

**UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – December 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
	PERMA Jen Conicella
Managed Care Services	First MCO Suzanne Rajsteter
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Acrisure, LLC
Treasurer	Bibi Taylor
Attorney	Bruce H. Bergen, Esq
Safety	J.A. Montgomery Risk Control Glenn Prince
	T&M Associates Mark Worthington

ALSO PRESENT:

Terry Pacheco, Union County

Cathy Dodd, PERMA Risk Management Services

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

MOTION TO APPROVE OPEN & CLOSED MINUTES OF OCTOBER 17, 2019

Moved:

Chair Wagner

Second:

Commissioner Martins

Vote:

3 Yes, 0 Nays

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington reported they had their final Labor Committee Meeting last week. Mr. Worthington advised he and Mr. Prince attended the Corrections Meeting where many issues were closed out and found out they passed the ACA Accreditation Inspection. Mr. Worthington reported year end training was conducted for the Lab at the Prosecutor's Office. Mr. Worthington advised that concluded his report unless there were any questions.

CLAIM COMMITTEE: Executive Director referred to a copy of the Claims Committee 2020 Meeting Schedule which was included in the agenda. In response to Ms. Guze's inquiry, Ms. Dodd confirmed the meeting in January was on a Thursday.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and first he wanted to welcome Jennifer Conicella.

Executive Director advised Ms. Conicella joined PERMA as a Senior Associate Claims Consultant. Executive Director reported Ms. Conicella had 13 years of Workers' Compensation claims adjustment experience and would be working closely with Robyn Walcoff on the County and Commission members of the NJCE. Executive Director noted Ms. Conicella's contact information was included in the agenda.

2020 PROPERTY & CASUALTY BUDGET TEMPORARY BUDGET: Executive Director referred to a copy of a full year, 2020 Property & Casualty Budget with loss funds at 90%. Executive Director advised the loss funds were provided by the Actuary. Executive Director reported he had a conversation with the Chair and she suggested after conversations with the Commission Treasurer a temporary budget be approved as we did last year. Executive Director indicated 1/12 of the budget amount would be \$427,071. Executive Director advised for 2020 the Property Self-Insured Retention (SIR) for UCIFC would increase to \$250,000 from \$100,000. Executive Director reported the loss funds also reflected first dollar coverage for property and auto physical damage. Executive Director noted as in the past there was a "0" deductible.

Commission Treasurer advised she would like to base the temporary budget on 1/12 of last year's budget until it was determined what was needed for 2020 and recommended a figure of \$411,174.

**MOTION TO APPROVE RESOLUTION 30-19 ADOPTING A
TEMPORARY 2020 PROPERTY AND CASUALTY BUDGET IN THE
AMOUNT OF \$411,174 PER THE COMMISSION TREASURER'S
RECOMMENDATIONS**

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

CYBER INCIDENT: Executive Director reported the County experienced some difficulties with their computer systems. Executive Director advised it was his understanding there were some upfront costs which may or may not be covered through the insurance cyber policy. Executive Director advised in talking with the Chair and Commission Treasurer it was agreed a claim would be set up with a reserve of \$150,000 to cover certain expenses. Chair Wagner advised they were still in the exploration process and should have some information by the end of the week. Chair Wagner advised she did receive a bill from Spincube, the company that provided the Bitdefender to protect the County from this type of incidents, just shy of \$35,000. After a brief discussion it was agreed that the contract should be reviewed and to obtain more details regarding the billing.

**MOTION TO AUTHORIZE PAYMENT OF COMPUTER SYSTEM
RELATED EXPENSES UP TO \$150,000**

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

CERTIFICATE OF INSURANCE REPORT: Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the month of October was included in the agenda. Executive Director advised there were 2 certificates issued during the month of October. 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

RFP FOR PROFESSIONAL SERVICES – ACTUARY: Executive Director advised the Fund Office issued and advertised the RFP for the 2020 Commission Actuary position. The responses were due on November 26, 2019. There was one response received from The Actuarial Advantage, Inc., the incumbent. Executive Director reported the pricing fee was \$6,138 which represented an increase of 2% over the 2019 fee of \$6,018. Executive Director noted copies of the response was available at the meeting if anyone wanted to review. Executive Director asked if anyone had any questions and recommended the Commissioners approve the appointment of The Actuarial Advantage, Inc.

**MOTION TO APPROVE THE ACTUARIAL ADVANTAGE INC. AS THE
2020 ACTUARY WITH A FEE OF \$6,138**

Moved:	Chairman Wagner
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Second:
Roll Call Vote:

Commissioner Martins
3 Yes, 0 Nays

PROPERTY CLAIMS PROCEDURES: Executive Director reported at the October Meeting we approved a new Property Claims Procedure and use of Direction Payment for auto physical damage claims. Executive Director referred to a copy of the new Property Claims Procedure along with the Direction of Payment Form. Executive Director advised the Commission Treasurer questioned whether the new procedure applied to property claims. Executive Director advised his office checked with Mr. Dietz of D&H Alternate Risk Solutions, Inc and he advised the procedure could apply to both situations, auto physical damage and property claims. Executive Director referred to a copy of the Property Claims Procedure and Direction of Payment Form which was approved in October. Executive Director advised as outlined in the procedure, the adjuster would request a direction to pay from the Commission Treasurer or the appropriate party and then payment would be sent to the respective/vendor. In response to the Chair's inquiry, Ms. Taylor indicated she was OK with the procedure.

**MOTION TO APPROVE THE NEW PROPERTY CLAIMS PROCEDURE
AND USE OF DIRECTION OF PAYMENT FORM TO INCLUDE AUTO
PHYSICAL DAMAGE CLAIMS AND PROPERTY CLAIMS**

Moved:
Second:
Roll Call Vote:

Chairman Wagner
Commissioner Martins
3 Yes, 0 Nays

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE met on October 24, 2019 and a written summary was included in the agenda. Executive Director advised the NJCE also met on November 21, 2019 and adopted the 2020 Budget. A summary of that meeting was also included in the agenda.

NJCE DIVIDEND: Executive Director advised the Board of Fund Commissioners authorized a release of a dividend in the amount of \$2,000,000. Executive Director reported Union County's share of the dividend was \$318,258.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the September Financial Fast Track was included in the agenda. The Commission had a surplus of \$3,713,271 as of September 30, 2019. Executive Director referred to Line 10 of the report, "Investment in Joint Venture" and indicated \$2,511,711 of the surplus was the UCIFC's share of the NJCE equity. Executive Director noted the cash amount was \$8,502,042.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the September Financial Fast Track was included in the agenda. As of September 30, 2019 the Fund had a surplus of \$16,851,003. Executive Director noted a new line was added to the report, line 7, "Dividend". The total amount of dividends was \$3,607,551. 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 September 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.

2020 MEETING SCHEUDLE: Executive Director referred to a copy of the proposed UCIFC Executive Committee Meeting Schedule for 2020. Executive Director advised the 2020 UCIFC Reorganization meeting was scheduled for Thursday, January 16, 2020. Executive Director noted there were no meetings schedules for May, August and November. Executive Director advised if the dates were acceptable a resolution would be prepared with the Reorganizational Resolutions in January.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Ms. Taylor advised she recommended action for Resolution 31-19, December Bill List.

MOTION TO APPROVE RESOLUTION 31-19 DECEMBER BILL LIST

Moved:	Chairman Wagner
Second:	Commissioner Martins
Roll Call 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.

CLAIMS SERVICE: Ms. Guze advised for the period of October 1 through November 30, 2019 there were 39 worker compensation claims, 11 claims were report only, 18 claims were closed, 9 remain treating and 1 remained open due to litigation. Ms. Guze advised there were no glaring issues, however, some carelessness. Ms. Guze advised that concluded her report unless anyone had any questions.

MANAGED CARE: Ms. Rajsteter advised First MCO's reports were included in the agenda. Ms. Rajsteter reviewed the Case Management Monthly Reports for the month of October and November as noted below.

Month	Total Claims Reported	Medical Only	Loss Time	Total Case Managed	% Total Case Managed
October	23	11	2	13	84.62%
November	13	6	4	10	60%

Ms. Rajsteter reviewed the Medical Savings Report for the months of October and November as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
October	\$ 167,342	\$ 61,475	\$ 105,867	63%	160	145	91%
November	\$ 925,054	\$ 158,170	\$ 766,884	83%	125	114	91%

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

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the October – December Risk Control Activities Report which was included in the agenda. Mr. Prince advised the Safety Committee would meet immediately following this meeting and would discuss some of the added classes for 2020. Mr. Prince advised the Commercial Driver’s License requirements for CDL holder would be discussed. Mr. Prince recommended the County adopt a resolution to participate in the program in the event you have union issues where employees refuse to register for the clearinghouse which would prevent the County checking on their history status. In response to Executive Director’s inquiry, Mr. Prince advised bulletins and flyers were set out regarding this subject. Mr. Prince advised he could send a sample resolution to the Chair and Fund Attorney. 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 9463, 9723, 9170, 8515 7628, 9053 & 8610. 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
Roll Call Vote 3 Yes, 0 Nays

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:32 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary