)	(22,103)
<b>TOTAL FY 2011 CLAIMS</b>	<b>0</b>	<b>(144,179)</b>	<b>983,638</b>	<b>839,459</b>
<b>FUND YEAR 2012</b>				
Paid Claims	3,835	63,020	1,466,690	1,529,710
Case Reserves	(3,385)	(110,784)	180,069	69,285
IBNR	(450)	(213,275)	623,240	409,965
Discounted Claim Value	0	18,305	(45,106)	(26,801)
<b>TOTAL FY 2012 CLAIMS</b>	<b>0</b>	<b>(242,733)</b>	<b>2,224,893</b>	<b>1,982,160</b>
<b>FUND YEAR 2013</b>				
Paid Claims	106,677	209,179	306,969	516,148
Case Reserves	(86,383)	(250,214)	752,266	502,052
IBNR	(20,294)	(411,965)	680,765	268,800
Discounted Claim Value	0	29,166	(78,671)	(49,505)
<b>TOTAL FY 2013 CLAIMS</b>	<b>(0)</b>	<b>(423,834)</b>	<b>1,661,329</b>	<b>1,237,495</b>
<b>FUND YEAR 2014</b>				
Paid Claims	1,572	42,282	401,039	443,321
Case Reserves	(1,572)	146,259	410,814	557,073
IBNR	0	(737,542)	1,268,147	530,606
Discounted Claim Value	0	32,072	(81,671)	(49,599)
<b>TOTAL FY 2014 CLAIMS</b>	<b>0</b>	<b>(516,928)</b>	<b>1,998,329</b>	<b>1,481,401</b>
<b>FUND YEAR 2015</b>				
Paid Claims	1,143	(4,167)	345,381	341,214
Case Reserves	1,848	852,264	1,255,154	2,107,418
IBNR	(2,943)	(1,017,048)	1,619,464	602,416
Discounted Claim Value	0	39,324	(157,891)	(118,567)
<b>TOTAL FY 2015 CLAIMS</b>	<b>48</b>	<b>(129,628)</b>	<b>3,062,109</b>	<b>2,932,482</b>
<b>FUND YEAR 2016</b>				
Paid Claims	0	0	0	0
Case Reserves	15,036	277,391	250,120	527,511
IBNR	(15,036)	(1,202,391)	2,394,880	1,192,489
Discounted Claim Value	0	66,950	(162,270)	(95,320)
<b>TOTAL FY 2016 CLAIMS</b>	<b>0</b>	<b>(858,050)</b>	<b>2,482,730</b>	<b>1,624,680</b>
<b>FUND YEAR 2017</b>				
Paid Claims	(1,363)	(7,495)	21,705	14,210
Case Reserves	(7,086)	237,340	286,733	524,073
IBNR	(900)	(1,014,194)	3,429,559	2,415,365
Discounted Claim Value	0	68,283	(208,119)	(139,835)
<b>TOTAL FY 2017 CLAIMS</b>	<b>(9,349)</b>	<b>(716,065)</b>	<b>3,529,878</b>	<b>2,813,813</b>
<b>FUND YEAR 2018</b>				
Paid Claims	0	0	0	0
Case Reserves	115	9,145	0	9,145
IBNR	278,536	2,786,506	0	2,786,506
Discounted Claim Value	(15,215)	(152,579)	0	(152,579)
<b>TOTAL FY 2018 CLAIMS</b>	<b>263,436</b>	<b>2,643,072</b>	<b>0</b>	<b>2,643,072</b>
<b>COMBINED TOTAL CLAIMS</b>	<b>254,135</b>	<b>(652,460)</b>	<b>16,405,251</b>	<b>15,752,791</b>

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

<b>Union County Insurance Commissions</b>		
<b>CLAIM ACTIVITY REPORT</b>		
<b>AS OF October 31, 2018</b>		
<b>COVERAGE LINE - PROPERTY</b>		
<b>CLAIM COUNT - OPEN CLAIMS</b>		
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	8	8
October-18	9	9
<b>NET CHGE</b>	1	1
Limited Reserves		<b>\$1,483</b>
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	\$7,697	\$7,697
October-18	\$13,348	\$13,348
<b>NET CHGE</b>	\$5,651	\$5,651
<b>Ltd Incurred</b>	\$308,413	\$308,413
<b>COVERAGE LINE - GENERAL LIABILITY</b>		
<b>CLAIM COUNT - OPEN CLAIMS</b>		
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	50	50
October-18	50	50
<b>NET CHGE</b>	0	0
Limited Reserves		<b>\$901</b>
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	\$43,041	\$43,041
October-18	\$45,046	\$45,046
<b>NET CHGE</b>	\$2,005	\$2,005
<b>Ltd Incurred</b>	\$88,625	\$88,625
<b>COVERAGE LINE - AUTO LIABILITY</b>		
<b>CLAIM COUNT - OPEN CLAIMS</b>		
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	10	10
October-18	6	6
<b>NET CHGE</b>	-4	-4
Limited Reserves		<b>\$858</b>
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	\$6,900	\$6,900
October-18	\$5,150	\$5,150
<b>NET CHGE</b>	(\$1,750)	(\$1,750)
<b>Ltd Incurred</b>	\$12,151	\$12,151
<b>COVERAGE LINE - WORKERS COMP.</b>		
<b>CLAIM COUNT - OPEN CLAIMS</b>		
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	43	43
October-18	40	40
<b>NET CHGE</b>	-3	-3
Limited Reserves		<b>\$23,558</b>
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	\$779,751	\$779,751
October-18	\$942,321	\$942,321
<b>NET CHGE</b>	\$162,570	\$162,570
<b>Ltd Incurred</b>	\$1,735,215	\$1,735,215
<b>TOTAL ALL LINES COMBINED</b>		
<b>CLAIM COUNT - OPEN CLAIMS</b>		
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	111	111
October-18	105	105
<b>NET CHGE</b>	-6	-6
Limited Reserves		<b>\$9,580</b>
<b>Year</b>	<b>2018</b>	<b>TOTAL</b>
September-18	\$837,388	\$837,388
October-18	\$1,005,864	\$1,005,864
<b>NET CHGE</b>	\$168,476	\$168,476
<b>Ltd Incurred</b>	\$2,144,404	\$2,144,404

**Union County Insurance Commissions  
CLAIMS MANAGEMENT REPORT  
EXPECTED LOSS RATIO ANALYSIS**

<b>AS OF</b>											<b>October 31, 2018</b>	
<b>FUND YEAR 2018 -- LOSSES CAPPED AT RETENTION</b>												
	Budget	Current		10		MONTH TARGETE	Last Month		9		MONTH TARGETE	
		Unlimited Incurred	Limited Incurred	Actual 31-Oct-18			Unlimited Incurred	Limited Incurred	Actual 30-Sep-18			
PROPERTY	320,021	308,413	308,413	96.37%	243,216	76.00%	279,316	279,316	87.28%	217,614	68.00%	
GEN LIABILITY	427,942	88,625	88,625	20.71%	179,736	42.00%	50,866	50,866	11.89%	154,059	36.00%	
AUTO LIABILITY	259,693	12,151	12,151	4.68%	103,877	40.00%	13,401	13,401	5.16%	90,893	35.00%	
WORKER'S COMP	4,546,370	1,735,215	1,735,215	38.17%	1,909,475	42.00%	1,470,579	1,470,579	32.35%	1,500,302	33.00%	
TOTAL ALL LINES	5,554,026	2,144,404	2,144,404	38.61%	2,436,304	43.87%	1,814,162	1,814,162	32.66%	1,962,868	35.34%	
<b>NET PAYOUT %</b>	\$1,138,540				<b>20.50%</b>							

**UNION COUNTY INSURANCE FUND COMMISSION  
BILLS LIST**

**Resolution No. 11-19**

**JANUARY 2019**

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Union County Insurance Fund Commission, hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Commission

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001038			
001038	PERMA RISK MANAGEMENT SERVICES	DECEMBER POSTAGE	1.84
			<b>1.84</b>
001039			
001039	UNION COUNTY	REIMBURSEMENT FOR POSTAGE 12/18	30.37
			<b>30.37</b>
		<b>Total Payments FY 2018</b>	<b>32.21</b>

**FUND YEAR 2019**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001040			
001040	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 1/19	13,063.33
			<b>13,063.33</b>
001041			
001041	THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES FEE 1/19	501.50
			<b>501.50</b>
		<b>Total Payments FY 2019</b>	<b>13,564.83</b>

**TOTAL PAYMENTS ALL FUND YEARS \$13,597.04**

\_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Dated: \_\_\_\_\_

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

\_\_\_\_\_  
Treasurer

<b>SUMMARY OF CASH AND INVESTMENT INSTRUMENTS</b>				
<b>UNION COUNTY INSURANCE COMMISSION</b>				
<b>ALL FUND YEARS COMBINED</b>				
<b>CURRENT MONTH</b>	<b>October</b>			
<b>CURRENT FUND YEAR</b>	<b>2018</b>			
	<b>Description:</b>	<b>Administrative</b>	<b>Claims Account -</b>	
	<b>ID Number:</b>	<b>Account-Investors</b>	<b>Investors</b>	
	<b>Maturity (Yrs)</b>			
	<b>Purchase Yield:</b>			
	<b>TOTAL for All</b>			
	<b>Accts &amp; instruments</b>			
<b>Opening Cash &amp; Investment Balance</b>	<b>\$4,656,532.03</b>	<b>4,558,857.65</b>	<b>97674.38</b>	
<b>Opening Interest Accrual Balance</b>	<b>\$0.00</b>	<b>-</b>	<b>0</b>	
1	Interest Accrued and/or Interest Cost	\$0.00	\$0.00	\$0.00
2	Interest Accrued - discounted Instr.s	\$0.00	\$0.00	\$0.00
3	(Amortization and/or Interest Cost)	\$0.00	\$0.00	\$0.00
4	Accretion	\$0.00	\$0.00	\$0.00
5	Interest Paid - Cash Instr.s	\$7,982.84	\$7,539.05	\$443.79
6	Interest Paid - Term Instr.s	\$0.00	\$0.00	\$0.00
7	Realized Gain (Loss)	\$0.00	\$0.00	\$0.00
8	Net Investment Income	\$7,982.84	\$7,539.05	\$443.79
9	Deposits - Purchases	\$245,473.52	\$4,388.65	\$241,084.87
10	(Withdrawals - Sales)	-\$416,236.58	-\$254,645.64	-\$161,590.94
	<b>Ending Cash &amp; Investment Balance</b>	<b>\$4,493,751.81</b>	<b>\$4,316,139.71</b>	<b>\$177,612.10</b>
	<b>Ending Interest Accrual Balance</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
	<b>Plus Outstanding Checks</b>	<b>\$117,007.98</b>	<b>\$13,560.77</b>	<b>\$103,447.21</b>
	<b>(Less Deposits in Transit)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
	<b>Balance per Bank</b>	<b>\$4,610,759.79</b>	<b>\$4,329,700.48</b>	<b>\$281,059.31</b>

UNION COUNTY INSURANCE COMMISSION							
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED							
Current Fund Year: 2018 Month Ending: October							
	Property	Liability	Auto	Worker's Comp	NJ CEL	Admin	TOTAL
OPEN BALANCE	5,632.76	369,932.24	222,712.55	3,320,101.91	701,587.13	36,565.43	4,656,532.02
RECEIPTS							
Assessments	39,038.53	52,203.53	31,679.27	554,599.84	307,237.57	22,681.60	1,007,440.35
Refunds	4,564.15	0.00	0.00	0.00	0.00	0.00	4,564.15
Invest Pymnts	9.66	634.19	381.80	5,691.76	1,202.75	62.69	7,982.85
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	9.66	634.19	381.80	5,691.76	1,202.75	62.69	7,982.85
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>43,612.34</b>	<b>52,837.72</b>	<b>32,061.07</b>	<b>560,291.60</b>	<b>308,440.32</b>	<b>22,744.29</b>	<b>1,019,987.35</b>
EXPENSES							
Claims Transfers	23,446.10	35,754.50	500.00	102,065.84	0.00	0.00	161,766.44
Expenses	0.00	0.00	0.00	0.00	0.00	13,560.77	13,560.77
Other *	0.00	0.00	0.00	0.00	1,007,440.35	0.00	1,007,440.35
<b>TOTAL</b>	<b>23,446.10</b>	<b>35,754.50</b>	<b>500.00</b>	<b>102,065.84</b>	<b>1,007,440.35</b>	<b>13,560.77</b>	<b>1,182,767.56</b>
<b>END BALANCE</b>	<b>25,799.00</b>	<b>387,015.46</b>	<b>254,273.62</b>	<b>3,778,327.68</b>	<b>2,587.10</b>	<b>45,748.95</b>	<b>4,493,751.81</b>



First Managed Care Option, Inc.

Case Management Monthly Activity Report

December 2018

UNION COUNTY INS FUND COMM  
NJ

Reported Claims											
Year/Month	# of Claims > 2 days to report	Total Reported*	Medical Only**	Lost Time**	Total Case Managed	Field Case Managed	% Case MO	% Case LT	% Case Field	Active Files	Closed Files
Jan-18		17	10	4	14	0	71.43%	28.57%	0.00%	0	14
Feb-18	4	16	9	2	11	0	81.82%	18.18%	0.00%	0	11
Mar-18	6	25	14	2	16	0	87.50%	12.50%	0.00%	0	16
Apr-18	2	27	17	3	20	0	85.00%	15.00%	0.00%	1	19
May-18	2	21	17	2	19	0	89.47%	10.53%	0.00%	1	18
Jun-18	3	20	11	4	15	0	73.33%	26.67%	0.00%	1	14
Jul-18	5	31	20	7	27	0	74.07%	25.93%	0.00%	1	26
Aug-18	2	29	22	3	25	0	88.00%	12.00%	0.00%	0	25
Sep-18	3	30	24	2	26	0	92.31%	7.69%	0.00%	1	25
Oct-18	1	21	13	3	16	0	81.25%	18.75%	0.00%	3	13
Nov-18	3	16	6	4	10	0	60.00%	40.00%	0.00%	2	8
Dec-18	4	14	9	1	10	0	90.00%	10.00%	0.00%	8	2
<b>Total FY2018</b>	<b>35</b>	<b>267</b>	<b>172</b>	<b>37</b>	<b>209</b>	<b>0</b>	<b>82.30%</b>	<b>17.70%</b>	<b>0.00%</b>	<b>18</b>	<b>191</b>

Open Claims						
Medical Only	Lost Time	Telephonic Case Mgmt	Field Case Mgmt	Total Case Managed	Lost Time Returned to Work	Lost Time Out of Work
13	5	18	0	18	1	4

Claim keys	
Medical Only Claim:	Case Managed File, out of work 7 days or less
Lost Time Claim:	Case Managed File, out of work 8 or more days
Lost Time Return to Work:	File is a lost time claim and the injured worker has returned to work
Telephonic Case Mgmt:	Number of new referrals for case management
Active Files:	Number of all open files currently case managed

Report run on 01/02/2019

\* Total Reported includes all Medical Only, Lost Time, Investigation, and Report Only Claims

\*\* Any Change in MO or LT will be reflected in the original reported month.





**First Managed Care Option, Inc.**

**Case Management Monthly Activity Report  
December 2018  
UNION COUNTY INS FUND COMM**

**Members averaging greater than 2 days to report :**

<b>Employer</b>	<b>Total Claims</b>	<b># of Claims &gt; 2 days to report</b>	<b>% of Claims &gt; 2 days to report</b>
Dept. of Correctional Services - UC JAIL / 763-300	1	1	100%
Sheriff / 755-770	2	2	100%
PS Health / 747-941	1	1	100%

<b>Claim keys</b>	
<b>Medical Only Claim:</b>	Case Managed File, out of work 7 days or less
<b>Lost Time Claim:</b>	Case Managed File, out of work 8 or more days
<b>Lost Time Return to Work:</b>	File is a lost time claim and the injured worker has returned to work
<b>Telephonic Case Mgmt:</b>	Number of new referrals for case management
<b>Active Files:</b>	Number of all open files currently case managed

Report run on 01/02/2019

\* Total Reported includes all Medical Only, Lost Time, Investigation, and Report Only Claims

\*\* Any Change in MO or LT will be reflected in the original reported month.







First Managed Care Option, Inc.

First MCO Bill Review Services  
UNION COUNTY INS FUND COMM

Medical Savings by Month

NJ

Month of Reprice Service	Provider Billed Amount	First MCO Repriced	U & C / Fee Schedule	Savings	% of Savings	# of Bills	In Network	Out Of Network	% PPO Penetration	# of Appeals
Jan-18	\$4,991	\$2,274	\$5,855	\$2,717	54%	8	6	2	75%	0
Feb-18	\$35,372	\$19,161	\$41,510	\$16,211	46%	58	54	4	93%	0
Mar-18	\$49,915	\$20,683	\$67,365	\$29,232	59%	76	68	8	89%	0
Apr-18	\$204,316	\$75,305	\$250,090	\$129,011	63%	104	91	13	88%	0
May-18	\$76,908	\$32,390	\$88,135	\$44,518	58%	147	110	37	75%	0
Jun-18	\$311,096	\$109,666	\$339,968	\$201,431	65%	128	108	20	84%	0
Jul-18	\$192,147	\$84,846	\$2,458,905	\$107,301	56%	129	102	27	79%	0
Aug-18	\$323,860	\$135,146	\$371,099	\$188,714	58%	263	219	44	83%	0
Sep-18	\$159,672	\$60,175	\$197,179	\$99,497	62%	185	157	28	85%	0
Oct-18	\$113,077	\$48,686	\$128,302	\$64,391	57%	194	165	29	85%	0
Nov-18	\$124,935	\$38,632	\$136,646	\$86,302	69%	102	85	17	83%	0
Dec-18	\$218,607	\$110,140	\$193,476	\$108,467	50%	138	121	17	88%	0
<b>Total 2018</b>	<b>\$1,814,896</b>	<b>\$737,104</b>	<b>\$4,278,532</b>	<b>\$1,077,792</b>	<b>59%</b>	<b>1,532</b>	<b>1,286</b>	<b>246</b>	<b>84%</b>	<b>0</b>
<b>Total to Date</b>	<b>\$1,814,896</b>	<b>\$737,104</b>	<b>\$4,278,532</b>	<b>\$1,077,792</b>	<b>59%</b>	<b>1,532</b>	<b>1,286</b>	<b>246</b>	<b>84%</b>	<b>0</b>

Report Run Date:01/02/2019

UCI



**UNION COUNTY INSURANCE FUND COMMISSION  
 SAFETY DIRECTOR'S REPORT**

**TO:** Fund Commissioners  
**FROM:** J.A. Montgomery Risk Control, Safety Director  
**DATE:** January 7, 2019

**UCIFC SERVICE TEAM**

Paul Shives, Vice President Public Sector Director <a href="mailto:pshives@jamontgomery.com">pshives@jamontgomery.com</a> Office: 732-736-5213	Glenn Prince, Associate Public Sector Director <a href="mailto:gprince@jamontgomery.com">gprince@jamontgomery.com</a> Office: 856-552-4744 Cell: 609-238-3949	Natalie Dougherty, Senior Administrative Coordinator <a href="mailto:ndougherty@jamontgomery.com">ndougherty@jamontgomery.com</a> Office: 856-552-4738
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**December – January 2019  
 RISK CONTROL ACTIVITIES**

**MEETINGS ATTENDED / TRAINING / LOSS CONTROL VISITS CONDUCTED**

- **December 19:** Attended the UCIFC Executive Safety Committee meeting in Elizabeth.
- **December 19:** Attended the UCIFC Jail Sub Safety Committee meeting in Elizabeth.
- **December 19:** Attended the UCIFC Meeting in Elizabeth.

**UPCOMING MEETINGS / TRAINING / LOSS CONTROL VISITS PLANNED**

- **January 16:** Plan to attend the UCIFC Executive Safety Committee meeting in Elizabeth.
- **January 16:** Plan to attend the UCIFC Jail Sub Safety Committee meeting in Elizabeth.
- **January 17:** Plan to attend the UCIFC meeting in Elizabeth.
- **January 17:** Plan to attend the UCIFC Claims Committee meeting in Elizabeth.

### **CEL MEDIA LIBRARY**

No Videos have been utilized in 2018.

### **SAFETY DIRECTOR BULLETINS**

- Reminder to Check Motor Vehicle Records of Drivers – December 11
- Avoiding Deer-Vehicle Collisions – December 13

### Conducting Motor Vehicle Record Checks

Public entities have many employees who operate vehicles as part of their duties. Law enforcement officers are on patrol around the clock. Volunteer firefighters and emergency medical technicians respond in their private vehicles before getting in apparatus and ambulances. Public works and utility employees drive large vehicles that require Commercial Drivers Licenses (CDL). Administrative personnel and elected officials may occasionally use agency or private vehicles to conduct official business. **Public agencies must verify that all employees who drive on the agency's behalf possess a valid driver's license and an acceptable driving record.**

Public employers should have a motor vehicle policy that encompasses all the types of drivers under their auspices. The Safety Directors recommend Motor Vehicle Records (MVRs) be reviewed at the following times:

- Once a year for all full-time, part-time, seasonal and volunteer employees who drive an agency or personal vehicle as part of their job responsibilities,
- As part of the pre-employment screening process, and
- Before approving volunteer firefighters, EMTs, or OEM personnel's "Blue Light" applications.

An employer may order MVRs on their employees under the Federal Driver's Privacy Act which defines the following "permissible uses" of an MVR:

- i. For use by any governmental agency ... in carrying out its functions
- ii. For use by an employer ... to obtain or verify information relating to a holder of a commercial drivers' license (CDL) that is required under Chapter 313 of Title 49.

**Employees must be made aware their MVRs will be checked periodically.** The N.J. Motor Vehicle Commission requires employees to sign an acknowledgment that they are aware the employer obtains driving history abstracts before operating a motor vehicle on employer business, and periodically thereafter. The signed release can be part of your Employee Handbook or a specific release to check the employee's MVRs. Work with your solicitor to draft a release that conforms to the organization's operations and any collective bargaining agreements. Each year the State will verify signed releases are on file.

#### WHO SHOULD OBTAIN THE MVR ABSTRACTS?

Designate one or two authorized individuals to order the MVRs from the N.J. Motor Vehicle Commission. MVRs may not be obtained through the local Police Department. Authorized individuals may be the Clerk, an Administrator, a Human Resource representative or the Police Chief. The designated individual must understand they may not share the information with unauthorized individuals as required by the Driver Privacy Protection Act. *Remember, these are confidential reports.* Department heads who review or act upon the MVR reports must also be aware of the confidential nature of driving histories.

*This bulletin is intended for general information purposes only. It should not be construed as legal advice or legal opinion regarding any specific or factual situation. Always follow your organization's policies and procedures as presented by your manager or supervisor. For further information regarding this bulletin, contact your Safety Director at 877.398.3046.*

## **HOW DO I ORDER MVRs?**

New Jersey public entities can order MVR abstracts from the NJ Motor Vehicle Commission (NJMVC). If you are ordering a small number of MVRs per year, then you are eligible to request MVRs by mail. Mail your request on letterhead to N. J. Motor Vehicle Commission, Business and Government Services, 225 East State Street, 3rd Floor East Wing, P.O. Box 122, Trenton, NJ 08666-0122. If you have any questions, you can call 609-292-4572. There is an annual fee for this service.

Public employers requiring larger numbers of MVRs will need to establish a Customer Abstract Information Retrieval (CAIR) account by applying online at <http://www.state.nj.us/mvc/business/cairrecords.htm>. An Individual User Guide is available on the CAIR homepage. CAIR regulations require users to log in to their account at least every 90 days, or their account will be suspended. The Password must be updated every 45 days. Suspended accounts will need to be reactivated by a CAIR Administrator. The Safety Director suggests users put a reminder on their calendars.

## **HOW DO I EVALUATE INFORMATION ON THE MVR?**

A sample policy for evaluating MVR information is provided below. It is up to each public employer to establish evaluation standards for their agency in consultation with their agency's attorney. The policy must be enforced consistently and without discrimination.

*All employees authorized to drive vehicles owned, leased, or controlled by the [Public Entity Name] or use their personal vehicles to conduct business on behalf of the [Entity Name] may have their MVRs reviewed prior to entrustment of a vehicle and annually thereafter.*

*Drivers with acceptable, marginal or probation grading may be allowed to operate [Entity Name] vehicles or their personal vehicles to conduct business on behalf of the agency.*

*Drivers with marginal or probation grading will have their MVRs reviewed more frequently. [Semiannual or quarterly reports are recommended] Additional violations or accidents may result in suspension of driving privileges for [Public Entity / Department Name].*

*Drivers with unacceptable driving records will not be permitted to operate an agency or their personal vehicle to conduct business on behalf of [Public Entity Name].*

*Acceptable: No moving violations and/or preventable accidents over the last 36 months.*

*Marginal: Up to 2 moving violations and/or preventable accidents in the last 36 months.*

*Probation: Up to 3 moving violations and/or preventable accidents within the last 36 months.*

*Unacceptable: More than three moving violations and preventable accidents within the last 36 months, or more than two moving violations and/or preventable accidents within the most recent year, or any of the violations listed below:*

- *Driving while under the influence (DWI or DUI)*
- *Leaving the scene of an accident*
- *Reckless driving violations*
- *Homicide or assault through the use of a motor vehicle*
- *Drivers who currently have a revoked or suspended license*

*If an accident is shown on an MVR, it will be assumed to be an 'at-fault' accident. Any change to such a classification will be made only upon receipt of a police report or ruling from an accident review panel showing that the driver in question was not at fault.*

Please contact your Safety Director or the State Motor Vehicle Commission if you have additional Motor Vehicle Record questions.

### Avoiding Deer-Vehicle Collisions

Autumn is the deer breeding season, or 'rut'. The rut brings a peak in deer movement and we experience more deer on New Jersey roads, leading to a number of deer-vehicle collisions. Vehicles operated by public employers are not immune from this hazard and in some cases, their operations can increase the likelihood, such as the 24 / 7 / 365 operations of law enforcement, fire and EMS agencies. The Safety Director offers the following best practices for avoiding deer-vehicle collisions.

**Know your local 'Danger Zones'** – As you conduct your everyday business, learn the local areas where you see more deer than other places all year-round. Often these are places where trees form pinch points that create natural funnels. Pay extra attention to these areas, and mentally mark them as danger zones. Make a mental note of the locations of the deer crossing warning signs.

**Be vigilant** – This is your most effective defense against a deer - vehicle collision. In areas where woodlands adjoin the roadway, be on the lookout in the ditches and forest edges for deer. Deer are most active at dusk and dawn: periods when your vision is most compromised. To add to their terrible timing, deer are most on the move after we turn our clocks back an hour and you are more likely to travel in darkness. You may also spot a deer because their eyes will brightly reflect a car's headlights, making them easier to spot.

**Avoid distractions** – There are a lot of things in work vehicles that can take our attention away from the road; radios, cell phones, computers, and conversations with passengers. Make a conscious decision to resist these distractions as much as possible, especially in danger zones.

**Slow down early** – When you think you see a deer ahead, slow down and be prepared to completely stop if necessary. At night, deer may be blinded or confused by your headlights. They may not be sure if there is danger or where it is locate and may dart suddenly in front of you. Depending on traffic, you may also be able to move towards the center of the road giving you more time to react if the deer decides to enter the road.

**Blow your horn** – Once you spot a deer standing on the roadside ahead, slow down and blow your horn. The structure of a deer's ears, and their ability to pivot each ear independently, makes them very good at pinpointing the locations of sounds. Some experts recommend that one long blast of the horn will scare deer out of the road. Do not rely on hood whistles or other devices designed to scare off deer. University of Georgia researchers tested a variety of sounds of different frequencies and intensities to see how deer on a roadway reacted. These sounds, emitted from a specially equipped car, included a wide range of the high-frequency sounds that "deer whistles" are claimed to emit. In hundreds of trials, high-frequency whistles did not change deer behavior from the way they reacted when no sound was being emitted.

**Use your high beams** – When traveling at night in suburban or rural areas, use your high beams whenever possible to help you spot deer on the roadside. Of course, don't forget to dim your lights for oncoming traffic.

**Anticipate more than one deer** – Deer are pack animals, and rarely travel alone. If a deer crosses in front of you, chances are there are more nearby. During the rut, a doe that runs across the road is very likely to be followed by one or more bucks. If you see one deer run across the road ahead of you, slow down and be prepared to stop.

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**Do not swerve to avoid hitting the animal** - If you see a deer, brake firmly and calmly, and stay in your lane. Do not swerve into the opposite lane or onto the shoulder of the road to avoid hitting the deer. Swerving or over-steering could make you lose control of your vehicle and turn a bad situation much worse. Deer can be unpredictable, and you could actually swerve directly into their changed path of travel.

Experts advise braking firmly up until the very last second of impact, and then releasing the brakes. This should propel the deer away from your vehicle instead of on to the hood or windshield. Should the animal make contact with the windshield, there's a chance it will smash through, causing the driver to lose control of the vehicle, resulting in serious injury and in some cases, even death to the driver and passengers.

**Wear your seatbelt** – While wearing a seatbelt may not help prevent a collision with a deer, if the situation worsens and an impact is inevitable, it may lessen the consequences. A seat belt will keep you behind the steering wheel and in a better position to operate the controls of the car.

**Investigate new technology** – Researchers are constantly searching for new and innovative solutions to the hazards of deer – vehicle collisions. For example, developers have introduced a siren that they claim produces a sound wave that better scares deer away from the source of the noise. While the Safety Director does not recommend any particular product, we do recommend members evaluate for themselves promising new products, procedures, or ideas. We also promote sharing of successes among members.

**If you are involved in a deer – vehicle collision:**

1. Stay calm.
2. Move your vehicle to a safe place. If possible, pull over to the side of the road and onto the shoulder. Most accidents occur between dusk and dawn; times when you or your vehicle may be less visible to other motorists. Get out of your vehicle and stand in a safe place, well off the roadway.
3. Turn on your hazard lights.
4. New Jersey law requires you to call 9-1-1 if persons were injured or there is property or vehicle damage in excess of \$500.00. The Safety Director recommends the police be notified of any deer-vehicle collision involving a public vehicle or a personal vehicle being driven on official business.
5. Notify your supervisor.
6. Stay away from the deer. If it is still alive, it could be confused, injured and dangerous if approached. A wounded deer could use its powerful legs and sharp hooves to harm you. When contacting the authorities, let them know if the deer is injured or blocking traffic or creating a threat for other drivers so that it can be quickly handled.
7. Document the incident: If it's safe to do so, take photographs of the roadway, your surroundings, damage to your vehicle, and any injuries you or your passengers sustained. If witnesses stop, take down their account of what occurred and ask for their contact information.

N.J.S.A. 10:4-12(B)

Pursuant to provisions of the Open Public Meetings Act a public body may enter into Executive Session for the purpose of discussing certain enumerated subjects. This Commission now wishes to enter Executive Session for the purpose of discussing claims: **4981 and 4954**. The minutes of the Executive Session shall be separated from the minutes of the Open Public Session. The minutes of the Executive Session, redacted as appropriate and necessary, shall be available in approximately 30 days. The Commission Secretary shall retain the original minutes until such time as the confidential limitations have been removed, at which time they shall be available.

Upon the affirmative vote of a majority of the members present, the Commission may retire to Executive Session.

Upon the Commission's return it may or may not take formal action on the matters discussed.



**APPENDIX I**  
***OPEN MINUTES***

**UNION COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – December 19, 2018  
County of Union  
Administration Building – 6<sup>th</sup> Floor  
Freeholder Conference Room  
10 Elizabethtown Plaza  
Elizabeth, NJ  
10:00 AM**

Meeting was called to order by Chair Wagner. Executive Director 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 <b>Joseph Hrubash</b>
Claims Service	D&H Alternative Risk Solutions, Inc. <b>Kathleen Guze</b> <b>Wayne Ring</b>
	Conner Strong & Buckelew
Managed Care Services	First MCO <b>Alyson Cronk</b>
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Acrisure, LLC Robin Racioppi ( <i>via teleconference</i> )
Treasurer	
Attorney	<b>Robert Barry, Esq.</b>
Safety	J.A. Montgomery Risk Control <b>Glenn Prince</b> T&M Associates <b>Mark Worthington</b>

**ALSO PRESENT:**

Terry Pacheco, Union County  
Mishood Muftau, Esq., Union County  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF OCTOBER 29, 2018**

**MOTION TO APPROVE THE OPEN MINUTES AND CLOSED MINUTES OF OCTOBER 29, 2018**

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

**CORRESPONDENCE: None**

**SAFETY COMMITTEE:** Mr. Worthington advised there was a Labor Safety Committee Meeting last week and the Corrections Department met earlier this morning. Also there were a few more Hazard Communication Training conducted and Bloodborne Pathogens were being scheduled for Parks in January. Mr. Worthington advised that concluded his report unless there were any questions.

**CLAIM COMMITTEE:** Mr. Cusack referred to a copy of the Claims Committee Meeting Schedule which was included in the agenda and advised the schedule coincided with the Commission Meeting dates. Mr. Cusack noted if there were any PARS to discuss when a meeting was not scheduled additional claims meetings could be scheduled. Mr. Cusack referred to his memo which was included in the agenda regarding Reporting to “Discovery” or “Claims Made and Reported” Policies Prior to the 12/31/18 Expiration Date and reminded everyone any claims, suits and incidents must be reported to the carrier prior to the expiration date of 12/31/18. Mr. Cusack also referred to a copy of the e-book on the Opioid Epidemic which was included in the Appendix of the agenda. Mr. Cusack noted this was a supplemental resource addressing the critical topic which was discussed recently at the Best Practice Workshop. Mr. Cusack advised that concluded his report unless there were any questions.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised his report was included in the agenda.

**2019 PROPERTY & CASUALTY BUDGET INTRODUCTION:** Executive Director reported his first item was the introduction of the 2019 Property & Casualty Budget which was included in the agenda. However, Executive Director advised he had a conversation with the Commission Attorney prior to the meeting and indicated the Commissioners preferred to introduce a temporary budget instead of the full budget. Executive Director suggested action be taken on a temporary budget in the amount of \$704,126 which represented 1/12 of the annual budget included in the agenda in the amount of \$8,449,506. Executive Director recommended introducing an annual budget at the next meeting and schedule budget adoption for the February meeting. Commission Attorney indicated he would propose a motion:

**MOTION TO APPROVE A TEMPORARY 2019 PROPERTY & CASUALTY BUDGET EQUAL TO 1/12 OF THE PROPOSED 2019 PROPERTY & CASUALTY BUDGET ATTACHED TO THE AGENDA ON PAGE 7**

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

**RFP FOR PROFESSIONAL SERVICES – ACTUARY:** Executive Director reported the second action item was the RFP for the Actuary position. Executive Director advised the Fund Office issued an RFP for a 2019 Actuary and the responses were due on December 12, 2018. Executive Director advised one response was received from The Actuarial Advantage, Inc., the incumbent. Executive Director stated the pricing fee in the response was \$6,018 which was within the 2019 budget figure. In response to Chair Wagner’s inquiry, Ms. Dodd advised she would check on the fee amount for 2018.

**MOTION TO APPROVE THE ACTUARIAL ADVANTAGE INC. AS THE 2019 ACTUARY**

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

**CERTIFICATE OF INSURANCE REPORT:** Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the month of October was included in the agenda. Executive Director advised there was 3 certificates issued during the month of October.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT**

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

**NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE):** Executive Director reported the NJCE met on November 15, 2018 adopted the 2019 Budget in the amount of \$23,315,997. Executive Director noted a summary report of the meeting was included in the agenda. Executive Director advised the Board of Fund Commissioners authorized a release of a dividend in the amount of \$500,000 which would be distributed between the Commissions. Executive Director reported Union County’s share of the dividend was \$100,711. Executive Director advised most of the Commissions used their portion of the dividend to offset their assessments. In response to the Executive Directors’ comment, Commission Treasurer indicated they would handle the same way. Executive Director advised the Board of Fund Commissioners also adopted resolutions reaffirming membership offers to the Counties of Monmouth and Essex. Lastly, Executive Director advised the NJCE was scheduled to meet again on February 28, 2019.

**UCIFC FINANCIAL FAST TRACK:** Executive Director advised the September Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,761,970 as of September 30, 2018. Executive Director referred to Line 10 of the report, “Investment in Joint Venture” and indicated \$1,963,461 of the surplus was the UCIFC’s share of the NJCE equity. Executive Director noted the cash amount was \$4,656,532.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the September Financial Fast Track was included in the agenda. As of September 30, 2018 the Fund had a surplus of \$14,441,758. Executive Director asked if anyone had any questions regarding the Financial Fast Track.

**CLAIMS TRACKING REPORTS:** Executive Director advised the Claim Tracking reports as of September 30, 2018 were included in the agenda. Executive Director referred to a copy of the Claims Management Report Expected Loss Ratio Analysis Report as of September 30, 2018 which was included in the agenda. Executive Director advised this report measured how the losses were running compared to the actuary’s projections. Executive Director referred to columns 4 and 6 explained we were running high on property claims, however the other lines were doing well. Executive Director asked if anyone had any questions on the claims reports.

**2019 MEETING SCHEDULE:** Executive Director referred to a copy of the 2019 proposed UCIFC Executive Committee Meeting Schedule which was included in the agenda. Executive Director noted the schedule was based on the meeting dates for 2018. Executive Director asked the Commissioners if they wanted to adjust the schedule or leave as is and make revisions throughout the year if there were no action items for a particular month. Executive Director noted the Reorganization Meeting was scheduled for January 17, 2019 along with the introduction of the annual budget and the public hearing would be scheduled for the February meeting. Executive Director pointed out there were no meetings scheduled for August and November. Chair Wagner suggested leaving the schedule as is and cancel a meeting when necessary. Executive Director advised a resolution would be prepared for approval with Reorganizational Resolutions in January.

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

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Commission Treasurer advised the Bill Lists for November and December were reviewed and she recommended payment.

**MOTION TO APPROVE RESOLUTION 28-18 NOVEMBER BILL LIST  
AND DECEMBER BIL LIST RESOLUTION 29-18**

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

Commission Treasurer advised in preparation of the review of the 2019 budget there was some requested information that she sent out as far as total worker compensation claims that were recorded

and wanted to request a report from the actuary as to what estimates they were using and the projections so she knew what baseline they were utilizing. Executive Director advised he would obtain that information.

Executive Director advised the monthly Treasurer reports were included in the agenda.

**ATTORNEY:** Mr. Barry advised he did not have anything to report.

**CLAIMS SERVICE:** Ms. Guze reported since the last meeting the numbers were pretty good. For a two month period there were 32 claims. Ms. Guze advised of those claims 26 claims were closed, 8 of those closed claims were report only, 1 was denied and of the 32 claims only 6 remain treating. Ms. Guze advised she did not see any trends or any outrageous safety issues.

**MANAGED CARE:** Ms. Cronk advised First MCO's reports were included in the agenda. Ms. Cronk reported on the months of October and November as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings of	Percentage of Savings	Number of Bills	In Network Bills	PPO %
October	\$ 113,077	\$ 48,686	\$ 64,391	57%	194	165	85%
November	\$ 124,935	\$ 38,632	\$ 86,302	69%	102	85	83%

Ms. Cronk advised she also wanted to provide an update on the Clark Urgent Care Contract. Ms. Cronk advised since October there was a bit of delay in receiving responses from Atlantic Health. Ms. Cronk explained there was an issue with the TIN number and her network department was working to obtain this information. In response to Executive Director's inquiry, Ms. Martins advised they were doing an RFP process and she had advised CUC this issue might hinder their contract. Ms. Cronk advised if CUC was still a pre-standing facility this would be a much easier process.

**RISK MANAGER:** Ms. Racioppi advised she did not have anything to report.

**NJCE SAFETY DIRECTOR:** Mr. Prince reviewed the October - December Risk Control Activities Report which was included in the agenda. Mr. Prince advised he previously spoke about the BRIT Safety Grant and Union County was awarded reimbursement funding. Mr. Prince noted he was working with Mr. Yuska to determine the final purchase of the dashboard cameras they will be installing in various vehicle. Mr. Prince advised as soon as that final figure was determined the County would be reimbursed. Mr. Prince advised that concluded his report unless anyone had any questions.

Correspondence Made Part of Minutes

**OLD BUSINESS:** Ms. Dodd advised she checked the monthly bill list and the actuary fee for 2018 was \$5,900.

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**CLOSED SESSION:** Executive Director advised there was a need for a closed session. Commission Attorney stated that pursuant to the provisions of the Open Public Meetings Act, a

public body may enter into Executive Session for the purpose of discussing certain enumerated subjects. Commission Attorney then read the below statement which was included in the agenda.

N.J.S.A. 10:4-12(B)

Pursuant to provisions of the Open Public Meetings Act a public body may enter into Executive Session for the purpose of discussing certain enumerated subjects. This Commission now wishes to enter Executive Session for the purpose of discussing claims 5006, 3967 and 3116. In addition the Board will enter into the session to have an attorney-client privileged communication relative to ongoing negotiations with forensics investigators relative to a potential computer network breach.

The minutes of the Executive Session shall be separated from the minutes of the Open Public Session. The minutes of the Executive Session, redacted as appropriate and necessary, shall be available in approximately 30 days. The Commission Secretary shall retain the original minutes until such time as the confidential limitations have been removed, at which time they shall be available.

Upon the affirmative vote of a majority of the members present, the Commission may retire to Executive Session.

Upon the Commission's return it may or may not take formal action on the matters discussed.

**MOTION TO RETURN TO OPEN SESSION**

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

*The individuals that were asked to leave the meeting for Executive Session returned to the meeting.*

Commission Attorney advised as a follow up as discussed in closed session an unanticipated discussion was had relative to claim numbers 64659, 64851, 64863 and 65179. There was no action taken but only informational. In addition there was some discussion relative to worker compensation claims involving law enforcement officers and light duty with no action requested or anticipated at this time.

**MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:08 AM**

Minutes prepared by: Cathy Dodd, Assisting Secretary



## **APPENDIX II**

### ***2019 PLAN OF RISK MANAGEMENT***

# Union County Insurance Commission

## 2019 Plan of Risk Management

BE IT RESOLVED by the Insurance Commission's governing body that effective January 1, 2019, the 2019 Plan of Risk Management shall be:

### The Perils or Liability to be Insured Against

The Insurance Commission insures the following perils or liability:

1. Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act
2. General Liability including Law Enforcement Liability and Employee Benefits Liability
3. Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage
4. Property, Automobile Physical Damage and Boiler & Machinery.

The following coverages are provided to the Insurance Commission's member entities by the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund (NJC):

1. Excess Workers' Compensation including Employers' Liability
2. Excess General Liability including Law Enforcement Liability and Employee Benefits Liability
3. Excess Automobile Liability
4. Excess Property including Boiler & Machinery
5. Public Officials Liability / Employment Practices Liability
6. Crime
7. Pollution Liability
8. Employed Lawyers Liability
9. Non-Owned Aircraft Liability

### The Limits of Coverage

**NOTE: Each Member entity is responsible for paying up to its individual self-insured retention/deductible on the ancillary lines of insurance purchased from the commercial market via the NJC. The above description is a general overview of the coverage and limits provided by the Insurance Commission. The actual terms and conditions are defined in the individual policy documents and this Risk Management Plan. All issues and/or conflicts shall be decided upon by the individual policy documents. Additional limits, sublimits, deductibles, retentions, terms and conditions apply.**

1. Workers' Compensation
  - \$300,000 per occurrence
  - Employer's Liability, USL&H and Harbor Marine/Jones Act – included
  - The NJC covers excess workers' compensation claims to the following limits:
    - a. Workers' Compensation – Statutory excess of the Insurance Commission's \$300,000.
    - b. Employer's Liability – \$20,700,000 excess of the Insurance Commission's \$300,000.
    - c. USL&H – \$250,000, less NJ State benefits, excess of the Insurance Commission's \$300,000.
    - d. Harbor Marine/Jones Act – \$250,000, less NJ State benefits, excess of the Insurance Commission's \$300,000.
  - NJC retains limits of \$250,000 excess \$300,000 for Workers' Compensation and Employers Liability. NJC purchases from Brit a buffer layer of \$450,000 excess of \$550,000. NJC purchases from Safety National Statutory Workers' Compensation limits excess of \$1,000,000 and \$5,000,000 excess of \$1,000,000 SIR for Employer's Liability. Additional Employer's Liability limits of \$15,000,000 per occurrence/aggregate excess of \$6,000,000 are purchased from Brit.

2. General Liability
  - The Insurance Commission covers \$250,000 per occurrence.
  - Law Enforcement, Employee Benefits Liability, Subsidence, Owned Watercraft and Garagekeepers Liability – included
  - The NJC covers excess liability claims as follows:
    - a. General Liability – \$15,250,000 per occurrence/\$20,250,000 aggregate excess the Insurance Commission's \$250,000.
    - b. Subsidence – \$250,000 per occurrence excess of the Insurance Commission's \$250,000.
    - c. Owned Watercraft – \$250,000 excess of the Insurance Commission's \$250,000.
    - d. Garagekeepers Legal Liability – \$250,000 excess of the Insurance Commission's \$250,000.
  - NJC retains limits of \$250,000 excess \$250,000 and purchases from Brit excess limits of \$15,000,000 per occurrence/\$20,000,000 aggregate for each of General Liability, Law Enforcement Liability and Employee Benefits Liability.
  
3. Automobile Liability
  - The Insurance Commission covers automobile liability claims as follows:
    - a. Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of \$250,000.
    - b. \$250,000 for Personal Injury Protection (PIP).
  - \$15,000 / \$30,000 / \$5,000 for Underinsured/Uninsured Motorists Liability.
  - The NJC covers excess automobile liability claims as follows:
    - a. Automobile Bodily Injury and Property Damage Liability - \$15,250,000 excess of the Insurance Commission's \$250,000 CSL limit.
  - NJC retains limits of \$250,000 excess \$250,000 and purchases from Brit a limit of \$15,000,000 per accident excess over the Insurance Commission's \$250,000.
    - a. The NJC does not provide excess PIP or Uninsured/Underinsured Motorist Coverage.
  
4. Public Officials Liability / Employment Practices Liability
  - The NJC, via a commercial insurer, covers public officials liability and employment practices liability as follows (the Insurance Commission retains no risk for public officials liability / employment practices liability):
    - a. \$10,000,000 each claim and in the annual aggregate on a claims made basis per member Insurance Commission subject to the retentions outlined below:
      1. POL – \$250,000
      2. EPL – \$250,000
  
5. Employed Lawyers Liability
  - The NJC, via a commercial insurer, provides employed lawyers liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for employed lawyers liability):
    - a. Limit: \$5,000,000 per claim and \$10,000,000 annual aggregate
    - b. Self-insured retention, per claim: \$25,000
  
6. Non-Owned Aircraft
  - The NJC, via a commercial insurer, covers \$9,000,000 CSL for Bodily Injury and Property Damage Liability, and \$5,000 medical expense for each passenger (the Insurance Commission retains no risk for employed lawyers liability).
  
7. Property including Boiler & Machinery
  - The NJC provides excess property coverage of \$150,000 excess of the member Insurance Commission limit of \$100,000, and excess coverage via the commercial

market with Zurich and excess property coverage with various insurers on a quota share basis with the following limits (shared by all NJC member commissions and their member entities) excess of the Insurance Commission retention and member entity per occurrence deductibles:

- Limits & Deductibles
    - a. \$260,000,000 Per Occurrence with various insurers excess \$100,000 deductible (PD & TE)
    - b. Sublimits:
      - 1. Boiler & Machinery - \$100,000,000
      - 2. Earthquake - \$200,000,000 (Annual Aggregate)
      - 3. Flood - \$100,000,000 (Annual Aggregate)
        - i. Special Flood Hazard Area (SFHA) Flood - \$75,000,000
      - 4. Extra Expense – \$10,000,000
      - 5. Miscellaneous Unnamed Locations - \$10,000,000
      - 6. New Construction and Additions - \$25,000,000
      - 7. Automobile Physical Damage - \$15,000,000 (including contents and equipment affixed to a member entity vehicle)
      - 8. Outdoor Property - \$10,000,000
    - c. Property Deductibles
      - 1. \$100,000 per occurrence
      - 2. Equipment Breakdown is \$25,000 per occurrence
      - 3. Earthquake is \$100,000
      - 4. Flood is \$100,000 per occurrence
        - i. Special Flood Hazard Area (SFHA) is \$500,000 buildings and \$500,000 contents and \$250,000 time element
      - 5. Named Storm is \$100,000
        - i. As respects to covered property in Atlantic, Ocean, Monmouth and Burlington Counties located east of the Garden State Parkway and any covered property in Cape May County, Property Damage is 1% of the location TIV and Time Element is 1% of the 12 months Gross Earnings/Profit that would have been earned following the occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence. Combined PD and TE deductible is subject to a minimum deductible of \$250,000 per Location and a maximum deductible of \$1,000,000 per occurrence.
8. Crime
- The NJC, via a commercial insurer, provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):
    - a. Limit per occurrence: \$1,000,000
    - b. Deductible per occurrence: \$25,000
9. Pollution Liability
- The NJC, via a commercial insurer, provides pollution liability at the following limits and deductibles (the Insurance Commission retains no risk for Pollution Liability):
    - a. Limit of Liability: \$10,000,000 per claim and \$25,000,000 annual aggregate
    - b. Member Entity Deductible: \$25,000
10. Employed Lawyers Liability
- The NJC, via the commercial market, provides employed lawyers liability coverage at the following limits and retention (the Insurance Commission retains no risk for employed lawyers' professional liability):
    - a. Limit per claim / annual aggregate: \$5,000,000 / \$10,000,000

b. Member Entity Self Insured Retentions: \$25,000

**The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage)**

1. Workers' Compensation (all coverages) - \$300,000 CSL
2. General Liability (all coverages) - \$250,000 CSL
3. Automobile Liability
  - a. Property Damage & Bodily Injury - \$250,000 CSL
  - b. Underinsured/Uninsured - \$15,000 / \$30,000 / \$5,000 CSL
  - c. Personal Injury Protection - \$250,000 CSL
4. Public Officials Liability/Employment Practices Liability – None
5. Property - None
6. Crime – None
7. Pollution Liability – None
8. Employed Lawyers Liability – None
9. Non-Owned Aircraft – None

**Coverage to be purchased from a commercial insurer**

The Insurance Commission does not purchase commercial insurance.

**Reinsurance to be purchased**

The Insurance Commission does not purchase reinsurance.

**The amount of unpaid claims to be established**

The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Insurance Commission expects the claims servicing company to set reserves at 85% accuracy. The Insurance Commission also establishes reserves recommended by the Insurance Commission's Actuary for claims that have been incurred but not yet reported so that the Insurance Commission has adequate reserves to pay all claims and allocated loss adjusted expense liability.

Claims reserves are subject to regular review by the Insurance Commission's Executive Director/Administrator, Attorney, Board of Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Insurance Commission either directly or through the NJC.

**The method of assessing contributions to be paid by each member of the Insurance Commission when applicable**

By November 15th of each year, the actuary computes the probable net cost for the upcoming Insurance Commission year by line of coverage and for each prior Insurance Commission year. The Actuary includes all budget items in these computations. The annual assessment of each participating member entity is its pro rata share of the probable net cost of the upcoming Insurance Commission year for each line of coverage as computed by the Actuary.

The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Insurance Commission's Governing Body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Insurance Commission wide average increase plus a percentage selected by the Governing Body. The total

amount of each member's annual assessment is certified by majority vote of the Insurance Commission's Governing Body at least one (1) month prior to the beginning of the next fiscal year.

The Treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust Insurance Commission account by Insurance Commission year for each type of coverage in which the member participates.

If a member entity becomes a member of the Insurance Commission or elects to participate in a line of coverage after the start of the Insurance Commission year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.

The Insurance Commission's Governing Body may by majority vote levy upon the participating member entities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.

Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Insurance Commission fail to assess funds required to meet its obligations, the Chairman, or in the event by his or her failure to do so, the custodian of the Insurance Commission's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Insurance Commission's Governing Body.

### **Procedures governing loss adjustment and legal expenses**

The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office, as well as the claims department of the NJC's major excess insurers (i.e. Underwriters at Lloyds (Brit) and Safety National Casualty Company for workers' compensation). Every three years, the NJC's internal auditors also conduct an audit.

Each member entity is provided with a claims reporting procedure and appropriate forms.

In order to control workers' compensation medical costs, the Insurance Commission has engaged a managed care organization (MCO) *through the claims service company* whose procedures are integrated into the Insurance Commission's claims process.

To provide for quality defense and control costs, the Insurance Commission has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.

### **Procedures for the closure of Insurance Commission years, including the maintenance of all relevant accounting records**

Not applicable.

### **Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.**

The general approach in estimating the loss reserves of the Insurance Commission is to project ultimate losses for each Insurance Commission year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss

development method. From the two different indications resulting from these methods the Insurance Commission Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or Insurance Commission funding requirement.

The following is an overview of the two actuarial methods used to project the ultimate losses.

1. Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
2. Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

**The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22**

1. \$15,000 for workers compensation claims
2. \$15,000 for liability claims
3. \$5,000 for auto physical damage claims
4. With the advance approval of the Insurance Commission Attorney or Executive Director, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled Insurance Commission meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this 17 day of January, 2019    .

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**COMMISSION CHAIRPERSON**

**ATTEST:**

\_\_\_\_\_  
**COMMISSION VICE CHAIRPERSON**