

UNION COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
OCTOBER 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: OCTOBER 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:** September 18, 2019 Open Minutes.....Appendix I
September 18, 2019 Closed Minutes.....Handout
July 17, 2019 Closed Minutes.....Handout

- ☐ **CORRESPONDENCE:**

- ☐ **COMMITTEE REPORTS**
 - Safety Committee: Verbal
 - Claims Committee: Claims Reporting Memo.....Pages 2-3
 - Best Practice Workshop Agenda.....Pages 4-5

- ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMAPages 6-23**

- ☐ **TREASURER – Bibi Taylor**
 - Resolution **29-19** October Bill List – MotionPage 24
 - August Treasurer Reports -Pages 25-26

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

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

- ☐ **MANAGED CARE – First MCO**
 - Monthly Report –SeptemberPages 27-29

- ☐ **NJCE SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report.....Page 30

- ☐ **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 31**
 - Motion to go into Executive Session
- ☐ **APPROVAL OF PARS - Motion**

- ☐ **MEETING ADJOURNMENT**
- ☐ **NEXT SCHEDULED MEETING: December 18, 2019 ADMINISTRATION BUILDING, 6TH FLOOR, FREEHOLDER CONFERENCE ROOM, 10 ELIZABETH PLAZA, ELIZABETH, NJ**

UNION COUNTY INSURANCE COMMISSION

To: County of Union
From: Michelle Leighton & Robyn Walcoff
Date: October 17, 2019

Re: VERY IMPORTANT – Reporting to “Discovery” or “Claims Made and Reported” Policies Prior to 12/31/19 Expiration Date

As a reminder, the following policies are set to expire on 12/31/19:

Member(s)	Coverage Line	Carrier	Policy No.
Union County Union County Board of Social Services	Public Officials & Employment Practices Liability	ACE American Insurance Company	EON G29007949 002
Union County Union County Board of Social Services	Employed Lawyers Professional Liability	Chubb Group of Insurance Company	8248-9397
Union County Union County Board of Social Services	Crime	National Union Fire Insurance Company of Pittsburgh, PA	063813057
Union County	Pollution	Zurich American Insurance Company	ZRE554295502

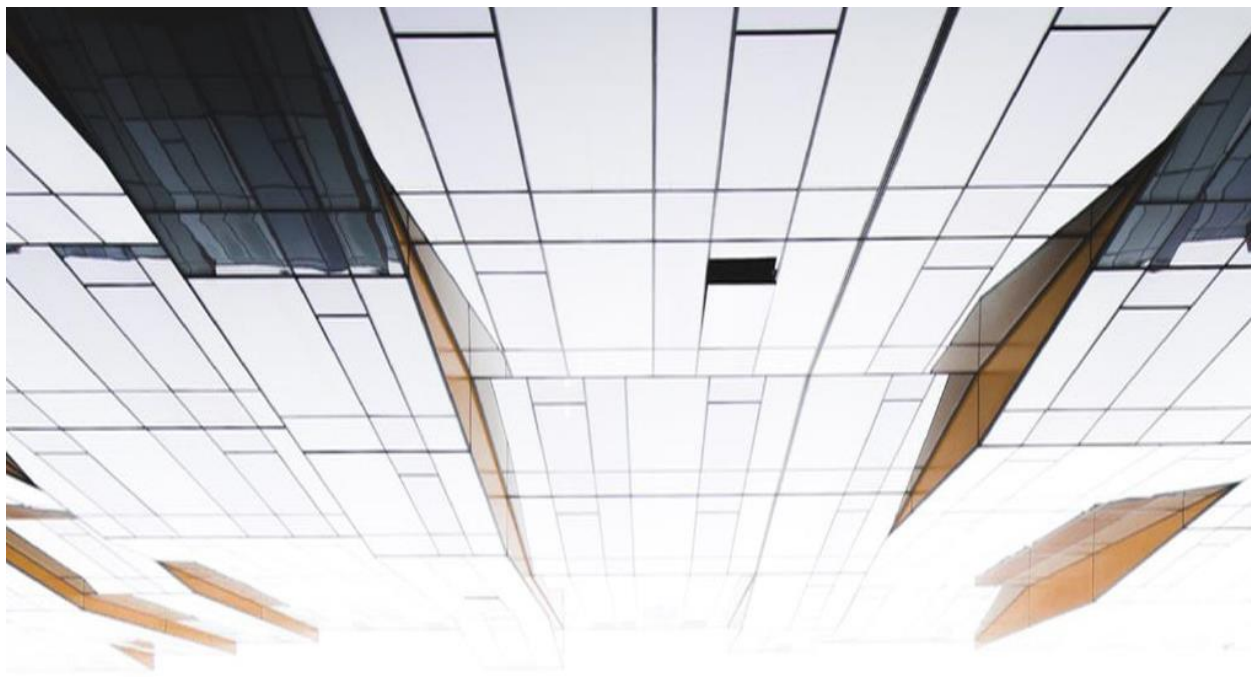
These policies, or portions of these policies, provide coverage on a “discovery” or “claims-made and reported” basis. ***With these types of coverage, any loss discovered or claim made against you MUST be reported during the same policy year within which you discovered the loss or received the claim.*** Therefore, it is imperative that any claim, potential claim, or facts and circumstances that may give rise to a claim be reported to your insurance company prior to the policy expiration.

You should refer to the terms and conditions in your complete policies for specific reporting requirements and coverage triggers. However, with respect to the Public Officials & Employment Practices Liability Policy and the Employed Lawyers Professional Liability Policy, claims generally involve allegations of a wrongful act committed by an insured. With respect to the Crime Policy, claims generally involve theft. Finally, with respect to the Pollution Policy, claims generally involve a pollution condition or incident.

Please conduct a review “sweep” of any Public Officials & Employment Practices Liability, Employed Lawyers Professional Liability, Crime or Pollution claims, suits and/or incidents of which you (or anyone else in your organization) may be aware, which need to be reported to the carrier prior to the expiration date of 12/31/19. Please keep in mind that these policies are “discovery” or “claims made and reported” policies, and failure to timely report a

discovered loss or claim (or potential claim of which you are aware) is likely to result in a denial of coverage from the insurance carrier.

Given that the above-referenced policies expire during a holiday time period, please follow your usual claim reporting procedures, and provide notice of any Public Officials & Employment Practices Liability claim or potential claim to **D&H Alternative Risk Solutions** no later than Monday 12/09/19. Please report any Employed Lawyers Professional Liability or Crime claim or potential claim to **Conner Strong & Buckelew** no later than Monday 12/16/19. These matters should be emailed to ClaimsTeamC@connerstrong.com, with a copy to me, or faxed to 856-552-4585. If you have any questions, including whether a claim or incident should be reported, please contact me and I will be happy to assist. I can be reached via email at mleighton@connerstrong.com or telephone at 856-552-4842.



NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

RISK MANAGEMENT BEST PRACTICES WORKSHOP Series VIII Agenda

OCTOBER 30, 2019



8:30 – 9:00

Registration

9:00 – 9:05

Introductions and Opening Remarks

Joseph P. Hrubash, *Senior Vice President, Insurance Commission Executive Director, PERMA Risk Management Services*

9:05 – 9:30

Past Successes and Future Initiatives

Joseph P. Hrubash, *Senior Vice President, Insurance Commission Executive Director, PERMA Risk Management Services*

Ed Cooney, MBA, *Vice President, Account Executive/Underwriting Manager, Conner Strong & Buckelew*

9:30 – 10:15

Title 59 – The New Jersey Tort Claims Act – Overview and Recent Developments

Chris Botta, Esq., *MELJIF Liability TPA, Managing Partner, CB Claims, LLC*

10:15 – 10:30

Break

10:30 – 11:30

Protecting Children – Impact of S477

David N. Grubb, *MELJIF Executive Director, Senior Vice President, Managing Director, PERMA Risk Management Services*

Fred Semrau, Esq., *MELJIF Fund Attorney, Partner, Dorsey & Semrau, LLC*

11:30 – 12:15

Latest Developments in Workers' Compensation – Key Decisions, Psychiatric Claims, Law Enforcement and Post Traumatic Stress Disorder

John H. Geaney, Esq., *Partner, Capehart Scatchard*

12:15 – 1:00

Q&A, Lunch and Networking

UNION COUNTY INSURANCE FUND COMMISSION

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

Date: October 17, 2019

Memo to: Commissioners of the Union County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

☐ **2018 Audit Report as of December 31, 2018** (Pages 9-11) The Auditor's Report as of December 31, 2018 has been sent under separate cover to the Fund Commissioners from Suplee, Clooney & Company. Based on the positive results of the audit it was agreed the auditor would not need to attend. We are seeking approval of the 2018 Audit from the Commissioners at the meeting. Included in the agenda on pages 9-11 is Resolution 26-19, Certification of Annual Audit Report for Period ending December 31, 2018 along with the Group Affidavit Form. The resolution was reviewed by the Commission Attorney.

☐ **Motion to approve Resolution 26-19 Certification of Annual Audit Report for Period Ending December 31, 2018**

☐ **Certificate of Insurance Report (Page 12)** – Attached on page 12 is the certificate of insurance issuance report from the NJCE listing those certificates issued during the month of September. There were 4 certificates issued in September.

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

☐ **2019 Commission Auditor RFP (Page 13)** – The Fund Office issued and advertised the RFP for the 2019 Commission Auditor position. The responses were due on September 24, 2019. There was one response received from Suplee, Clooney & Company, the incumbent. A copy of the response was sent to the Evaluation Committee (Bibi Taylor and Bruce Bergen) to make a recommendation. The Committee has recommended Suplee, Clooney & Company. Included in the agenda on page 13 is Resolution 27-19, Designating Commission Auditor. The resolution was reviewed by the Commission Attorney.

☐ **Motion to approve Resolution 27-19, Designating Commission Auditor**

☐ **Commission Actuary Contract** – The Commission Actuary Contract with Actuarial Advantage will expire on December 31, 2019. As we did last year the Fund Office will prepare and advertise the RFP for the 2020 Commission Actuary 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 2020 Commission Actuary position**

- ❑ **Property Claims Procedures (Pages 14-15)** – At the September Meeting we discussed changes to the Property Claims Procedure. Included in the agenda on pages 14-15 is a copy of the new Property Claims Procedure along with the Direction of Payment Form. The procedure and form was discussed with Chris Meehan of Motor Vehicle. We will have another discussion regarding the procedure at the meeting.

- ❑ **Motion to approve the new Property Claims Procedure and use of Direction of Payment Form**

- ❑ **Revised Plan of Risk Management (Appendix II)** – The Plan of Risk Management was revised to include coverage for drones and working animals as per the discussion at the September meeting of UCIFC. In addition, the Plan was revised to increase the TPA payment authority for auto physical damage claims from \$5,000 to \$15,000 and property claims to \$25,000. This was agreed to at the meeting of the Treasurer, Attorney and Perma. Conversely, it was agreed no amendment was necessary for any special pre approval authority for auto physical damage claims. Included in Appendix II of the agenda is Resolution 28-19, Revised Plan of Risk Management. The changes are highlighted in yellow. The resolution was reviewed by the Commission Attorney.

- ❑ **Motion to approve Resolution 28-19, Revised Plan of Risk Management**

- ❑ **NJ Counties Excess Joint Insurance Fund (NJCE) (Pages 16-18)** – The NJCE last met on September 26, 2019. Included in the agenda on pages 16-18 is a written summary of the report. The NJCE will introduce the 2020 Budget on October 24, 2019 and Budget Adoption is scheduled for November 21, 2019.
- ❑ **UCIFC Financial Fast Track (Page 19)** - Included in the agenda on page 19 is a copy of the Financial Fast Track for the month of August. As of **August 31, 2019** there is a statutory surplus of **\$3,357,083**. Line 10 of the report, “Investment in Joint Venture” is the Union County Insurance Fund Commission’s share of the equity in the NJCE, **\$2,485,890**. The total cash amount is **\$8,605,932**.
- ❑ **NJCE Property & Casualty Financial Fast Track (Pages 20-21)** – Included in the agenda on pages 20-21 is a copy of the Financial Fast Track for the month of August. As of **August 31, 2019** the Fund has a surplus of **\$19,197,827**. The cash amount is **\$32,071,912**.
- ❑ **Claims Tracking Reports (Pages 22-23)** – Included in the agenda on page 22 is the Claim Activity Report as of August 31, 2019. Also included in the agenda on page 23 is the Claims Management Report Expected Loss Ratio Analysis Report as of August 31, 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.
- ❑ **UCIFC 2020 Budget** – The Union County Insurance Fund Commission 2020 Budget will be introduced at the December 18, 2019 meeting. Budget Adoption will be scheduled for the January meeting.

- ❑ **2020 Auto ID cards/WC Posting Notices/Renewal Certificate of Insurance** – The 2020 auto ID cards and WC Posting Notices will be sent out for distribution the beginning of December. The NJCE Underwriting Manager’s Team will review the certificates which need to be re-issued for the 2020 renewal.
- ❑ **2019 Meeting Schedule** – The Commission is not scheduled to meet in November. The next scheduled meeting is on December 18, 2019.

RESOLUTION 26-19

**Resolution of Certification
Annual Audit Report for Period Ending December 31, 2018**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2018 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each member of the BOARD OF COMMISSIONERS, and

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

WHEREAS, the Local Finance Board has promulgated a regulation requiring that the BOARD OF FUND COMMISSIONERS of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the BOARD OF COMMISSIONERS have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments
and
Recommendations

and

WHEREAS, the members of the BOARD OF COMMISSIONERS have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments
and
Recommendations

as evidenced by the group affidavit form of the BOARD OF COMMISSIONERS.

WHEREAS, such resolution of certification shall be adopted by the BOARD OF COMMISSIONERS no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

WHEREAS, all members of the BOARD OF COMMISSIONERS have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the BOARD OF COMMISSIONERS to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE, BE IT RESOLVED, that the BOARD OF COMMISSIONERS of the Union County Insurance Fund Commission hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE
RESOLUTION PASSED AT THE MEETING HELD ON OCTOBER, 17, 2019.

Amy Wagner, Chair

GROUP AFFIDAVIT FORM
CERTIFICATION OF BOARD OF FUND COMMISSIONERS

of the

UNION COUNTY INSURANCE FUND COMMISSION

We members of the BOARD OF COMMISSIONERS of the Union County Insurance Fund Commission, of full age, being duly sworn according to law, upon our oath depose and say:

1.) We are duly elected members of the BOARD OF COMMISSIONERS of the Union County Insurance Fund Commission.

2.) In the performance of our duties, and pursuant to the Local Finance Board Regulation, we have familiarized ourselves with the contents of the Annual Fund Audit filed with the Secretary of the Fund pursuant to N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36 for the year 2018.

3.) We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled:

GENERAL COMMENTS – RECOMMENDATIONS

(L.S.) Amy Wagner

(L.S.) Laura Scutari

(L.S.)

Attest:

CLAUDIA MARTINS
Vice Chair

The Secretary of the Fund shall set forth the reason for the absence of signature of any members of the BOARD OF COMMISSIONERS.

Important: This certificate must be sent to the Division of Local Government Services, CN 803, Trenton, NJ 08625

From 9/1/2019 To 10/1/2019

Union County Insurance Commission Certificate of Insurance Monthly Report

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID
H - NJ Transit I - County of Union	One Penn Plaza East Newark, NJ 07105	NJ Transit and the State of New Jersey are an Additional Insured on the above-referenced Commercial General Liability, Automobile Liability and Excess Liability Policies and Loss Payee on the Property Policy if required by written contract as respects to the SY 2020 NJ-JARC 6 Grant Program. 30 days notice of cancellation (except 10 days for non-payment) is provided to the First Named Insured.	9/4/2019 #2262479
H - Community United Methodist I - County of Union	Church 301 Chestnut Street Roselle Park, NJ 07204	Company D: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy # SP4056379 The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of facilities by Union County Division of Youth Services	9/12/2019 #2265773
H - NUI Corporation I - County of Union	c/o Colliers Tri-State Management LLC Morris Corporate Center 1 300 Interpace Pkwy, Bldg C, 3rd Fl Parsippany, NJ 07054	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 Colliers Tri-State Management LLC, Colliers International, & NUI Corporation, and each of their respective affiliates and subsidiaries, and any and all of their respective partners, officers, agents, directors, employees and members are an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies as respect to use of facilities located at 1085 Morris Avenue, Union NJ	9/24/2019 #2277163
H - Logisticare Solutions and DMAHS I - County of Union	NJ Compliance Team Lead 200 Metroplex Dr., Ste 200 Edison, NJ 08817	Company D: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/19 to 1/1/20 Policy # SP4056379 All operations usual to County Governmental Entity including certificate holder as additional insured for General Liability but only with respects to the negligent acts of the named insured as respects to medical transportation services. Subject to the terms, conditions, limitations and exclusions of the policy	9/24/2019 #2277164
Total # of Holders: 4			

RESOLUTION NO. 27-19

**UNION COUNTY INSURANCE FUND COMMISSION
DESIGNATING COMMISSION AUDITOR**

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

WHEREAS, the Commissioners of said Commission have deemed it necessary and appropriate to obtain certain professionals and other extraordinary and unspecifiable services; and

WHEREAS, the Commissioners of said Commission resolve to award professional service and agreement in accordance with a fair and open process pursuant to N.J.S.A. 19:44a-20.4 et. seq.; and

WHEREAS, the Union County Insurance Fund Commission advertised and published an RFP for the position of Auditor, issued on September 9, 2019 and received on September 24, 2019, and the Review Committee having duly reviewed and considered the response to said RFP; and

WHEREAS, the Review Committee recommends retaining Suplee, Clooney & Company for auditing services to prepare the Commission Audit for Fund Year 2019. The audit as of December 31, 2019 shall be completed and presented no later than September 30, 2020.

NOW THEREFORE BE IT RESOLVED by the Commissioners of the UCIFC that the UCIFC Chairman is hereby authorized to execute a contract between the UCIFC and Suplee, Clooney & Company for a one year term commencing on October 17, 2019 and ending October 17, 2020 in an amount not to exceed \$9,450.

BE IT FURTHER RESOLVED by the Commissioners of said UCIFC, Suplee, Clooney & Company acting as a “servicing organization” as defined in the UCIFC’s rules and regulations shall execute said contract prepared by the UCIFC and supply any surety bond along with errors and omissions coverage if required by law or deemed necessary in the sole discretion of UCIFC; and

BE IT FURTHER RESOLVED that the not to exceed amount of \$9,450 shall be charged to the Administrative Account of the Union County Insurance Fund Commission.

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

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST: _____
VICE CHAIR

DATE

Union Commission Insurance Fund Commission (UCIFC) Property Claims Procedure:

In order for D&H to expedite the payment of Union County property claims the below items are needed from the county:

The documents below should be sent to the assigned adjuster, or if before assignment to Theresa Laoudis ([tlaoudis@risksolutions.com](mailto:slaoudis@risksolutions.com))

Our goal is to accommodate the County's procedure and provide quick response to the vendor to complete repairs.

We will need:

- 3 estimates of the damage (this can be waived at the County's discretion), but we will need a copy of the vendors estimate.
- police report (if applicable)
- color photos of the damage
- in the event of a total loss (vehicle claim) we will need the certificate of title and direction of salvage.

The county will pick the service provider, ***fill out the direction of pay*** return it to the D&H adjuster and then D&H will pay the service provider directly. All payments to any repair facility, contractor, or vendor are to be made only by D&H and no longer should a payment be initiated by a Union County employee via the department budget.

DIRECTION OF PAYMENT

Date:

Insured:

Date of loss:

Claim Number:

Adjuster:

Insurer: Union County Insurance Fund Commission

I, _____ hereby authorize the Union County
Insurance Fund Commission to directly pay

_____ in the amount of -
_____ for services performed on _____.

Signature: _____

Title: _____

Date: _____



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: September 26, 2019
To: Union County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: New Jersey Counties Excess Meeting Report

Financial Fast Track: Financial Fast Track as of July 31, 2019 reflected a statutory surplus of \$18.9 million.

December 31, 2018 Audit: The draft audit was previously reviewed at the June meeting and filed with DOBI & DCA on 6/28/19 along with an extension request to file the final report. Fund Auditor submitted copies of a final audit for the period ending December 31, 2018 and noted there were no changes from the draft and no recommendations or findings. After the conclusion of the review, the Board of Fund Commissioners approved a resolution approving the year-end financials. Fund Commissioners will be asked to execute an affidavit indicating they have read the General Comments section of the Audit Report. The Fund office will file the final report and supporting resolution with the State following the meeting.

2020 Renewal & 2020 Budget:

Online Underwriting Data Collection & Claims System: As previously discussed, PERMA entered into a contract with Origami to develop an online underwriting and claims data platform for members to access as a resource.

Underwriting Data: Executive Director reported the online underwriting data portion was launched on August 8th and members were asked to complete their renewal schedules by September 16th. The office will follow up with members on any outstanding schedules. As a reminder, on the NJCE website (www.njce.org) is a training webinar on how to complete the renewal schedules.

Claims: Executive Director reported the process of mapping and uploading claims information from the various TPA claims systems utilized by underlying Insurance Commissions and Counties to a new NJCE claims system is underway.

2020 Budget Discussion: Executive Director said the 2020 budget presentation budget will focus on projections, loss funding and premiums the 2020 budget discussion will include options on increasing self-insured retentions (SIR), as well as, surplus retention and dividend strategy.

The timeline for the budget process is as follows:

October 7th – final deadline for submission of underwriting data
Week of October 14th – Sub-Committee to review budget presentation
October 24th – Budget Introduction at JIF meeting

November 21th – Budget Adoption at JIF meeting

The Fund office will schedule a teleconference meeting the week of October 14th based on availability of sub-committee volunteers.

Property TPA for Property Damage Claims and Auto Physical Damage in Excess of \$50,000:

At the June 27, 2019 meeting of the NJCE JIF, a contract to serve as third-party administrator for property claims was awarded to Qual-Lynx. Qual-Lynx was selected after an RFP process and evaluation by Fund Commissioners and JIF Professionals. Effective August 1, 2019 Qual-Lynx became the third-party administrator for all property damage claims (not including equipment breakdown claims nor and auto-physical damage claims less than \$50K.)

NJCE Claims Review Committee: In April, the Fund approved the formation and charter of a Claims Review Committee. The advisory committee is tasked to review claims in detail prior to the regular Fund meeting and recommend approval/denial on presented claims. The Claims Review Committee met on September 25, 2019 at 1:00PM via teleconference and the committee presented their recommendations during Closed Session. Committee is scheduled to meet next on October 24, 2019 at noon via teleconference.

New Jersey Counties Excess Joint Insurance Fund – Risk Management Best Practices Workshop: The 8th Annual Joint Insurance Claims Committees Risk Management Workshop is scheduled for Wednesday, October 30, 2019 at the Conner Strong & Buckelew new corporate National Headquarters in Camden, NJ. This year's topics will include Workers' Compensation key decisions and the challenges of psychiatric claims, Litigation Management Strategies, and Property Risk Engineering. Please hold the date for the Workshop and watch for the email invitation.

Underwriting Manager:

2020 Renewal: Underwriting Manager submitted copies of a 2020 pre-renewal report and provided a summary on the marketplace overview. Underwriting Manager reviewed the Fund's historical rate performance vs. the market for Property, Casualty, Workers' Compensation and POL/EPL for the 2017-2020 period; report noted the Fund has consistently applied lower rates on all lines of coverage. Underwriting Manager said based on the Fund's property losses alternative options for retentions will be explored for renewal. Overall, Underwriting Manager reported the program is performing extremely well and negotiations are underway with carriers, as well as, an evaluation of alternative markets.

NJCE Coverage Committee: A Coverage Committee met on July 9, 2019 and discussed property coverage for Drones and Working Dogs. Enclosed as part of the Underwriting Manager's report was a memorandum on the proposed coverages.

In addition, the Coverage Committee discussed the formation of a Cyber Task Force to address this growing exposure. Volunteers interested in serving – either Commissioners, Staff or IT Personnel – are encouraged to contact the Fund office.

Ancillary Coverage Option - Active Shooter/Assailant Coverage: Copies of a memorandum were submitted regarding Active Shooter/Assailant Coverage. Underwriting Manager will be providing group quotes for Active Shooter Assailant coverage for at the 2020 renewal.

Risk Control: Safety Director submitted a report reflecting the risk control activities, meetings attended and the Safety Director Bulletins that were distributed from June to October 2019. Safety Director reminded members to submit 2019 BRIT Safety Grant reimbursement requests by September 30th.

Next Meeting: The next meeting of the NJCE is scheduled for October 24, 2019 at 1:00PM at the Camden County Emergency Training Center.

UNION COUNTY INSURANCE COMMISSION						
FINANCIAL FAST TRACK REPORT						
		AS OF	August 31, 2019			
ALL YEARS COMBINED						
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
1.	UNDERWRITING INCOME		415,195	3,321,558	5,739,964	9,061,522
2.	CLAIM EXPENSES					
		Paid Claims	77,751	623,051	1,350,944	1,973,995
		Case Reserves	141,469	593,620	734,406	1,328,026
		IBNR	182,370	1,217,880	3,621,836	4,839,716
		Discounted Claim Value	(5,525)	(20,370)	(101,676)	(122,046)
	TOTAL CLAIMS		396,065	2,414,181	5,605,510	8,019,691
3.	EXPENSES					
		Excess Premiums	0	0	0	0
		Administrative	15,026	122,200	181,152	303,351
	TOTAL EXPENSES		15,026	122,200	181,152	303,351
4.	UNDERWRITING PROFIT (1-2-3)		4,104	785,177	(46,698)	738,479
5.	INVESTMENT INCOME		12,190	82,805	49,908	132,713
6.	PROFIT (4 + 5)		16,294	867,982	3,210	871,192
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		0	479,887	2,006,003	2,485,890
11. SURPLUS (6 + 7 + 8 - 9)			16,294	1,347,869	2,009,213	3,357,083
SURPLUS (DEFICITS) BY FUND YEAR						
	2018		7,224	1,044,375	2,009,213	3,053,588
	2019		9,070	303,495		303,495
TOTAL SURPLUS (DEFICITS)			16,294	1,347,869	2,009,213	3,357,083
TOTAL CASH						8,605,932
FUND YEAR 2018						
		Paid Claims	3,130	184,402	1,350,944	1,535,346
		Case Reserves	72,123	277,617	734,406	1,012,023
		IBNR	(75,253)	(1,207,892)	3,621,836	2,413,944
		Discounted Claim Value	69	26,534	(101,676)	(75,142)
TOTAL FY 2018 CLAIMS			69	(719,339)	5,605,510	4,886,171
FUND YEAR 2019						
		Paid Claims	74,621	438,649		438,649
		Case Reserves	69,347	316,003		316,003
		IBNR	257,623	2,425,772		2,425,772
		Discounted Claim Value	(5,594)	(46,904)		(46,904)
TOTAL FY 2019 CLAIMS			395,997		0	3,133,520
COMBINED TOTAL CLAIMS			396,065	2,414,181	5,605,510	8,019,691

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	August 31, 2019		
ALL YEARS COMBINED						
			THIS	YTD	PRIOR	FUND
			MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME		1,972,314	15,778,509	139,838,292	155,616,801
2.	CLAIM EXPENSES					
		Paid Claims	69,720	603,028	3,794,828	4,397,856
		Case Reserves	227,579	(112,560)	5,641,230	5,528,670
		IBNR	56,534	275,597	8,032,894	8,308,491
		Discounted Claim Value	(40,323)	(116,060)	(1,272,066)	(1,388,125)
	TOTAL CLAIMS		313,510	650,005	16,196,887	16,846,892
3.	EXPENSES					
		Excess Premiums	1,248,187	9,985,496	97,129,691	107,115,187
		Administrative	228,188	1,293,434	10,482,471	11,775,905
	TOTAL EXPENSES		1,476,375	11,278,930	107,612,162	118,891,092
4.	UNDERWRITING PROFIT (1-2-3)		182,428	3,849,574	16,029,244	19,878,818
5.	INVESTMENT INCOME		59,897	429,031	497,530	926,561
6.	PROFIT (4+5)		242,325	4,278,605	16,526,774	20,805,379
7.	Dividend		0	0	1,607,551	1,607,551
8.	SURPLUS (6-7-8)		242,325	4,278,605	14,919,223	19,197,828
SURPLUS (DEFICITS) BY FUND YEAR						
	2010		1,781	10,041	777,092	787,133
	2011		(14,148)	(25,456)	878,879	853,423
	2012		3,264	56,385	1,184,534	1,240,919
	2013		(1,366)	97,038	2,027,740	2,124,778
	2014		7,135	375,437	2,492,972	2,868,410
	2015		7,732	358,404	1,162,564	1,520,967
	2016		9,434	679,906	3,256,376	3,936,283
	2017		9,122	(224,426)	2,011,827	1,787,401
	2018		(24,827)	752,393	1,127,237	1,879,630
	2019		244,199	2,198,883		2,198,883
TOTAL SURPLUS (DEFICITS)			242,325	4,278,605	14,919,222	19,197,827
TOTAL CASH						32,071,912

NEW JERSEY COUNTIES EXCESS JIF FINANCIAL FAST TRACK REPORT					
AS OF August 31, 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	2,546	9,666	12,212	
Discounted Claim Value	0	(155)	(1,005)	(1,160)	
TOTAL FY 2010 CLAIMS	0	2,391	180,501	182,892	
FUND YEAR 2011					
Paid Claims	97,973	193,497	488,982	682,480	
Case Reserves	(12,973)	(120,486)	461,457	340,971	
IBNR	(68,364)	(39,375)	39,375	0	
Discounted Claim Value	0	10,350	(53,088)	(42,738)	
TOTAL FY 2011 CLAIMS	16,636	43,986	936,726	980,713	
FUND YEAR 2012					
Paid Claims	2,501	12,250	1,533,507	1,545,757	
Case Reserves	8,340	4,369	87,538	91,907	
IBNR	(10,841)	(58,257)	126,579	68,322	
Discounted Claim Value	0	8,101	(22,910)	(14,809)	
TOTAL FY 2012 CLAIMS	0	(33,537)	1,724,714	1,691,177	
FUND YEAR 2013					
Paid Claims	7,252	31,538	520,298	551,837	
Case Reserves	(437)	113,700	507,306	621,006	
IBNR	0	(226,103)	226,103	0	
Discounted Claim Value	0	22,618	(77,544)	(54,925)	
TOTAL FY 2013 CLAIMS	6,815	(58,247)	1,176,165	1,117,917	
FUND YEAR 2014					
Paid Claims	1,407	(11,764)	447,238	435,474	
Case Reserves	(1,408)	(82,056)	655,655	573,599	
IBNR	1	(270,472)	472,893	202,421	
Discounted Claim Value	0	39,137	(91,782)	(52,645)	
TOTAL FY 2014 CLAIMS	(0)	(325,156)	1,484,004	1,158,848	
FUND YEAR 2015					
Paid Claims	(40,497)	289,280	395,960	685,241	
Case Reserves	170,492	(283,705)	2,462,260	2,178,555	
IBNR	(129,995)	(351,921)	603,828	251,907	
Discounted Claim Value	0	43,819	(223,216)	(179,397)	
TOTAL FY 2015 CLAIMS	(0)	(302,527)	3,238,832	2,936,305	
FUND YEAR 2016					
Paid Claims	0	64,292	0	64,292	
Case Reserves	0	158,378	530,313	688,691	
IBNR	0	(924,866)	1,132,357	207,491	
Discounted Claim Value	0	88,921	(170,405)	(81,483)	
TOTAL FY 2016 CLAIMS	0	(613,276)	1,492,266	878,990	
FUND YEAR 2017					
Paid Claims	384	1,198	25,647	26,845	
Case Reserves	83,213	222,839	640,084	862,923	
IBNR	(83,597)	116,062	2,126,369	2,242,431	
Discounted Claim Value	0	(51,981)	(247,426)	(299,407)	
TOTAL FY 2017 CLAIMS	0	288,118	2,544,674	2,832,793	
FUND YEAR 2018					
Paid Claims	700	22,736	211,356	234,092	
Case Reserves	(19,652)	(126,629)	296,617	169,989	
IBNR	18,952	(615,079)	3,295,723	2,680,644	
Discounted Claim Value	0	45,843	(384,692)	(338,849)	
TOTAL FY 2018 CLAIMS	0	(673,129)	3,419,005	2,745,876	
FUND YEAR 2019					
Paid Claims	0	0		0	
Case Reserves	4	1,031		1,031	
IBNR	330,378	2,643,063		2,643,063	
Discounted Claim Value	(40,323)	(322,712)		(322,712)	
TOTAL FY 2019 CLAIMS	290,060	2,321,382	0	2,321,382	
COMBINED TOTAL CLAIMS	313,510	650,005	16,196,887	16,846,892	

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 AUGUST 31, 2019			
COVERAGE LINE - PROPERTY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
July-19	1	11	12
August-19	1	14	15
NET CHGE	0	3	3
Limited Reserves			\$2,262
Year	2018	2019	TOTAL
July-19	\$0	\$11,278	\$11,278
August-19	\$0	\$33,926	\$33,926
NET CHGE	\$0	\$22,647	\$22,647
Ltd Incurred	\$290,449	\$137,156	\$427,605
COVERAGE LINE - GENERAL LIABILITY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
July-19	28	35	63
August-19	19	45	64
NET CHGE	-9	10	1
Limited Reserves			\$882
Year	2018	2019	TOTAL
July-19	\$23,345	\$27,300	\$50,645
August-19	\$20,340	\$36,131	\$56,471
NET CHGE	(\$3,005)	\$8,831	\$5,826
Ltd Incurred	\$122,935	\$36,904	\$159,839
COVERAGE LINE - AUTO LIABILITY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
July-19	2	7	9
August-19	2	9	11
NET CHGE	0	2	2
Limited Reserves			\$1,128
Year	2018	2019	TOTAL
July-19	\$4,092	\$5,062	\$9,154
August-19	\$4,092	\$8,312	\$12,404
NET CHGE	\$0	\$3,250	\$3,250
Ltd Incurred	\$27,178	\$9,312	\$36,490
COVERAGE LINE - WORKERS COMP.			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
July-19	33	31	64
August-19	36	31	67
NET CHGE	3	0	3
Limited Reserves			\$18,287
Year	2018	2019	TOTAL
July-19	\$912,463	\$203,016	\$1,115,479
August-19	\$987,591	\$237,634	\$1,225,226
NET CHGE	\$75,128	\$34,619	\$109,746
Ltd Incurred	\$2,106,949	\$566,095	\$2,673,043
TOTAL ALL LINES COMBINED			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
July-19	64	84	148
August-19	58	99	157
NET CHGE	-6	15	9
Limited Reserves			\$8,459
Year	2018	2019	TOTAL
July-19	\$939,900	\$246,656	\$1,186,557
August-19	\$1,012,023	\$316,003	\$1,328,026
NET CHGE	\$72,123	\$69,347	\$141,469
Ltd Incurred	\$2,547,512	\$749,466	\$3,296,978

Union County Insurance Commissions
CLAIMS MANAGEMENT REPORT
EXPECTED LOSS RATIO ANALYSIS

AS OF August 31, 2019

FUND YEAR 2018 -- LOSSES CAPPED AT RETENTION

	Budget	Current		20			Last Month		19			Last Year		8		
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	31-Aug-19		TARGETED	Incurred	Incurred	31-Jul-19		TARGETED	Incurred	Incurred	30-Aug-18		TARGETED
PROPERTY	320,021	290,449	290,449	90.76%	312,734	97.72%	290,449	290,449	90.76%	311,699	97.40%	279,434	279,434	87.32%	195,213	61.00%
GEN LIABILITY	427,942	122,935	122,935	28.73%	317,417	74.17%	125,940	125,940	29.43%	311,117	72.70%	42,929	42,929	10.03%	128,383	30.00%
AUTO LIABILITY	259,693	27,178	27,178	10.47%	182,458	70.26%	27,178	27,178	10.47%	177,665	68.41%	15,901	15,901	6.12%	77,908	30.00%
WORKER'S COMP	4,546,370	2,106,949	2,106,949	46.34%	4,069,068	89.50%	2,028,691	2,028,691	44.62%	4,002,791	88.04%	1,420,790	1,420,790	31.25%	1,182,056	26.00%
TOTAL ALL LINES	5,554,026	2,547,512	2,547,512	45.87%	4,881,678	87.89%	2,472,259	2,472,259	44.51%	4,803,272	86.48%	1,759,055	1,759,055	31.67%	1,583,560	28.51%
NET PAYOUT %	\$1,535,489				27.65%											

FUND YEAR 2019 -- LOSSES CAPPED AT RETENTION

	Budget	Current		8			Last Month		7			Last Year		-4		
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	31-Aug-19		TARGETED	Incurred	Incurred	31-Jul-19		TARGETED	Incurred	Incurred	30-Aug-18		TARGETED
PROPERTY	340,421	137,156	137,156	40.29%	207,657	61.00%	112,156	112,156	32.95%	180,423	53.00%	0	0	N/A	N/A	N/A
GEN LIABILITY	428,501	36,904	36,904	8.61%	128,550	30.00%	28,050	28,050	6.55%	107,125	25.00%	0	0	N/A	N/A	N/A
AUTO LIABILITY	258,887	9,312	9,312	3.60%	77,666	30.00%	6,062	6,062	2.34%	64,722	25.00%	0	0	N/A	N/A	N/A
WORKER'S COMP	4,637,297	566,095	566,095	12.21%	1,205,697	26.00%	463,917	463,917	10.00%	881,087	19.00%	0	0	N/A	N/A	N/A
TOTAL ALL LINES	5,665,107	749,466	749,466	13.23%	1,619,571	28.59%	610,185	610,185	10.77%	1,233,357	21.77%	0	0	N/A	N/A	N/A
NET PAYOUT %	\$433,463				7.65%											

**UNION COUNTY INSURANCE FUND COMMISSION
BILLS LIST**

Resolution No. 29-19

October 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 2018

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001068			
001068	SUPLEE, CLOONEY & COMPANY	PROFESSIONAL SERVICES FOR 2018 AUDIT	9,000.00
			9,000.00
		Total Payments FY 2018	9,000.00

FUND YEAR 2019

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001069			
001069	PERMA RISK MANAGEMENT SERVICES	POSTAGE 9/19	1.45
001069	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR FEE 10/19	13,063.33
			13,064.78
001070			
001070	THE ACTUARIAL ADVANTAGE	ACTUARIAL FEE 10/19	501.50
			501.50
001071			
001071	WESTFIELD LEADER	LEGAL AD - 9.12.19	28.56
			28.56
		Total Payments FY 2019	13,594.84

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	August			
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	\$6,927,676.16	6,986,625.48	-	58,949.32
Opening Interest Accrual Balance	\$0.00	0		0
1	Interest Accrued and/or Interest Cost	\$0.00	\$0.00	\$0.00
2	Interest Accrued - discounted Instr.s	\$0.00	\$0.00	\$0.00
3	(Amortization and/or Interest Cost)	\$0.00	\$0.00	\$0.00
4	Accretion	\$0.00	\$0.00	\$0.00
5	Interest Paid - Cash Instr.s	\$12,189.90	\$12,131.87	\$58.03
6	Interest Paid - Term Instr.s	\$0.00	\$0.00	\$0.00
7	Realized Gain (Loss)	\$0.00	\$0.00	\$0.00
8	Net Investment Income	\$12,189.90	\$12,131.87	\$58.03
9	Deposits - Purchases	\$1,866,717.98	\$1,744,350.76	\$122,367.22
10	(Withdrawals - Sales)	-\$200,651.09	-\$122,367.22	-\$78,283.87
	Ending Cash & Investment Balance	\$8,605,932.95	\$8,620,740.89	-\$14,807.94
	Ending Interest Accrual Balance	\$0.00	\$0.00	\$0.00
	Plus Outstanding Checks	\$40,218.43	\$0.00	\$40,218.43
	(Less Deposits in Transit)	\$0.00	\$0.00	\$0.00
	Balance per Bank	\$8,646,151.38	\$8,620,740.89	\$25,410.49

UNION COUNTY INSURANCE COMMISSION							
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED							
Current Fund Year: 2019 Month Ending: August							
	Property	Liability	Auto	Worker's Comp	NJ CEL	Admin	TOTAL
OPEN BALANCE	129,257.78	584,929.94	393,511.43	5,781,583.06	0.00	38,393.56	6,927,675.77
RECEIPTS							
Assessments	107,232.80	134,977.79	81,549.25	1,354,500.00	0.00	65,558.01	1,743,817.85
Refunds	500.00	0.00	0.00	32.91	0.00	0.00	532.91
Invest Pymnts	227.45	1,029.24	692.42	10,173.24	0.00	67.55	12,189.90
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	227.45	1,029.24	692.42	10,173.24	0.00	67.55	12,189.90
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	107,960.25	136,007.03	82,241.67	1,364,706.15	0.00	65,625.56	1,756,540.66
EXPENSES							
Claims Transfers	7,538.86	23.00	0.00	70,722.01	0.00	0.00	78,283.87
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	7,538.86	23.00	0.00	70,722.01	0.00	0.00	78,283.87
END BALANCE	229,679.17	720,913.97	475,753.10	7,075,567.20	0.00	104,019.12	8,605,932.56



First Managed Care Option, Inc.

Case Management Monthly Activity Report

September 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%	0	208
Jan-19	3	19	11	2	13	0	84.62%	15.38%	0.00%	1	12
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%	1	10
Apr-19	1	13	10	0	10	0	100.00%	0.00%	0.00%	0	10
May-19	4	28	15	10	25	0	60.00%	40.00%	0.00%	3	22
Jun-19	5	21	10	2	12	0	83.33%	16.67%	0.00%	0	12
Jul-19	4	21	15	2	17	0	88.24%	11.76%	0.00%	2	15
Aug-19	6	22	17	2	19	0	89.47%	10.53%	0.00%	1	18
Sep-19	3	22	15	2	17	0	88.24%	11.76%	0.00%	12	5
Total FY2019	30	181	114	24	138	0	82.61%	17.39%	0.00%	20	118

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
11	9	20	0	20	5	4

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

Report run on 10/01/2019

* 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.





First Managed Care Option, Inc.

Case Management Monthly Activity Report

September 2019

UNION COUNTY INS FUND COMM

Members averaging greater than 2 days to report :

Employer	Total Claims	# of Claims > 2 days to report	% of Claims > 2 days to report
SS Income Maintenance / 789-115	2	1	50%
Sheriff / 755-770	2	2	100%

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 10/01/2019

* 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	1,285	247	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		
Jul-19	\$120,268	\$51,236	\$128,280	\$69,032	57%	166	160	6	96%	0		
Aug-19	\$143,134	\$47,303	\$136,886	\$95,830	67%	186	183	3	98%	1		
Sep-19	\$61,441	\$26,814	\$58,946	\$34,626	56%	99	92	7	93%	0		
Total 2019	\$931,152	\$341,334	\$949,070	\$589,818	63%	1,187	1,146	41	97%	1		
Total to Date	\$2,746,048	\$1,078,438	\$5,227,602	\$1,667,610	61%	2,719	2,431	288	89%	1		

Report Run Date:10/01/2019

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

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: October 9, 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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**September - October 2019
RISK CONTROL ACTIVITIES**

MEETINGS ATTENDED / TRAINING / LOSS CONTROL VISITS CONDUCTED

- **September 18:** Attended the UCIFC Executive Safety Committee meeting in Elizabeth.
- **September 18:** Attended the UCIFC Jail Sub Safety Committee meeting in Elizabeth.
- **September 18:** Attended the UCIFC meeting in Elizabeth.
- **September 27:** One session of DDC 6 training was conducted for UCIFC.

UPCOMING MEETINGS / TRAINING / LOSS CONTROL VISITS PLANNED

- **October 17:** Plan to attend the UCIFC meeting in Elizabeth.
- **October 17:** Plan to attend the UCIFC Claims Committee meeting in Elizabeth.
- **October 29:** 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 **1763, 6898, 6956, 7855 8410 & 9028**. 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 – September 18, 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 the Executive Director. 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 Wayne Ring
	Conner Strong & Buckelew Robyn Walcott
Managed Care Services	First MCO Alyson Cronk Suzanne Rajsteter
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Acrisure, LLC Robin Racioppi
Treasurer	Bibi Taylor
Attorney	Bruce H. Bergen, Esq
Safety	J.A. Montgomery Risk Control Glenn Prince T&M Associates Mark Worthington

ALSO PRESENT:

Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF JULY 17, 2019

Ms. Dodd advised she did not bring copies of the closed minutes and asked that the closed minutes be tabled until next month.

MOTION TO APPROVE OPEN OF MINUTES OF JULY 17, 2019

Moved:	Commissioner Martins
Second:	Commissioner Scutari
Vote:	2 Yes, 0 Nays, 1 Abstained

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington reported since the last meeting we've conducted some fork lift training and evaluations for the Department of Public Works as well as Facilities. Mr. Worthington advised they are scheduling through the Labor Committee evacuation drills in the fall for the buildings.

CLAIM COMMITTEE: Ms. Walcoff reported the Claim Committee met prior to the meeting and discussed the claims that would be presented during closed session.

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

CERTIFICATE OF INSURANCE REPORT: Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the months of July and August were included in the agenda. Executive Director advised there were 2 certificates issued during the month of July and 6 during August. 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:	Chairman Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

COMMISSIONER AUDITOR CONTRACT: Executive Director advised the Commission Auditor Contract with Suplee, Clooney & Company expired on September 30, 2019. Executive Director stated the RFP was issued and advertised. Executive Director reported the responses were due on Tuesday, September 24, 2019. Ms. Taylor indicated she reviewed the responses last year along with General Counsel and the Executive Director. Ms. Wagner advised the Committee should remain the same as last year. Ms. Dodd noted so far there was only one respondent.

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE last met on September 26, 2019 and a written summary report of the meeting would appear in the next agenda.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the June Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,900,179 as of June 30, 2019. Executive Director referred to Line 10 of the report, “Investment in Joint Venture” and indicated \$2,277,348 of the surplus was the UCIFC’s share of the NJCE equity. Executive Director noted the cash amount was \$7,054,208.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the June Financial Fast Track was included in the agenda. As of June 30, 2019 the Fund had a surplus of \$18,085,455. 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 June 30, 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. Executive Director noted the reports substantiated the surplus on the UCIFC Financial Fast Track.

PROPOSED PROPERTY CLAIM PROCEDURES: Executive Director referred to a copy of proposed changes to the Property Claims Procedures prepared by D&H which was included in the agenda. A Direction of Payment form was also included in the agenda. Executive Director explained D&H would make payment directly to the service provider/vendor under the new procedure with the completion of the Payment Form. Executive Director reported the new procedure was the result of a meeting with the Commission Attorney and Commission Treasurer. Executive Director advised the new procedure would eliminate any checks being issued by the County for any property damage claims. D&H would make the payments direct to the vendors. Executive Director reported he did speak with Mr. Dietz of D&H prior to the meeting and he indicated his office would discuss the new procedure with the Director of Motor Vehicle. In response to Executive Director’s inquiry, Ms. Taylor advised she wanted Motor Vehicle to weigh in so it does not lengthen their timeline to remedy any damages and then it should be fine. Executive Director advised D&H and his office would contact Motor Vehicle. Ms. Wagner asked that Ms. Scutari also be aware of the new procedure.

PROPERTY INSURANCE COVERAGE OPTIONS: Executive Director reported the NJCE JIF Coverage Committee met recently and discussed property coverages for Drones and Working Dogs. Executive Director referred to a copy of a memorandum from the NJCE Underwriting Manager issued on the proposed changes. Executive Director advised the coverage could be included in the Commission layer through the Plan of Risk Management. Executive Director stated the actuary advised there was no need to assess any additional monies for this. Executive Director advised we could offer coverage up to the full retention or agree on a sub-limit. Executive Director indicated his recommendation was not to apply a sub-limit and add the coverage to the Plan of Risk Management.

**MOTION TO APPROVE PHYSICAL DAMAGE COVERAGE TO
DRONES AND REPLACEMENT COST FOR WORKING ANIMALS UP
TO \$100,000 RETAINED LAYER**

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

ACTIVE SHOOTER/ASSAILANT COVERAGE: Executive Director referred to a copy of a memorandum from the NJCE Underwriting Manager regarding Active Shooter/Assailant coverage.

Executive Director advised the NJCE would provide group quotes for Active Shooter/Assailant coverage for the 2020 renewal.

2020 RENEWAL: Executive Director reported the new Origami System was launched on August 5th as part of the 2020 Exposure Renewal Process. Executive Director advised the deadline to complete the renewal process was September 16, 2019. Executive Director stated if anyone had any questions or needed assistance to reach out to the Fund Office. Executive Director noted the 2020 budget was reliant on the exposure data and updated renewal applications.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – RISK MANAGEMENT BEST PRACTICES WORKSHOP: Executive Director reported the eighth annual Joint Insurance Claims Committee Risk Management Workshop was scheduled for Wednesday, October 30, 2019 at the Conner Strong & Buckelew new corporate Headquarters in Camden, NJ. Executive Director noted video capability would be available from the Parsippany and Toms River offices. Executive Director advised the agenda included the topics and advised Mr. Dave Grubb of his office planned to speak on recent legislative changes that affected all public entities.

OCTOBER MEETING DATE: Executive Director reminded the Commission the next meeting was scheduled for Thursday, October 17, 2019 at 10:00 AM.

Executive Director advised he planned on attending the Freeholder Meeting on September 26, 2019.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Ms. Taylor reported she wanted to advise members of the Commission she did receive a draft audit report for 2018 and there were no recommendations or comments outlined therein. Ms. Taylor advised after final review by the Executive Director and her office the audit would be submitted for approval at next month's meeting. Ms. Taylor advised she reviewed the September bill list and she recommended its approval.

MOTION TO APPROVE RESOLUTION 25-19 SEPTEMBER BILL LIST

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

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

ATTORNEY: Mr. Bergen advised he did not have anything to report, however wanted to mention that at a recent meeting there was a discussion amending the Risk Management Plan to increase the amount of the auto physical damage and property claims. Executive Director advised it was suggested at the meeting the auto physical damage authority be increased from \$5,000 to \$15,000 and if there was need a need to make any payment between meetings. In response to Executive Director's inquiry, Mr. Bergen advised if there was no urgency the subject could be addressed next month. Ms. Taylor advised the change in process for Motor Vehicles also go in tandem with the Risk Management Plan so if there was no urgency the current process should be in place. Executive Director advised the items would be addressed at the next meeting.

CLAIMS SERVICE: Ms. Guze advised for the month ending August 31st there were 44 worker compensation claims, 3 claims were denied, 3 claims were report only, 24 claims were closed and 14 remain treating. Ms. Guze noted of those 44 claims, 7 claims were poison ivy and bug bites, typical claims for July and August. Ms. Guze advised there were no glaring safety problems.

MANAGED CARE: Ms. Cronk introduced Ms. Suzanne Rajsteter. Ms. Cronk advised Ms. Rajsteter would be stepping in as the account manager as she transitioned to a new position with First MCO. Ms. Cronk advised First MCO's reports were included in the agenda. Ms. Cronk advised for the month of August there were 22 reported claims, 17 were medical only, 2 were lost time for a total case management of 19. Ms. Cronk also provided the below information for August.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
August	\$ 143,134	\$ 47,303	\$ 95,830	67%	186	183	98%

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

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the July – September Risk Control Activities Report which was included in the agenda. Mr. Prince reported the agenda also included two Safety Director Bulletins, "Office Safety" and "New School Year – Driver Awareness". Mr. Prince advised the deadline for the BRIT Safety Grant was fast approaching on September 30th. In response to Executive Director's inquiry, Mr. Prince advised he was in touch with the Sheriff's office. After a brief discussion Ms. Martins suggested discussing further at the Safety Meeting today. In response to Executive Director's request, Mr. Prince advised he could extend the deadline. 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 8917, 7773, 2624, 7692, 7563, 6521, 7828, 4467, 6210, 7469, 8657-01, 8636 & 8540. 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.

Mr. Bergen asked that anyone not involved with the worker compensation claims to leave the room.

MOTION TO GO INTO CLOSED SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:35 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary

APPENDIX II

PLAN OF RISK MANAGEMENT

Union County Insurance Fund Commission 2019 Plan of Risk Management

BE IT RESOLVED by the Insurance Commission's governing body that effective **October 17, 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
 10. Unmanned Aircraft Systems (Drones) - \$100,000
 11. Working Dogs - \$100,000
 - 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. \$15,000 for auto physical damage claims and \$25,000 for property 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 17th day of October, 2019.

COMMISSION CHAIRPERSON

ATTEST:

COMMISSION VICE CHAIRPERSON