

**UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – March 20, 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	Present
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	D&H Alternative Risk Solutions, Inc. Kathleen Guze
	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	Bibi Taylor
Attorney	Robert Barry, Esq.
Safety	J.A. Montgomery Risk Control Glenn Prince T&M Associates Mark Worthington

ALSO PRESENT:

Jonathan Czarnecki, J. A. Montgomery

Terry Pacheco, Union County

Cathy Dodd, PERMA Risk Management Services (*via teleconference*)

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

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

Moved:

Chair Wagner

Second:

Commissioner Martins

Vote:

3 Yes, 0 Nays

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington reported the Labor Committee met last week as well as conducted a couple of Blood Borne Pathogen training for Park's employees and the Facilities Department. Mr. Worthington advised the Jail Sub Committee met earlier in the morning. Mr. Worthington also advised respiratory training, fork lift training and lockout tag out training was scheduled for next month. Lastly Mr. Worthington advised the Parks Department contacted him indicating there were about 5 or 6 employees that did not attend the Blood Borne Pathogen training. Mr. Worthington suggested this training be done through the BRIT Training Program as it would be more cost effective. Mr. Prince noted access to the program could be coordinated with Ms. Dougherty of his office and he would look into having the employees set up on the BRIT system. Mr. Worthington advised that concluded his report unless anyone had any questions.

CLAIM COMMITTEE: Mr. Cusack referred to a copy of the 2019 Claim Reporting Procedures which were included in the agenda. Mr. Cusack reviewed the contact information for reporting the different type of claims. Mr. Cusack advised the agenda also included a copy of "Zurich Environmental Emergency Response" pamphlet and reviewed the key benefits. Mr. Cusack asked if anyone had any questions and then concluded his report.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and had four action items.

2019 PROPERTY & CASUALTY BUDGET: Executive Director reported in prior meetings the Commissioners approved a 2019 temporary budget to allow time for the Actuary to re-evaluate the loss funds. Executive Director advised the Actuary had completed his analysis of the loss funds and based on a change in payroll, employee count due to the outsource or sale of prior exposures for the hospital and juvenile detention the 2019 worker compensation loss funds were amended. Executive Director noted the worker compensation loss funds were reduced by \$758,988 or 13.67%. Executive Director referred to a copy of the revised budget which was included in the agenda in the amount of \$4,982,337. Executive Director pointed out the budget reflected only the expenses that were part of the Commission. Executive Director advised the 2019 budget was decreased in the amount of \$757,623 over the 2018 budget or 13.20%. Executive Director referred to the note line on the budget advising the loss funds of \$4,795,028 represented 90% of the revised actuarial projected loss funds.

Executive Director thanked the Commission Treasurer for all of her hard work and efforts with the 2019 budget.

Executive Director referred to a copy of the assessments and suggested a payment schedule similar to 2018. Executive Director advised the first payment of 30% would be due on 4/1/19, 35% due on 6/1/19 and 35% due on 9/1/19.

In response to Chair Wagner's inquiry, Ms. Taylor advised she recommended approval of the budget.

MOTION TO APPROVE RESOLUTION 14-19 ADOPTING THE 2019 BUDGET IN THE AMOUNT OF \$4,982,337 AND AN ASSESSMENT PAYMENT SCHEDULE AS PROPOSED BY THE EXECUTIVE DIRECTOR

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

COMMISSION TREASURER & COMMISSION ATTORNEY RESOLUTIONS: Executive Director referred to two resolutions included in the agenda, Designating Commission Treasurer and Commission Attorney. Executive Director noted the resolutions were not adopted with the Reorganization Resolutions in January. Executive Director advised the Commission Attorney did review the resolutions and if there were no questions he requested motions to adopt Resolutions, 15-19 and 16-19.

MOTION TO ADOPT RESOLUTION 15-19 DESIGNATING COMMISSION TREASURER

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

MOTION TO ADOPT RESOLUTION 16-19 DESIGNATING COMMISSION ATTORNEY

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 February was included in the agenda. Executive Director advised there were 4 certificates issued during the month of February.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

EMPLOYEE DISHONESTY COVERAGE: Executive Director reported the Employee Dishonesty Coverage policy with Selective Insurance Company was renewing on April 18, 2019. Executive Director advised the policy covered the positions of Executive Director, Third Party Administrator and the Treasurer. Executive Director stated the annual premium was \$1,640 and the limit per loss was \$1,000,000 with a \$10,000 deductible. Executive Director advised the premium, terms and conditions were per the expiring policy. Executive Director reported the cost for this coverage would be paid out of the miscellaneous and contingency budget line.

**MOTION TO APPROVE THE EXPENDITURE FOR EMPLOYEE
DISHONESTY COVERAGE IN THE AMOUNT OF \$1,640**

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

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE held its Reorganization Meeting on February 28, 2019 and a summary report of the meeting was included in the agenda. Executive Director advised Laura Scutari, newly appointed NJCE Commissioner representing County of Union participated in the meeting by teleconference. Executive Director advised the County of Monmouth was becoming a stand-alone County member of the NJCE effective April 1, 2019. Executive Director reported the professional contracts for the Executive Director, Underwriting Manager and Safety Director were all renewed. Executive Director noted based on prior authorization from the Board, PERMA would meet with representatives from Origami to begin the development of the online underwriting and claims data platform. Executive Director advised the 2020 collection renewal data would be processed through the new system.

2019 MEL, MRHIF AND NJCE EDUCATIONAL SEMINAR: Executive Director advised the NJCE was now a co-sponsor of the annual MEL 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 December Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,910,566 as of December 31 2018. Executive Director referred to Line 10 of the report, "Investment in Joint Venture" and indicated \$1,907,324 of the surplus was the UCIFC's share of the NJCE equity. Executive Director noted the cash amount was \$4,268,821. In response to Executive Director's inquiry Ms. Taylor advised she thought it was best to have the Financial Fast Track include only the Commission information since the budget was set up in that manner. Executive Director advised the next report would reflect those changes. Executive Director noted the 2018 audit should also only reflect the Commission items.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the December Financial Fast Track was included in the agenda. As of December 31, 2018 the Fund had a surplus of \$14,919,348. 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 December 31, 2018 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.

2019 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES: Executive Director reported the NJCE renewal policies would be available electronically through the Conner Strong & Buckelew Egnyte Connect Website for authorized users. Executive Director noted if anyone had any difficulty in accessing the site they should reach out to Ms. Dodd.

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 17-19, the March Bill List.

MOTION TO APPROVE RESOLUTION 17-19 MARCH BILL LIST

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

Ms. Taylor thanked Mr. Hrubash, Ms. Dodd and Ms. Kontomanolis for working with her on the revisions with the 2019 budget.

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

ATTORNEY: Mr. Barry advised at a recent meeting we approved two resolutions in the Tamburi matter. Mr. Barry reported at the next meeting he would recommend the resolutions be rescinded. Mr. Barry stated there had been ongoing discussions with Princeton Insurance, who is the medical malpractice carrier. Mr. Barry advised finally Princeton Insurance had agreed to provide coverage to the County, Cornerstone and its physicians. Princeton Insurance would provide defense and indemnification for the named defendants and Special Counsel Services is no longer required. Mr. Barry reported that was great news as the Princeton Insurance Company policy deductible was \$10,000 versus \$250,000. Mr. Barry expressed his thanks to Conner Strong & Buckelew and Acrisure for their assistance with this matter.

CLAIMS SERVICE: Ms. Guze reported for the month of February there were 5 claims for report only, 1 was denied, 6 claims were closed, 1 was open for subrogation and 5 were treating.

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

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
February	\$ 61,468	\$ 21,019	\$ 40,448	66%	116	114	98%

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

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the February – March Risk Control Activities Report which was included in the agenda. Mr. Prince referred to a copy of his memo which was included in the agenda regarding the 2019 Safety Grant Program. Mr. Prince advised the total amount of funding for 2019 was \$45,000 to be split between the 9 counties. Mr. Prince reported he was establishing a committee to review the safety grant submissions and advised the committee would consist of one member from each Member County. In response to Mr. Prince’s inquiry, Chair Wagner appointed Commissioner Scutari to the committee. Mr. Prince advised they were conducting a 4 Day OSHA class in Hudson County and Evelio Salermo of Union County would attend the program. Mr. Prince advised that concluded his report unless there were any questions.

Correspondence Made Part of Minutes

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 3652 and 5006. 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 Martins
Vote:	3 Yes, 0 Nays

**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
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

MEETING ADJOURNED: 10:29 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary