

**UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – October 29, 2018
County of Union
Administration Building – 6th Floor
Freeholder Conference Room
10 Elizabethtown Plaza
Elizabeth, NJ
10:30 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	Excused
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	D&H Alternative Risk Solutions, Inc. Kathleen Guze Wayne Ring
	Conner Strong & Buckelew
Managed Care Services	First MCO Alyson Cronk
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Acrisure, LLC
Treasurer	
Attorney	Robert Barry, Esq.
Safety	J.A. Montgomery Risk Control Glenn Prince T&M Associates Mark Worthington

ALSO PRESENT:

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

APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF SEPTEMBER 19, 2018

MOTION TO APPROVE THE OPEN MINUTES AND CLOSED MINUTES OF SEPTEMBER 19, 2018

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington advised there were some Blood Pathogens Training at the Prosecutor's Office as well as some Ladder Training for the Tel-com folks. Mr. Prince reported the Correctional Sub Committee met and he distributed the most commonly cited PEOSH citations for the second quarter and asked that they use the document as a self-assessment guide to identify any issues. Mr. Prince stated Corrections should contact Mr. Worthington or himself to assist with any issues.

CLAIM COMMITTEE: Executive Director reported Mr. Cusack was involved in a minor fender bender and was not in attendance. Executive Director referred to Mr. Cusack's 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. Executive Director referred to the four policies listed in the memo and indicated any claims, suits and incidents must be reported to the carrier prior to the expiration date of 12/31/18. Executive Director asked that the usual claim procedures be followed and provide any notice to D&H Alternative Risk Solutions no later than Monday, December 17th.

Executive Director advised the Best Practice Workshop was scheduled for Wednesday, October 31, 2018 at Conner Strong & Buckelew's Marlton Office. Executive Director noted video conference was available at the Parsippany Office. Executive Director referred to a copy of the agenda which was included in the agenda and reviewed the scheduled presentations.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and he had two action item.

RFP FOR PROFESSIONAL SERVICES – ACTUARY: Executive Director reported the Commission Service Agreement for the Actuary would expire as of December 31, 2018. Executive Director advised the Fund Office would issue a draft copy of the RFP and send to the Commission Attorney for his review and approval before it was advertised in the Commission's official newspapers.

MOTION TO AUTHORIZE THE FUND OFFICE TO ADVERTISE A REQUEST FOR PROPOSALS FOR THE 2019 ACTUARY POSITION

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 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 September was included in the agenda. Executive Director advised there was 6 certificates issued during the month of September.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE met on September 27, 2018 and a summary report of the meeting was included in the agenda. Executive Director advised PERMA was meeting with representatives of Origami to discuss the online underwriting and claims data platform for members' to access. Executive Director stated the Fund Auditor submitted and reviewed the final audit for the period ending December 31, 2017 and there were no recommendations or findings. The NJCE also met on October 25, 2018 and introduced the 2019 budget in the amount of \$22,997,729 which represented a 7.1% increase over last year's budget. Executive Director explained the Fund Actuary was projecting a 12% increase to the loss funds as the NJCE was taking responsibility for property claims up to \$250,000 less the \$100,000 underlying retention. Executive Director also advised there would be an increase in premium from Zurich, the Excess Property carrier, due to the property losses and high loss ratios over the past three years. Executive Director stated the budget also included funds for a Property TPA. In response to Chair Wagner's inquiry, Executive Director advised several of the Counties had experienced losses over the years and it was just not one particular county. Executive Director reported there was also a discussion on dividends. Executive Director advised there were several different options available ranging from \$300,000 to \$1,000,000 and noted copies of the options were distributed at the start of the meeting. The NJCE Board of Fund Commissioners suggested the local Commissions make a recommendation what dividend options would be most beneficial.

MOTION TO MAKE A RECOMMENDATION TO THE NJCE FOR A DIVIDEND IN THE AMOUNT OF \$750,000 SUBJECT TO DISCUSSION WITH THE COMMISSION TREASURER

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

UCIFC 2019 BUDGET: Executive Director reported the Union County Insurance Fund Commission 2019 Budget would be introduced at the December 19, 2018 meeting. Executive Director advised Budget Adoption would be scheduled for the January meeting.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the August Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,398,278 as of August 31, 2018.

Executive Director referred to Line 10 of the report, "Investment in Joint Venture" and indicated \$1,914,313 of the surplus was the UCIFC's share of the NJCE equity. Executive Director noted the cash amount was \$4,824,960.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the August Financial Fast Track was included in the agenda. As of August 31, 2018 the Fund had a surplus of \$13,959,607. 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 August 31, 2018 were included in the agenda. Executive Director reported he reviewed the Claims Activity Report and noted he did not find any anomalies. Executive Director referred to a copy of the Claims Management Report Expected Loss Ratio Analysis Report as of August 31, 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 property and worker compensation were running slightly higher. Executive Director asked if anyone had any questions on the claims reports.

NJCE CLAIMS REVIEW: Executive Director advised at the last meeting Mr. Cusack discussed open claims prior to the formation of the Commission and recommended a claim review sometime in the spring. Executive Director advised Ms. Dodd spoke to the Commission Attorney and he suggested to have a discussion on a claim review at the meeting. In response to Commission Attorney, Executive Director advised the TPA would be given a list a claims to review at the meeting with regard to reserving, and the amount paid. Executive Director noted this would apply to worker compensation claims. Commission Attorney advised a motion was not needed unless the Commissioners had any objections in setting up a meeting. It was agreed a meeting would be scheduled for some time in April 2019.

2019 AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE: Executive Director reported the 2019 auto ID cards and WC Posting Notices would be sent out for distribution the beginning of December. Executive advised the NJCE Underwriting Manager's Team would review the certificates which needed to be re-issued for the 2019 renewal.

2018 MEETING SCHEDULE: Executive Director reminded the Commission there was no meeting scheduled for November and the next meeting was on Wednesday, December 19, 2018 at 10:00 AM.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Executive Director referred to Resolution 27-18, October Bill List which was included in the agenda. After a brief discussion it was agreed that the bill list should be approved in the Commission Treasurer's absence. Executive Director indicated the payments represented the monthly expenses and Commission Attorney noted Commission Treasurer previously sent an e-mail to Ms. Dodd regarding the October bill list.

**MOTION TO APPROVE RESOLUTION 27-18 OCTOBER BILL LIST IN
THE AMOUNT OF \$13,560.77**

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

In response to the Chair's inquiry, Ms. Dodd advised the bills from Crypsis were paid by D&H out of the claims account, therefore they would not appear on the monthly bill list in the agenda.

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

ATTORNEY: Mr. Barry advised last week he attended the County Council Association Meeting and mentioned to the Executive Director prior to the meeting the County Council from Monmouth County entered into a one year contract with AvaSci. Mr. Barry provided a brief overview of AvaSci and asked for authorization to look into their services for hiring new employees and later for worker compensation claims. Mr. Barry noted he would contact the County of Monmouth for AvaSci's contact information to see if there was any advantage in utilizing their services. The Commissioners agreed that Mr. Barry should research further. Ms. Guze stated she had not heard of AvaSci but it seemed their services were familiar to Biokinetix and would look into it also.

CLAIMS SERVICE: Ms. Guze reported for the month of September there were 29 claims. Ms. Guze advised of those claims 29 claims, 19 were closed, 4 were for reporting purposes only, 1 was denied and 1 remained open for subrogation. Ms. Guze advised of the 29 claims, 10 were treating. Ms. Guze noted as in the past it seemed the most prevalent injuries involved slip and falls or lifting. Ms. Guze advised that was a trend throughout worker compensation claims.

MANAGED CARE: Ms. Cronk advised First MCO's reports were included in the agenda. Ms. Cronk reported for the month of September there were 30 claims reported, 24 were medical only, 1 lost time and 96% were total case managed. Ms. Cronk reported for the month of September bills were received in the amount of \$159,672. First MCO repriced the bills to \$60,175 for a total savings of \$99,497 or a 62% savings. There were 185 bills, 157 were in network and 20 were out of network with a penetration rate of 85%. Ms. Cronk advised of those 20 out of network bills, Ms. Cronk pointed out that they were already in negotiations with the provider. Executive Director asked Ms. Cronk to provide an update on the negotiations with Practice Medical Associates.

RISK MANAGER: Ms. Racioppi was not in attendance.

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the September – October Risk Control Activities Report which was included in the agenda. Mr. Prince advised the agenda also included a memo regarding the updated and expanded Media Library. Mr. Prince reported significant additions were made and additional DVD's were purchased. Mr. Prince encouraged everyone to utilize the Media Library. Mr. Prince advised tomorrow he would be presenting to the County the BRIT Team Platform for a demonstration, an online training program, provided by the excess carrier, BRIT. Mr. Prince noted this training was available for no additional cost. Mr. Prince spoke about the BRIT Safety Grant and advised he had discussed the grant at some of the Safety Committee Meetings. Mr. Prince advised that concluded his report unless anyone had any questions.

Correspondence Made Part of Minutes

OLD BUSINESS: None

NEW BUSINESS: Ms. Cronk advised she did have an update on Clarke and reported there was a meeting today to review the submission of the bills. There was a question with the federal tax number as all of the facilities used the same number. Executive Director asked that there bill a follow up.

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 4656, 4863 and 5179. 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 Scutari
Vote:	2 Yes, 0 Nays

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

MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

MOTION TO ADJOURN:

October 29, 2018 Union County Insurance Fund Commission OPEN Minutes

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

MEETING ADJOURNED: 11:06 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary