

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

**COUNTY OF UNION
ADMINISTRATION BUILDING – 6TH FLOOR
FREEHOLDER CONFERENCE ROOM
10 ELIZABETHTOWN PLAZA
ELIZABETH, NJ
10:00 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: JULY 17, 2019
ADMINISTRATION BUILDING – 6TH FLOOR
FREEHOLDER CONFERENCE ROOM
10 ELIZABETHTOWN PLAZA
ELIZABETH, NJ
10:00 AM

- ☐ **MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
 - ☐ **ROLL CALL OF COMMISSIONERS**
 - ☐ **APPROVAL OF MINUTES:** April 17, 2019 Open MinutesAppendix I
April 17, 2019 Closed Minutes.....Handout
June 19, 2019 Open Minutes.....Appendix I
June 19, 2019 Closed Minutes.....Handout

 - ☐ **CORRESPONDENCE:**

 - ☐ **COMMITTEE REPORTS**
 - Safety Committee: Verbal
 - Claims Committee: Verbal

 - ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMAPages 2-12**

 - ☐ **TREASURER – Bibi Taylor**
 - Resolution **24-19** July Bill List – Motion.....Page 13
 - April Treasurer Reports -Pages 14-15

 - ☐ **ATTORNEY – Bruce H. Bergen, Esq. Verbal**

 - ☐ **CLAIMS SERVICE – D&H Alternate Risk Solutions, Inc..... Verbal**

 - ☐ **MANAGED CARE – First MCO**
 - Monthly Report –JunePages 16-18

 - ☐ **NJCE SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report.....Pages 19-20

 - ☐ **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 21**

 - ☐ **APPROVAL OF PARS - Motion**
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- ☐ **MEETING ADJOURNMENT**
 - ☐ **NEXT SCHEDULED MEETING: September 18, 2019 ADMINISTRATION BUILDING, 6TH FLOOR, FREEHOLDER CONFERENCE ROOM, 10 ELIZABETH 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: July 17, 2019

Memo to: Commissioners of the Union County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

- ☐ **Certificate of Insurance Report (Page 4)** – Attached on page 4 is the certificate of insurance issuance report from the NJCE listing those certificates issued during the month of June. There were 4 certificates issued in June.

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

- ☐ **Commission Auditor Contract** - The Commission Auditor Contract with Suplee, Clooney & Company will expire on September 30, 2019. As we did last year the Fund Office will prepare and advertise the RFP for the 2019 Commission Auditor position. A draft copy of the RFP will be sent to the Commission Attorney for his review.

☐ **Motion to authorize the Fund Office to prepare and issue an RFP for the 2019 Commission Auditor position**

The auditor has started the 2018 Commission Audit and we expect a representative from Suplee, Clooney and Company will present a copy of the audit at our September meeting.

- ☐ **Revised 2019 Plan of Risk Management (Appendix II)** – Effective July 1, 2019 the Plan was amended moving the Garagekeepers Liability coverage to the Property Section allowing full limits for Garagekeepers Liability. Attached in Appendix II is a copy of the revised plan, Resolution 23-19. The changes are highlighted in yellow.

☐ **Motion to adopt Resolution 23-19, Revised Plan of Risk Management**

- ☐ **NJ Counties Excess Joint Insurance Fund (NJCE) (Pages 5-7)** –The NJCE last met on June 27, 2019. Attached on pages 5-7 is a written summary of the meeting. The NJCE is scheduled to meet again on September 26, 2019.
- ☐ **NJCE Appointed Property TPA** – The Board of Fund Commissioners adopted a resolution awarding a contract to Scibal Associates, Inc., t/a Qual-Lynx for Property Claims Administrator Services at their last meeting on June 27, 2019. Qual-Lynx was selected after an RFP process and evaluation by Fund Commissioners and JIF Professionals. The contract is effective as of August 1, 2019 and it is anticipated that Qual-Lynx will handle all property

claims from first dollar, with the exception of auto physical damage claims, which will remain with the current TPA.

Introductory meetings with Qual-Lynx will be set up for the next Claims and or Commission meetings.

- ❑ **UCIFC Financial Fast Track (Page 8)** - Included in the agenda on page 8 is a copy of the Financial Fast Track for the month of April. As of **April 30, 2019** there is a statutory surplus of **\$2,620,954**. Line 10 of the report, “Investment in Joint Venture” is the Union County Insurance Fund Commission’s share of the equity in the NJCE, **\$2,085,462**. The total cash amount is **\$5,432,202**.
- ❑ **NJCE Property & Casualty Financial Fast Track (Pages 9-10)** – Included in the agenda on pages 9-10 is a copy of the Financial Fast Track for the month of April. As of **April 30, 2019** the Fund has a surplus of **\$17,081,650**. The cash amount is **\$29,211,967**.
- ❑ **Claims Tracking Reports (Pages 11-12)** – Included in the agenda on page 11 is the Claim Activity Report as of April 30, 2019. Also included in the agenda on page 12 is the Claims Management Report Expected Loss Ratio Analysis Report as of April 30, 2019. This report measures how the losses are running compared to the actuary’s projections for 2019. Executive Director will review both reports at the meeting.
- ❑ **2019 Meeting Schedule** – The Commission is not scheduled to meet in August. The next scheduled meeting is on September 18, 2019.

From 6/1/2019 To 6/30/2019

Union County Insurance Commission Certificate of Insurance Monthly Report

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID	Coverage
H - Westfield Board of Education I - County of Union	302 Elm St Westfield, NJ 07090	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 the Union County Prosecutors Office use the Westfield High School auditorium on June 13, 2019 to host Community Forum on Juvenile Justice.	6/5/2019 #2187412	GL AU EX WC OTH
H - Westfield Board of Education I - County of Union	302 Elm Street Westfield, NJ 07090	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	6/10/2019 #2191675	GL AU EX WC OTH
H - State of New Jersey I - County of Union	NJ Department of Human Services Division of Mental Health and Addiction Services P.O. Box 362 Hamilton, NJ 08691	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 Affiliation Agreement with the State of New Jersey Department of Human Services/Division of Mental Health and Addition Services and US Living Will Registry	6/10/2019 #2191683	GL AU EX WC OTH
H - John H. Stamler Police Academy I - County of Union	1776 Raritan Road 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.	6/18/2019 #2196478	GL AU EX WC OTH
Total # of Holders: 4				

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive – Suite 216
Parsippany, NJ 07054-4412
Telephone (201) 881-7632 Fax (201) 881-7633

Date: June 27, 2019
To: Union County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: New Jersey Counties Excess Meeting Report

Financial Fast Track: The Financial Fast Track as of April 30, 2019 reflected a year-to-date change of approximately \$90,000 in discount claim values on reserves and an overall statutory surplus of \$17 million.

December 31, 2018 Audit: Fund Auditor submitted a draft financial audit for the period ending December 31, 2018 and provided a summary review of the Financial Statements. Fund Auditor reported there were no recommendations or findings. Fund Auditor said the Fund is in excellent financial condition would be submitting a final report at the September meeting. The Board of Fund Commissioners adopted a resolution authorizing the Fund office to file the draft audit and request an extension to file the final audit report to the State's regulatory agencies.

Litigation Management: Fund Attorney submitted a report that a Request for Proposals (RFP) for Litigation Management services was advertised and one response from Citta, Holzapfel & Zabarsky P.A. (incumbent firm) was received. The Board of Fund Commissioners adopted a resolution ratifying an agreement between the Fund and Citta, Holzapfel & Zabarsky P.A. for Litigation Management Services.

Excess Property Third Party Administrator (TPA): Executive Director said as previously discussed, effective 1/1/2019 the Excess Property Self Insured Retention (SIR) increased from \$100,000 to \$250,000 - funded at the NJCE level – and claims would be managed by a TPA to adjust Excess Property claims from 1st dollar. Fund Attorney reported that an initial RFP was issued in January, but all responses were rejected in order to clarify information in the RFP.

Fund Attorney said a 2nd RFP was issued and a total of 5 responses were received; two vendors were not considered as they did not fully address an item(s) in the RFP and the other three vendors were interviewed by an RFP Evaluation Committee on June 25th. Fund Attorney submitted a memorandum to Board, which noted the Committee's recommendation to award an agreement to Scibal Associates, Inc. t/a Qual-Lynx based on tallied score sheets. Contract term is August 1, 2019 thru re-organization in February 2022. The Board of Fund Commissioners adopted a resolution awarding a contract to Scibal Associates, Inc. t/a Qual-Lynx for Property Claims Administrator Services.

Legislation Update: Deputy Executive Director said the Municipal Excess Liability JIF (MEL), NJ League of Municipalities (LOM) and New Jersey Association of Counties (NJAC) have been monitoring Senate Bill no. S-477 (Statute of Limitations), as well as, the amending Bills S3739 and A5392 which extends the statute of limitations in civil actions for sexual abuse claims from two years to virtually unlimited. In late April, the draft amendment Bill S3739 was revised whereas eliminating all public entity immunities including those provided under Title 59. This created even greater implications for public entities, public officials, elected officials and all levels of government employees. The joint effort of the MEL, LOM, NJAC and New Jersey Schools Insurance Group (NJSIG) and with the help of other parties, the sponsor agreed to amend the Bill to bring back “common law” immunities and “case law” immunities for public entities. Deputy Executive reported that while Title 59 immunities were not reinstated this is a better result than having public entities in a “strict liability” situation. The law goes into effect 12/31/19.

Deputy Executive Director reported the MEL and its affiliated JIF - the Residual Claims Fund (RCF) - are working on a comprehensive training and education program as well as formulating a specialized claims handling and defense program to address the added exposure to its membership. The MEL and RCF will likely authorize the release of a request for proposal for specialized claims handling and defense panel firms. In addition, the MEL is working with J.A. Montgomery on the training and education program. The NJCE Board of Fund Commissioners agreed to participate with the MEL and RCF in the training and education program and the specialized claims handling and defense program.

Lastly, Deputy Executive Director reported that in addition to training, the MEL and RCF will provide cash flow options for their membership to address all current claims or new “tail” claims since it is impossible for the Actuary to assess loss funds for this new exposure. The NJCE Board of Fund Commissioners agreed to review a similar cash flow option for its membership at the next meeting.

2020 Renewal – Underwriting Data Collection: Executive Director reported the fund office will begin the data collection process for the 2020 renewal in order to provide relevant information to underwriters.

PERMA has entered into a contract with Origami to develop an online underwriting and claims data platform for members to access as a resource. Historical underwriting data and audited payrolls will be uploaded into the platform for members to review. Each Commission/County member has been asked to provide two representatives that will have access to the system. The anticipated launch date is late July allowing members to review underwriting data in time to introduce a budget at the October meeting. Additional information regarding system training and access will be provided when available.

New Jersey Association of Counties (NJAC): In May, the Board supported the Fund’s membership in the NJAC, as well as, attendance at the May 8-10th in Atlantic City. Attendees found the conference and the seminars beneficial and look forward to participating in future NJAC events.

New Jersey Counties Excess JIF Logo: In May, the Board supported development of a logo and two options were circulated for feedback: a) Doric Column design and b) NJ State/Leaf design. The NJ/leaf design was unanimously agreed upon and will be finalized by the graphic designer.

Claims Status Summary: AmeriHealth Casualty Services was in need of a Closed Session to discuss claims status and other matters, which was reviewed during Closed Session.

NJCE Coverage Committee: A Coverage Committee meeting has been scheduled for July 9, 2019 at 11:00AM; location will be hosted at the new Connor Strong & Buckelew Camden location with video conference available in other offices. Interested participants should contact the Fund office if you would like to attend.

Underwriting Manager: Underwriting Manager reported the NJCE Risk Management Plan will be amended at the next meeting to reflect two changes that are informational only: 1) name change of Rowan College and 2) clarification of garage-keepers liability. Underwriting Manager reported discussions are ongoing with excess carriers on the 2020 renewal and will provide additional information at the next meeting.

Risk Control: Safety Director submitted a report reflecting the risk control activities, meetings attended and the Safety Director Bulletins that were distributed from April to July 2019. Safety Director reported J.A. Montgomery issues an annual bulletin to members on the NJPEOSH Recording keeping regulations and can provide assistance to members to meet this compliance.

Next Meeting: The next meeting of the NJCE fund is scheduled for September 26, 2019 at 1:00PM at the Camden County Emergency Training Center.

UNION COUNTY INSURANCE COMMISSION						
FINANCIAL FAST TRACK REPORT						
			AS OF	April 30, 2019		
ALL YEARS COMBINED						
			THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME		415,195	1,660,779	5,739,964	7,400,743
2.	CLAIM EXPENSES					
		Paid Claims	94,304	300,284	1,350,944	1,651,228
		Case Reserves	88,198	282,518	734,406	1,016,924
		IBNR	225,864	524,035	3,621,836	4,145,871
		Discounted Claim Value	(5,499)	(7,187)	(101,676)	(108,863)
	TOTAL CLAIMS		402,867	1,099,649	5,605,510	6,705,160
3.	EXPENSES					
		Excess Premiums	0	0	0	0
		Administrative	15,053	62,002	181,152	243,154
	TOTAL EXPENSES		15,053	62,002	181,152	243,154
4.	UNDERWRITING PROFIT (1-2-3)		(2,725)	499,127	(46,698)	452,429
5.	INVESTMENT INCOME		10,053	33,155	49,908	83,063
6.	PROFIT (4 + 5)		7,328	532,282	3,210	535,492
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		30,996	79,459	2,006,003	2,085,462
11.	SURPLUS (6 + 7 + 8 - 9)		38,324	611,741	2,009,213	2,620,954
SURPLUS (DEFICITS) BY FUND YEAR						
	2018		(5,918)	458,798	2,009,213	2,468,011
	2019		44,242	152,943		152,943
TOTAL SURPLUS (DEFICITS)			38,324	611,741	2,009,213	2,620,954
TOTAL CASH						5,432,202
FUND YEAR 2018						
		Paid Claims	38,913	198,887	1,350,944	1,549,831
		Case Reserves	104,582	158,755	734,406	893,161
		IBNR	(120,810)	(793,521)	3,621,836	2,828,315
		Discounted Claim Value	649	19,352	(101,676)	(82,324)
	TOTAL FY 2018 CLAIMS		23,335	(416,528)	5,605,510	5,188,982
FUND YEAR 2019						
		Paid Claims	55,391	101,397		101,397
		Case Reserves	(16,385)	123,763		123,763
		IBNR	346,674	1,317,556		1,317,556
		Discounted Claim Value	(6,148)	(26,539)		(26,539)
	TOTAL FY 2019 CLAIMS		379,532	1,516,177	0	1,516,177
COMBINED TOTAL CLAIMS			402,867	1,099,649	5,605,510	6,705,160

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	April 30, 2019		
ALL YEARS COMBINED						
			THIS	YTD	PRIOR	FUND
			MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME		2,003,560	7,886,834	139,838,292	147,725,126
2.	CLAIM EXPENSES					
		Paid Claims	326,594	377,152	3,794,828	4,171,981
		Case Reserves	(343,000)	(596,275)	5,641,230	5,044,955
		IBNR	396,646	587,553	8,032,894	8,620,447
		Discounted Claim Value	(66,717)	(89,968)	(1,272,066)	(1,362,034)
	TOTAL CLAIMS		313,523	278,461	16,196,887	16,475,348
3.	EXPENSES					
		Excess Premiums	1,274,677	4,986,742	97,129,691	102,116,432
		Administrative	155,039	656,030	10,482,471	11,138,501
	TOTAL EXPENSES		1,429,716	5,642,771	107,612,162	113,254,934
4.	UNDERWRITING PROFIT (1-2-3)		260,321	1,965,601	16,029,244	17,994,844
5.	INVESTMENT INCOME		51,087	196,828	497,530	694,358
6.	PROFIT (4+5)		311,408	2,162,428	16,526,774	18,689,202
7.	Dividend		0	0	1,607,551	1,607,551
8.	SURPLUS (6-7-8)		311,408	2,162,428	14,919,223	17,081,651
SURPLUS (DEFICITS) BY FUND YEAR						
	2010		1,313	2,916	777,092	780,008
	2011		1,951	(86,894)	878,879	791,986
	2012		2,414	32,138	1,184,534	1,216,673
	2013		4,055	137,407	2,027,740	2,165,147
	2014		29,351	244,834	2,492,972	2,737,806
	2015		6,089	154,674	1,162,564	1,317,238
	2016		7,051	473,701	3,256,376	3,730,077
	2017		6,728	(282,369)	2,011,827	1,729,458
	2018		7,266	655,383	1,127,237	1,782,620
	2019		245,189	830,638		830,638
TOTAL SURPLUS (DEFICITS)			311,408	2,162,428	14,919,222	17,081,650
TOTAL CASH						29,211,967

NEW JERSEY COUNTIES EXCESS JIF					
FINANCIAL FAST TRACK REPORT					
AS OF		April 30, 2019			
ALL YEARS COMBINED					
THIS MONTH		YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2010					
Paid Claims		0	0	171,840	171,840
Case Reserves		0	0	(0)	(0)
IBNR		0	3,031	9,666	12,697
Discounted Claim Value		0	(214)	(1,005)	(1,219)
TOTAL FY 2010 CLAIMS		0	2,818	180,501	183,318
FUND YEAR 2011					
Paid Claims		5,632	21,621	488,982	510,603
Case Reserves		(103,751)	(49,608)	461,457	411,850
IBNR		98,119	128,646	39,375	168,021
Discounted Claim Value		0	(4,688)	(53,088)	(57,776)
TOTAL FY 2011 CLAIMS		0	95,971	936,726	1,032,697
FUND YEAR 2012					
Paid Claims		1,749	7,025	1,533,507	1,540,532
Case Reserves		(2,048)	(1,246)	87,538	86,292
IBNR		299	(33,937)	126,579	92,642
Discounted Claim Value		0	6,575	(22,910)	(16,335)
TOTAL FY 2012 CLAIMS		(0)	(21,582)	1,724,714	1,703,132
FUND YEAR 2013					
Paid Claims		3,033	13,215	520,298	533,514
Case Reserves		(3,033)	(84,324)	507,306	422,982
IBNR		0	(66,644)	226,103	159,460
Discounted Claim Value		0	18,563	(77,544)	(58,981)
TOTAL FY 2013 CLAIMS		0	(119,190)	1,176,165	1,056,975
FUND YEAR 2014					
Paid Claims		(23,655)	(19,656)	447,238	427,581
Case Reserves		(452)	9,431	655,655	665,086
IBNR		1	(243,725)	472,893	229,168
Discounted Claim Value		0	32,523	(91,782)	(59,259)
TOTAL FY 2014 CLAIMS		(24,105)	(221,427)	1,484,004	1,262,577
FUND YEAR 2015					
Paid Claims		339,656	342,321	395,960	738,281
Case Reserves		(235,143)	(374,554)	2,462,260	2,087,706
IBNR		(104,513)	(116,890)	603,828	486,938
Discounted Claim Value		0	21,042	(223,216)	(202,174)
TOTAL FY 2015 CLAIMS		(0)	(128,082)	3,238,832	3,110,750
FUND YEAR 2016					
Paid Claims		0	0	0	0
Case Reserves		1	(10,734)	530,313	519,579
IBNR		(1)	(496,776)	1,132,357	635,582
Discounted Claim Value		0	64,597	(170,405)	(105,807)
TOTAL FY 2016 CLAIMS		0	(442,912)	1,492,266	1,049,353
FUND YEAR 2017					
Paid Claims		0	330	25,647	25,977
Case Reserves		0	134,841	640,084	774,924
IBNR		0	241,387	2,126,369	2,367,756
Discounted Claim Value		0	(64,813)	(247,426)	(312,239)
TOTAL FY 2017 CLAIMS		0	311,744	2,544,674	2,856,418
FUND YEAR 2018					
Paid Claims		178	12,297	211,356	223,653
Case Reserves		(178)	(221,886)	296,617	74,732
IBNR		0	(441,724)	3,295,723	2,854,000
Discounted Claim Value		0	27,776	(384,692)	(356,916)
TOTAL FY 2018 CLAIMS		0	(623,536)	3,419,005	2,795,469
FUND YEAR 2019					
Paid Claims		0	0		0
Case Reserves		1,604	1,804		1,804
IBNR		402,742	1,614,183		1,614,183
Discounted Claim Value		(66,717)	(191,329)		(191,329)
TOTAL FY 2019 CLAIMS		337,628	1,424,658	0	1,424,658
COMBINED TOTAL CLAIMS		313,523	278,461	16,196,887	16,475,348

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.

Union County Insurance Commissions			
CLAIM ACTIVITY REPORT			
AS OF April 30, 2019			
COVERAGE LINE - PROPERTY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
March-19	6	4	10
April-19	6	3	9
NET CHGE	0	-1	-1
Limited Reserves			\$1,142
Year	2018	2019	TOTAL
March-19	\$0	\$12,679	\$12,679
April-19	\$0	\$10,281	\$10,281
NET CHGE	\$0	(\$2,397)	(\$2,397)
Ltd Incurred	\$293,922	\$20,209	\$314,131
COVERAGE LINE - GENERAL LIABILITY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
March-19	41	16	57
April-19	32	25	57
NET CHGE	-9	9	0
Limited Reserves			\$882
Year	2018	2019	TOTAL
March-19	\$30,475	\$14,310	\$44,785
April-19	\$29,355	\$20,947	\$50,302
NET CHGE	(\$1,120)	\$6,637	\$5,517
Ltd Incurred	\$131,950	\$20,947	\$152,897
COVERAGE LINE - AUTO LIABILITY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
March-19	4	6	10
April-19	3	9	12
NET CHGE	-1	3	2
Limited Reserves			\$799
Year	2018	2019	TOTAL
March-19	\$5,092	\$3,000	\$8,092
April-19	\$5,092	\$4,500	\$9,592
NET CHGE	\$0	\$1,500	\$1,500
Ltd Incurred	\$28,178	\$5,000	\$33,178
COVERAGE LINE - WORKERS COMP.			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
March-19	35	13	48
April-19	37	14	51
NET CHGE	2	1	3
Limited Reserves			\$18,564
Year	2018	2019	TOTAL
March-19	\$753,012	\$110,159	\$863,171
April-19	\$858,714	\$88,036	\$946,749
NET CHGE	\$105,702	(\$22,124)	\$83,578
Ltd Incurred	\$1,966,399	\$179,004	\$2,145,403
TOTAL ALL LINES COMBINED			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
March-19	86	39	125
April-19	78	51	129
NET CHGE	-8	12	4
Limited Reserves			\$7,883
Year	2018	2019	TOTAL
March-19	\$788,578	\$140,148	\$928,726
April-19	\$893,161	\$123,763	\$1,016,924
NET CHGE	\$104,582	(\$16,385)	\$88,198
Ltd Incurred	\$2,420,449	\$225,160	\$2,645,609

Union County Insurance Commissions
CLAIMS MANAGEMENT REPORT
EXPECTED LOSS RATIO ANALYSIS

AS OF April 30, 2019

FUND YEAR 2018 -- LOSSES CAPPED AT RETENTION

		Current		16			Last Month		15			Last Year		4		
	Budget	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	30-Apr-19		TARGETED	Incurred	Incurred	31-Mar-19		TARGETED	Incurred	Incurred	29-Apr-18		TARGETED
PROPERTY	320,021	293,922	293,922	91.84%	309,289	96.65%	310,026	310,026	96.88%	308,603	96.43%	88,958	88,958	27.80%	96,006	30.00%
GEN LIABILITY	427,942	131,950	131,950	30.83%	290,347	67.85%	131,444	131,444	30.72%	282,731	66.07%	27,386	27,386	6.40%	42,794	10.00%
AUTO LIABILITY	259,693	28,178	28,178	10.85%	161,080	62.03%	26,975	26,975	10.39%	154,727	59.58%	8,000	8,000	3.08%	25,969	10.00%
WORKER'S COMP	4,546,370	1,966,399	1,966,399	43.25%	3,715,569	81.73%	1,831,195	1,831,195	40.28%	3,576,440	78.67%	224,314	224,314	4.93%	272,782	6.00%
TOTAL ALL LINES	5,554,026	2,420,449	2,420,449	43.58%	4,476,284	80.60%	2,299,640	2,299,640	41.40%	4,322,500	77.83%	348,658	348,658	6.28%	437,552	7.88%
NET PAYOUT %	\$1,527,289					27.50%										

FUND YEAR 2019 -- LOSSES CAPPED AT RETENTION

		Current		4			Last Month		3			Last Year		-8		
	Budget	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	30-Apr-19		TARGETED	Incurred	Incurred	31-Mar-19		TARGETED	Incurred	Incurred	29-Apr-18		TARGETED
PROPERTY	340,421	20,209	20,209	5.94%	102,126	30.00%	14,075	14,075	4.13%	78,297	23.00%	0	0	N/A	N/A	N/A
GEN LIABILITY	428,501	20,947	20,947	4.89%	42,850	10.00%	14,310	14,310	3.34%	25,710	6.00%	0	0	N/A	N/A	N/A
AUTO LIABILITY	258,887	5,000	5,000	1.93%	25,889	10.00%	3,000	3,000	1.16%	15,533	6.00%	0	0	N/A	N/A	N/A
WORKER'S COMP	4,637,297	179,004	179,004	3.86%	278,238	6.00%	154,769	154,769	3.34%	139,119	3.00%	0	0	N/A	N/A	N/A
TOTAL ALL LINES	5,665,107	225,160	225,160	3.97%	449,103	7.93%	186,154	186,154	3.29%	258,659	4.57%	0	0	N/A	N/A	N/A

UNION COUNTY INSURANCE FUND COMMISSION BILLS LIST

Resolution No. 24-19

JULY 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

FUND YEAR 2019

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001062			
001062	PERMA RISK MANAGEMENT SERVICES	POSTAGE 6/19	1.30
001062	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 7/19	13,063.33
			13,064.63
001063			
001063	THE ACTUARIAL ADVANTAGE	ACTUARIAL FEE 7/19	501.50
			501.50
		Total Payments FY 2019	13,566.13
		TOTAL PAYMENTS ALL FUND YEARS	\$13,566.13

Chairperson

Attest:

Dated: _____

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

Treasurer

SUMMARY OF CASH AND INVESTMENT INSTRUMENTS			
UNION COUNTY INSURANCE COMMISSION			
ALL FUND YEARS COMBINED			
CURRENT MONTH	April		
CURRENT FUND YEAR	2019		
Description:		Administrative Account- Investors	Claims Account - Investors
ID Number:			
Maturity (Yrs)			
Purchase Yield:			
TOTAL for All Accts & instruments			
Opening Cash & Investment Balance	\$4,043,344.46	4,042,859.97	484.49
Opening Interest Accrual Balance	\$0.00	0	\$ -
1	Interest Accrued and/or Interest Cost	\$0.00	\$0.00
2	Interest Accrued - discounted Instr.s	\$0.00	\$0.00
3	(Amortization and/or Interest Cost)	\$0.00	\$0.00
4	Accretion	\$0.00	\$0.00
5	Interest Paid - Cash Instr.s	\$10,052.83	\$10,008.92
6	Interest Paid - Term Instr.s	\$0.00	\$0.00
7	Realized Gain (Loss)	\$0.00	\$0.00
8	Net Investment Income	\$10,052.83	\$10,008.92
9	Deposits - Purchases	\$1,539,087.98	\$1,494,701.02
10	(Withdrawals - Sales)	-\$160,282.72	-\$65,978.69
Ending Cash & Investment Balance		\$5,432,202.55	\$5,481,591.22
Ending Interest Accrual Balance		\$0.00	\$0.00
Plus Outstanding Checks		\$74,832.14	\$49.92
(Less Deposits in Transit)		\$0.00	\$0.00
Balance per Bank		\$5,507,034.69	\$5,481,641.14
			\$25,393.55

UNION COUNTY INSURANCE COMMISSION							
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED							
Current Fund Year: 2019							
Month Ending: April							
	Property	Liability	Auto	Worker's Comp	NJ CEL	Admin	TOTAL
OPEN BALANCE	9,563.42	332,745.68	241,590.18	3,480,735.64	0.00	(21,290.47)	4,043,344.45
RECEIPTS							
Assessments	91,913.83	115,695.25	69,899.36	1,161,000.00	0.00	56,192.58	1,494,701.02
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Pymnts	26.66	809.56	587.78	8,577.06	0.00	51.77	10,052.83
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	26.66	809.56	587.78	8,577.06	0.00	51.77	10,052.83
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	91,940.49	116,504.81	70,487.14	1,169,577.06	0.00	56,244.35	1,504,753.85
EXPENSES							
Claims Transfers	12,557.50	1,626.00	1,703.75	78,416.78	0.00	0.00	94,304.03
Expenses	0.00	0.00	0.00	0.00	0.00	21,591.73	21,591.73
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	12,557.50	1,626.00	1,703.75	78,416.78	0.00	21,591.73	115,895.76
END BALANCE	88,946.41	447,624.49	310,373.57	4,571,895.92	0.00	13,362.15	5,432,202.54



First Managed Care Option, Inc.

Case Management Monthly Activity Report

June 2019

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
Total FY2018	35	266	171	37	208	0	82.21%	17.79%	0.00%	1	207
Jan-19	3	19	11	2	13	0	84.62%	15.38%	0.00%	0	13
Feb-19	1	19	12	2	14	0	85.71%	14.29%	0.00%	0	14
Mar-19	3	16	9	2	11	0	81.82%	18.18%	0.00%	2	9
Apr-19	1	13	10	0	10	0	100.00%	0.00%	0.00%	0	10
May-19	4	28	18	7	25	0	72.00%	28.00%	0.00%	13	12
Jun-19	5	21	11	1	12	0	91.67%	8.33%	0.00%	7	5
Total FY2019	17	116	71	14	85	0	83.53%	16.47%	0.00%	22	63

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
15	8	23	0	23	5	3

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 07/01/2019

* 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.



Page 1 of 2



First Managed Care Option, Inc.

Members averaging greater than 2 days to report :

Employer	Total Claims	# of Claims > 2 days to report	% of Claims > 2 days to report
HS Employment & Training / 794-740	1	1	100%
SS Staff Development / 789-113	1	1	100%
Dept. of Correctional Services - UC JAIL / 763-300	4	2	50%

Case Management Monthly Activity Report

June 2019

UNION COUNTY INS FUND COMM

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 07/01/2019

* 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.



Page 2 of 2



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		
Total 2018	\$1,814,896	\$737,104	\$4,278,532	\$1,077,792	59%	1,532	1,286	246	84%	0		
Jan-19	\$102,433	\$44,170	\$124,014	\$58,263	57%	141	125	16	89%	0		
Feb-19	\$61,468	\$21,019	\$69,599	\$40,448	66%	116	114	2	98%	0		
Mar-19	\$75,028	\$33,993	\$74,695	\$41,034	55%	121	120	1	99%	0		
Apr-19	\$171,377	\$42,745	\$139,822	\$128,633	75%	101	100	1	99%	0		
May-19	\$84,367	\$27,989	\$84,782	\$56,378	67%	107	106	1	99%	0		
Jun-19	\$111,638	\$46,064	\$132,046	\$65,573	59%	150	146	4	97%	0		
Total 2019	\$606,309	\$215,980	\$624,957	\$390,330	64%	736	711	25	97%	0		
Total to Date	\$2,421,205	\$953,084	\$4,903,489	\$1,468,121	61%	2,268	1,997	271	88%	0		

Report Run Date:07/01/2019

UCI



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

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: July 8, 2019

UCIFC SERVICE TEAM

Paul Shives, Vice President Public Sector Director pshives@jamontgomery.com Office: 732-736-5213	Glenn Prince, Associate Public Sector Director gprince@jamontgomery.com Office: 856-552-4744 Cell: 609-238-3949	Natalie Dougherty, Senior Administrative Coordinator ndougherty@jamontgomery.com Office: 856-552-4738
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**June - July 2019
RISK CONTROL ACTIVITIES**

MEETINGS ATTENDED / TRAINING / LOSS CONTROL VISITS CONDUCTED

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

UPCOMING MEETINGS / TRAINING / LOSS CONTROL VISITS PLANNED

- **July 10:** One session of DDC 6 training is scheduled for UCIFC.
- **July 17:** Plan to attend the UCIFC Executive Safety Committee meeting in Elizabeth.
- **July 17:** Plan to attend the UCIFC Jail Sub Safety Committee meeting in Elizabeth.
- **July 17:** Plan to attend the UCIFC meeting in Elizabeth.
- **July 23:** One session of DDC 6 training is scheduled for UCIFC.

CEL MEDIA LIBRARY

No Videos have been utilized in 2019.

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: **7756, 7895, 7954 &, 8132**. 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 – April 17, 2019
County of Union
Administration Building – 6th Floor
Freeholder Conference Room
10 Elizabethtown Plaza
Elizabeth, NJ
10:00 AM**

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

ROLL CALL OF COMMISSIONERS:

Amy Wagner	Excused
Claudia Martins	Present
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

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

ALSO PRESENT:

Terry Pacheco, Union County

Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF MARCH 20, 2019

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF MARCH 20, 2019

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington reported the Labor Committee met last week as well as Fork Lift Training for the Department of Public Works. Mr. Worthington advised Corrections met earlier in the morning. Mr. Worthington also advised Respiratory Training and Fit Training were scheduled in the afternoon. Mr. Worthington advised that concluded his report unless anyone had any questions.

CLAIM COMMITTEE: Mr. Cusack advised he did not have anything to discuss during open session.

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

CERTIFICATE OF INSURANCE REPORT: Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the month of March was included in the agenda. Executive Director advised there were 6 certificates issued during the month of March.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

RESCINDING RESOLUTIONS 14-19 AND 15-19: Executive Director referred to Resolution 18-19, Rescinding Resolution 14-19 and Resolutions 15-19. Executive Director asked Commission Attorney to comment on the Resolution. Commission Attorney advised notice was received from Princeton Insurance that they would provide the defense and indemnification for the named defendants in the Tamburi matter so the Special Counsel Services for the defendants were no longer required.

MOTION TO ADOPT RESOLUTION 18-19 RESCINDING RESOLUTION 14-19 AND RESOLUTION 15-19

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE was scheduled to meet again on April 25, 2019 and a summary report of the meeting would appear in the next agenda. Executive Director advised the County of Monmouth joined the NJCE as of April 1, 2019.

2019 MEL, MRHIF AND NJCE EDUCATIONAL SEMINAR: Executive Director advised the NJCE was now a co-sponsor of the annual MEL HIF Educational Seminar which was being held on Friday, May 3, 2019 starting at 9:00 AM. Executive Director reported the seminar qualified for certain Continuing Educational Credits and a copy of the enrollment form was included in the agenda. Executive Director advised the seminar was similar to the NJCE Best Practice Workshop.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the January Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,056,713 as of January 31, 2019. Executive Director referred to Line 10 of the report, "Investment in Joint Venture" and indicated \$2,033,728 of the surplus was the UCIFC's share of the NJCE equity. Executive Director noted the cash amount was \$4,135,511.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the January Financial Fast Track was included in the agenda. As of January 31, 2019 the Fund had a surplus of \$15,146,956. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director advised the Claim Tracking reports as of January 31, 2019 were included in the agenda. Executive Director referred to a copy of the Claims Management Report and reviewed the actuary's projections compared to the actual losses.

MAY MEETING: Executive Director advised he did not anticipate any action items for the month of May and recommended cancelling the May meeting if agreeable with the Commissioners. Executive Director explained if any claims needed approval prior to the June 19th meeting a special teleconference meeting could be scheduled.

MOTION TO CANCEL THE MAY 15, 2019 COMMISSION MEETING

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Ms. Taylor advised she recommended approval of Resolution 19-19, the April Bill List.

MOTION TO APPROVE RESOLUTION 19-19 APRIL BILL LIST

April 17, 2019

Union County Insurance Fund Commission OPEN Minutes

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

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 for the month of March there were 20 claims, 1 was denied, 14 claims were closed, and 5 were treating. Ms. Guze advised there were no glaring safety issues or concerns.

MANAGED CARE: Ms. Cronk advised First MCO's reports were included in the agenda. Ms. Cronk reported on the month of March as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
March	\$ 75,028	\$ 33,993	\$ 41,034	55%	121	120	99%

Ms. Cronk advised that concluded her report unless anyone had any questions.

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the March - April Risk Control Activities Report which was included in the agenda. Mr. Prince advised he was working to close out the 2018 Safety Grant Program and was waiting for the final documents to process the reimbursements for the Counties. Mr. Prince reported there was a 4 Day OSHA class in Hudson County and Evelio Salmero attended to see if it was a program that could be offered in Union County to the DPW and Parks Department. Mr. Prince advised that concluded his report unless there were any questions.

Executive Director advised Ed Cooney, NJCE Underwriting Manager, was attending the meeting and asked Mr. Cooney if he had anything to discuss. Mr. Cooney reported he was in the process of scheduling a NJCE Coverage Committee Meeting. Mr. Cooney explained at the meetings Commissioners and Risk Managers discuss the coverage items and one of the topics was the new bill regarding Sexual Abuse and Molestation. Mr. Cooney advised the bill would eliminate any technical caps and immunities for a public entity. Mr. Cooney also indicated cyber was another hot topic. Mr. Cooney advised that concluded his report unless anyone had any questions.

Correspondence Made Part of Minutes

OLD BUSINESS: None

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.

April 17, 2019

Union County Insurance Fund Commission OPEN Minutes

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 6462, 5564, 6521, 5461, 4981 and 6842. 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.

Commission Attorney asked that in terms of the Executive Session once the claims are presented that everyone except the Commissioners and staff of the Commission vacate the room for the second half of the session.

MOTION TO RETURN TO OPEN SESSION

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

Executive Director reminded everyone the next meeting was scheduled for June 19th.

MOTION TO ADJOURN:

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays

MEETING ADJOURNED: 10:29 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary

**UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – June 19, 2019
County of Union
Administration Building – 6th 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	Excused
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

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

ALSO PRESENT:

Terry Pacheco, Union County

Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF APRIL 17, 2019

Executive Director advised Ms. Wagner was not present at the last meeting. Ms. Wagner noted the minutes incorrectly stated she called the meeting to order. Ms. Dodd reported Mr. Barry suggested tabling the minutes until the next meeting since Ms. Martins was not present and she would correct the minutes based on Ms. Wagner's comment.

CORRESPONDENCE: Executive Director advised there was correspondence and a copy of a letter to Ms. Wagner from Mr. Barry was included in the agenda. Executive Director reported Mr. Barry advised he was resigning as the Commission Attorney of the Commission. Mr. Barry said it was a pleasure working with the Commission and introduced Bruce Bergen. Mr. Barry advised Mr. Bergen joined the County Counsel Office about a month ago as an Executive Deputy County Counsel for the County. Mr. Barry noted Mr. Bergen was a former Freeholder and would replace Mr. Barry as the Commission Attorney effective July 1, 2019.

SAFETY COMMITTEE: Mr. Worthington reported since the last meeting there was fork lift training conducted at the DPW and Motor Pool along with respiratory training for the Prosecutor's Lab as well as for some summer interns. Mr. Worthington noted there were some make up classes scheduled during the next month. Mr. Worthington advised that concluded his report unless anyone had any questions.

CLAIM COMMITTEE: Mr. Cusack advised the Claims Committee met immediately prior to the meeting and reviewed the PARS that would be presented during closed session. Mr. Cusack advised that concluded his report unless anyone had any questions.

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

COMMISSION ATTORNEY: Executive Director referred to a copy of Resolution 20-19, Designating Commission Attorney, which was included in the agenda. Executive Director asked if anyone had questions and requested a motion to adopt Resolution 20-19.

**MOTION TO ADOPT RESOLUTION 20-19, DESIGNATING
COMMISSION ATTORNEY**

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 months of April and May were included in the agenda. Executive Director advised there were 6 certificates issued during the month

of April and 10 in May. Executive Director asked if anyone had any questions and requested a motion to approve the report.

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 last met on April 25, 2019 and a written summary report of the meeting was included in the agenda. Executive Director advised the County of Monmouth joined the NJCE as of April 1, 2019. Executive Director reported the NJCE became a member of the NJAC and was an exhibitor at the recent 2019 NJAC Annual Conference in Atlantic City. Executive Director said the Board was reviewing options for a logo for the NJCE and he would share the logo when it was finalized. Executive Director advised there were 3 finalists for the Excess Property Third Party Administrator and interviews were scheduled for next week. Executive Director provided a Legislation update on Senate Bill no. S.477 (Statute of Limitations) as well as, amending Bills S3739 and A5392 which extended the statute of limitations in civil actions for sexual abuse claims from two years to virtually unlimited. Executive Director noted a joint effort with the MEL, LOM, NJAC and NJSIG and with help from other parties, the sponsor agreed to amend the Bill to bring back “common law” immunities and “case law” immunities for public entities. Executive Director reported that while Title 59 immunities were not reinstated this was a better result than having public entities in a “strict liability” situation. Executive Director said the MEL was working on a training and education program as well as a formulating a specialized claims handling and defense program. Executive Director said this topic would be discussed at the next NJCE meeting to see if the Board of Commissioners wanted to participate.

NJCE COVERAGE COMMITTEE: Executive Director advised the NJCE Coverage Committee was scheduled to meet on July 9, 2019 at 11:00 AM at the new Conner Strong & Buckelew Camden Office.

NEW JERSEY ASSOCIATE OF COUNTIES (NJAC): Executive Director noted he already mentioned the NJAC Conference.

2019 MEL, MRHIF AND NJCE EDUCATIONAL SEMINAR: Executive Director advised the 2019 MEL, MRHIF and NJCE Educational Seminar was held on Friday, May 3, 2019. Executive Director reported over 200 people attended the event and he has received positive feedback on the seminar. Ms. Scutari advised she attended the seminar and found it to be educational.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the March Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,582,630 as of March 31, 2019. Executive Director referred to Line 10 of the report, “Investment in Joint Venture” and indicated \$2,054,466 of the surplus was the UCIFC’s share of the NJCE equity. Executive Director noted the cash amount was \$4,043,344.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the March Financial Fast Track was included in the agenda. As of March 31, 2019 the Fund had a

surplus of \$15,632,182. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

CLAIM TRACKING REPORTS: Executive Director advised the Claim Tracking reports as of March 31, 2019 were included in the agenda. Executive Director referred to a copy of the Claims Management Report and reviewed the actuary's projections compared to the actual losses.

POL/EPL RETENTION: Executive Director reported the County has a \$250,000 retention on the POL/EPL coverage. Executive Director advised when the Commission was formed there were discussions on self-funding the retention, however it was decided not proceed that way at the time. Executive Director said he spoke to the Commission Attorney last week and he suggested the topic be added to the agenda for discussion for the 2020 Fund Year. Executive Director indicated a decision was not necessary right away, however he wanted to ask if there was an interest. If so, Executive Director advised he would collect some data and ask the actuary how much he thought the Commission should fund. Commission Attorney reported he thought this was a good option. After a brief discussion it was decided Ms. Wagner would have a discussion with Ms. Taylor and then have a conversation with the County Manager.

ORIGAMI'S RISK MANAGEMENT INFORMATION SYSTEMS, (RMIS): Executive Director advised PERMA representatives met with representatives from Origami to start the implementation of the online system to collect the underwriting information for the 2020 renewal. Executive Director advised more information would follow regarding training of the users and collection of the underwriting data for the 2020 renewal.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Executive Director advised there were two bill lists to approve, Resolution 21-19, May List and 22-19 June Bill List. Executive Director noted Ms. Taylor was not present and asked if anyone had any questions. Ms. Dodd advised she had previously sent copies of both bill lists to Ms. Taylor by e-mail. Ms. Wagner noted she did review the bill lists and they included the normal monthly checks. Ms. Dodd advised Mr. Barry had given her the signed checks and bill lists from Ms. Taylor at the start of the meeting.

MOTION TO APPROVE RESOLUTION 21-19 MAY BILL LIST AND 22-19 JUNE BILL LIST

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

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

ATTORNEY: Mr. Barry advised as he said before it was his pleasure to serve and he certainly appreciated the Commission's confidence and the help and assistance from Mr. Hrubash and Ms. Dodd. Mr. Hrubash and Ms. Wagner thanked Mr. Barry for his services and welcomed Mr. Bergen.

CLAIMS SERVICE: Ms. Guze introduced herself along with Mr. Ring and advised Mr. Richard Hazard of her office was attending for the first time. Ms. Guze advised she had two months to report on. There were 41 reported claims, 6 were report only, 2 were denied, 18 claims were closed, however 2 remain open due to possible subrogation recoveries and 15 claims remain open. Ms. Guze advised the claims did not highlight anything out of the ordinary with regard to concerns for safety issues.

MANAGED CARE: Ms. Cronk introduced herself and advised First MCO's reports were included in the agenda. Ms. Cronk reported on the months of April and May as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
April	\$ 171,377	\$ 42,745	\$ 128,633	75%	101	100	99%
May	\$ 84,357	\$ 27,989	\$ 84,782	67%	107	106	99%

Ms. Cronk advised that concluded her report unless anyone had any questions.

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the April – June Risk Control Activities Report which was included in the agenda. Mr. Prince advised the agenda also included a Safety Director Bulletin, "Preparing for the 2019 Hurricane Season". Mr. Prince reported during the month of May a Loss Control visit was conducted at the Board of Social Services Building, 342 Westminster Avenue. The report was submitted and there were a few minor recommendations. In addition Mr. Prince advised a Loss Control visit was contacted on June 5, 2019 at the John Russell Wheeler Spray Park. Mr. Prince advised the report was submitted and there were a few recommendations which were already being addressed. Mr. Prince advised that concluded his report unless there were any questions.

Correspondence Made Part of Minutes

OLD BUSINESS: None

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 6147, 3789, 2745, 7563, 6462, 6596, 4893, 7211, & 7829. 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.

Commission Attorney asked that in terms of the Executive Session once the claims are presented that everyone except the Commissioners and staff of the Commission vacate the room for the second half of the session.

MOTION TO RETURN TO OPEN SESSION

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

MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION

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

Executive Director reminded everyone the next meeting was scheduled for July 17th.

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:31 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary

APPENDIX II

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 July 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. Garage 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. **Garagekeepers Liability – Included**
 9. 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 July, 2019.

COMMISSION CHAIRPERSON

ATTEST:

COMMISSION VICE CHAIRPERSON