

**UNION COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
JANUARY 16, 2020**

**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: January 16, 2020
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: December 19, 2019 Open Minutes.....Appendix I**
December 19, 2019 Closed Minutes.....Handout

- ☐ **CORRESPONDENCE:**

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

- ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMAPages 3-28**

- ☐ **TREASURER – Bibi Taylor**
 Resolution **13-20** January Bill List – MotionPage 29
 October Treasurer Reports Pages 30-31

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

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

- ☐ **MANAGED CARE – First MCO**
 Monthly Report –December Pages 32-34

- ☐ **NJCE SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 Monthly Report..... Pages 35-36

- ☐ **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 37
 Motion to go into Executive Session
- ☐ **APPROVAL OF PARS - Motion**

- ☐ **MEETING ADJOURNMENT**
- ☐ **NEXT SCHEDULED MEETINGS: February 19, 2020 ADMINISTRATION BUILDING,**
6TH FLOOR, FREEHOLDER CONFERENCE ROOM, 10 ELIZABETHTOWN PLAZA,
ELIZABETH, NJ

UNION COUNTY INSURANCE FUND COMMISSION

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

Date: January 16, 2020
Memo to: Commissioners of the Union County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: Executive Director's Report

- ☐ **Reorganization Resolutions (Pages 5-18)** – The UCIFC is required to reorganize at the January Board of Commissioners meeting per the Commission's Rules & Regulations. Listed below are the necessary Reorganization Resolutions which are included in the agenda on pages 5-18. The resolutions were reviewed by the Commission Attorney.

Resolution 1-20 .Certifying the Appointment Chair and Vice Chair	Page 5
Resolution 2-20 .Designating Authorized Signatures for Commission Bank Accounts.....	Page 6
Resolution 3-20 .Appointing Agent for Services of Process and Custodian of Records	Page 7
Resolution 4-20 .Designating Official Newspapers	Page 8
Resolution 5-20 .Designating Authorized Depositories for Commission Assets and.....	Pages 9-12
Establishing Cash Management Plan*	
Resolution 6-20 .Utilizing Union County Approved Counsel for the County	Pages 13-15
Insurance Commission	
Resolution 7-20 .Designating Commission Treasurer	Page 16
Resolution 8-20 .Designating Commission Attorney	Page 17
Resolution 9-20 .Authorizing Commission Treasurer to Process Contracted Payments	Page 18
& Expenses	

*The Cash Management Plan has been amended to reference the NJ Statutes that list the permissible investments as opposed to actually listing each permissible investment. This will reduce human error factor.

☐ **Motion to approve Reorganization Resolutions 1-20 through 9-20**

- ☐ **2020 Plan of Risk Management (Appendix II)** – The 2020 Risk Management Plan is attached in Appendix II of the agenda. The Plan is an overview of the Commission's coverages, risks retained by the Commissions, reserving, philosophy, claims payment authority, etc. The changes are highlighted in yellow. As we discussed last month, the 2020 Property Self-Insured Retention (SIR) for UCIFC would increase to \$250,000 from \$100,000. The NJCE level would increase to 750,000 from \$150,000. The payment authority for worker compensation claims is increased to \$25,000 from 15,000. Executive Director will review all of the changes at the meeting.

☐ **Motion to approve Resolution 10-20, 2020 Plan of Risk Management**

- ☐ **2020 Meeting Schedule (Pages 19-20)** – Attached on page 19 for your consideration is a copy of the UCIFC Executive Meeting Schedule which was presented at our last meeting. There will

be no meetings in May, August and November. However additional meetings can be scheduled with proper notice or cancelled if there are no action items. If the schedule is acceptable to the Commissioners we have prepared Resolution 11-20 for your approval which is included in the agenda on page 20.

☐ Motion to approve Resolution 11-20, 2020 Meeting Schedule

- ☐ 2020 Property & Casualty Budget (Pages 21-22)** – Attached on page 21 is a copy of the proposed 2020 Property & Casualty Budget in the amount of \$5,124,850. At our last meeting we approved a temporary budget of \$411,174 which represented 1/12 of last year's budget.

We are requesting approval of a second temporary budget in the amount of \$411,174 representing 1/12 of last year's budget. The total 2020 temporary budget is \$822,348. Included in the agenda on page 22 is Resolution 12-20 to approve and adopt a temporary budget.

☐ Motion to approve Resolution 12-20 adopting a second temporary 2020 Property & Casualty Budget in the amount of \$411,174

- ☐ Certificate of Insurance Report (Page 23)** - Attached on page 23 is the certificate of insurance issuance report from the NJCE listing the certificates issued during the month of December. There was one certificate issued during December.

☐ Motion to approve the certificate of insurance report

- ☐ NJ Counties Excess Joint Insurance Fund (NJCE)** – The NJCE will hold its Re-Organization Meeting on February 27, 2020 at 1:00 PM at the Camden County College Regional Emergency Training Center.
- ☐ UCIFC Financial Fast Track (Page 24)** - Included in the agenda on page 24 is a copy of the Financial Fast Track for the month of October. As of **October 31, 2019** there is a statutory surplus of **\$3,628,135**. Line 10 of the report, "Investment in Joint Venture" is the Union County Insurance Commission's share of the equity in the NJCE, **\$2,125,811**. The total cash amount is **\$8,358,666**.
- ☐ NJCE Property & Casualty Financial Fast Track (Pages 25-26)** – Included in the agenda on pages 25-26 is a copy of the Financial Fast Track for the month of October. As of **October 31, 2019** the Fund has a surplus of **\$16,597,044**. The cash amount is **\$32,149,785**.
- ☐ Claims Tracking Reports (Pages 27-28)** – Included in the agenda on page 27 is the Claim Activity Report as of October 31, 2019. Also included in the agenda on page 28 is the Claims Management Report Expected Loss Ratio Analysis Report as of October 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.
- ☐ Cyber Incident** – We will ask the County to provide an update on the recent cyber incident.

RESOLUTION NO. 1-20

**UNION COUNTY INSURANCE FUND COMMISSION
CERTIFY THE APPOINTMENT OF CHAIR AND VICE CHAIR**

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

BE IT RESOLVED by the Union County Insurance Fund Commission that the following persons have been appointed as Chairperson and Vice-Chairperson:

Amy Wagner	Chair
Claudia Martins	Vice Chair
Laura Scutari	Commissioner

BE IT FURTHER RESOLVED that the Chair and Vice Chair shall serve for a one year term to expire through the reorganization of the Commission and until their successors shall be elected and qualified.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

RESOLUTION NO. 2-20

**UNION COUNTY INSURANCE FUND COMMISSION
DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS**

BE IT RESOLVED by the Union County Insurance Fund Commission (hereinafter the Commission) that all funds of the Commission shall be withdrawn from the official named depositories by check, which shall bear the signatures of at least two (2) of the following persons who are duly authorized pursuant to this resolution, except for those checks in the amount of \$100,000 or more and in that instance at least three signatures shall be required;

I. All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the official named Depository which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this resolution.

Amy Wagner	CHAIR
Claudia Martins	SECRETARY
Bibi Taylor	TREASURER

II. All funds for Claims payments shall be withdrawn from the Official named Depository by check, which shall bear the signatures of the Treasurer and of one (1) of the D&H representatives listed below, duly authorized pursuant to this Resolution.

Wayne F. Dietz,	D&H Alternative Risk Solutions
Arthur W. Gottheim,	D&H Alternative Risk Solutions

Transfers approved by the Commission shall be by wire as authorized by the Treasurer between the administrative account and the claims account.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

RESOLUTION NO. 3-20

**UNION COUNTY INSURANCE FUND COMMISSION
APPOINTING AGENT FOR SERVICE OF PROCESS AND CUSTODIAN OF RECORDS
FOR THE COMMISSION
FOR THE YEAR 2020**

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 UCIFC has the authority and deemed it necessary an appropriate to formally reorganize for the 2020 commission year; and

NOW THEREFORE BE IT RESOLVED by the Union County Insurance Commission that **PERMA Risk Management Services** is hereby appointed as agent for service of process upon the UCIFC, at its office located at 9 Campus Drive, Suite 216, NJ 07054 for the year 2020 or until its successor has been appointed and qualified. Said appointment shall be at no cost to the UCIFC; and

BE IT FURTHER RESOLVED that **PERMA Risk Management Services** shall also be the Custodian of Records at no cost to the UCIFC.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

RESOLUTION NO. 4-20

**UNION COUNTY INSURANCE FUND COMMISSION
DESIGNATING OFFICIAL NEWSPAPERS FOR THE COMMISSION**

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 UCIFC has the authority and deemed it necessary an appropriate to formally reorganize for the 2020 commission year; and

BE IT RESOLVED by the Union County Insurance Fund Commission, (hereinafter the UCIFC) the **Star Ledger** (Advanced Media) and **Westfield Leader** are hereby designated as the official newspapers for the Commission and all official notices required to be published shall be published in all newspapers; and

BE IT FURTHER RESOLVED that the designation of official newspapers shall be effective upon adoption of the within resolution for the term of one year through the 2021 re-organization of the UCIFC; and

BE IT FURTHER RESOLVED that in the case of special meetings or emergency meetings, the Executive Director of the UCIFC shall give notice of said meetings to the Star Ledger (Advanced) Media and Westfield Leader.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

RESOLUTION NO. 5-20

**UNION COUNTY INSURANCE FUND COMMISSION
DESIGNATING AUTHORIZED DEPOSITORIES FOR COMMISSION ASSETS
AND ESTABLISHING CASH MANAGEMENT PLAN**

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 UCIFC has the authority and deemed it necessary an appropriate to formally reorganize for the 2020 commission year; and

BE IT RESOLVED, Investors Bank is hereby designated as the depository for assets of the Commission; and

BE IT FURTHER RESOLVED that the attached Cash and Investment Management Plan, which includes the designation of authorized depositories, be and is hereby adopted.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

UNION COUNTY INSURANCE FUND COMMISSION
2020 CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The UNION COUNTY INSURANCE FUND COMMISSION (hereinafter referred to as the FUND or COMMISSION) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the FUND's economic surplus.

2.) Permissible Investments

Investments shall be limited to the investments authorized under New Jersey Statutes 40A:5015.1.

3.) Authorized Depositories

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA).

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) Authority for Investment Management

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the FUND. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages, which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Fund Commissioners at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with N.J.S.A. 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Fund Commissioners by the Treasurer at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks, which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

RESOLUTION NO. 6-20

UNION COUNTY INSURANCE FUND COMMISSION

**UTILIZING UNION COUNTY APPROVED COUNSEL FOR THE COUNTY
INSURANCE COMMISSION**

WHEREAS, the Union County Insurance Fund Commission is responsible for providing a defense to certain claims brought against its members in accordance with the Commission's coverage documents; and

WHEREAS, the County of Union on behalf of itself and the UCIFC implemented a fair and open process for the procurement of litigation and/or defense counsel; and

WHEREAS, on October 24, 2019, "Request for Qualifications" (RFQ) were issued and responses were received on November 13, 2019; and

WHEREAS, having considered the recommendation of the Proposal Review Committee, the Board determined that the attached list of Law Firms should be deemed pre-qualified to provide the legal services outlined above; and

WHEREAS, this Commission wishes to accept the recommendations of the Proposal Review Committee and determined that the attached list of Law Firms should be deemed pre-qualified to provide the legal services as outlined:

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Union County Insurance Fund Commission that the assignment of specific claims for defense shall be made by the Commission, on advice from the County Counsel's office.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

RFQ FOR LITIGATION & DEFENSE COUNSEL SERVICES-POSTED ON OCTOBER 24, 2019
AND OPENED ON NOVEMBER 13, 2019:

- Aloia Law Firm LLC, 2 Broad Street, Suite 510, Bloomfield, NJ 07003; (973) 337-6626
- Biancamano & DiStefano, Executive Plaza, 10 Parsonage Road, Suite 300, Edison, NJ 08837; (732) 549-0220
- Chasan Lamparello Mallon & Cappuzzo, 300 Lighting Way, Suite 200, Secaucus, NJ 07094; 201-348-6000
- DECOTTIS, 500 Frank W. Burr Boulevard, Suite 31, Teaneck, NJ 07666; (201) 928-1100
- Eric M. Bernstein & Associates LLC, 34 Mountain Blvd, Building A. P.O. BOX 4922, Warren, NJ 07059; (732) 805-3360
- Fernandez Garcia, LLC, 14 Elm Street, Morristown, NJ 07960; 973-500-2256
- Florio, Kenny & Raval, LLP, 125 Chubb Avenue, Suite 310 N, Lyndhurst NJ 07071; (201)-659-8011
- Florio, Perruci, Steinhardt & Cappelli, LLC, 218 Route 17 North Suite 410, Rochelle Park, NJ 07662; (201) 843-5858
- Gluck Walrath, LLP, 428 River View Plaza, Trenton, NJ 08611; (609) 278-1900
- Inglesino Webster Wyciskala Taylor, LLC, 600 Parsippany Road, Suite 204, Parsippany, NJ 07054; 973-947-7111
- Jalloh & Jalloh, 21 West Blancke Street, 2nd Floor, Linden, NJ 07036; 908-363-9899

- Kennedy Vuernick, LLC, 301 Route 17 North, Suite 804, Rutherford, NJ 07070; 201-636-9980
- Kologi & Simitz, 500 North Wood Avenue, Suite 4B, Linden, NJ 07036; (908) 486-8877
- La Corte, Bundy, Varady & Kinsella, 989 Bonnel Court, Union, NJ 07083; (908) 810-0500
- O'Donnell McCoy Heleniak, LLC, 86 Washington Street, Morristown, NJ 07960; (973) 998-9900
- Rainone Coughlin Minchello, 555 U.S. Highway One South, Suite 440, Iselin, NJ 08830; (732) 709-4182
- Renaud & Deappolonio LLC, 190 North Avenue E. (RTE. 28) Cranford, NJ 07016; (908) 418-4088
- Rogut McCarthy LLC, 37 Alden Street Cranford, NJ 07016; (908) 931-1150
- Ruderman & Roth, LLC, 150 Morris Avenue, Suite 303, Springfield, NJ 07081; 973-258-1288
- The Antoine Law Firm, 52 Underwood Street, Apt. 1L, Newark, NJ 07106; 973-370-5347 OR 542 Morristown Road, Linden, NJ 07036
- Weber Dowd Law, 365 Rifle Camp Road, West Paterson, NJ 07424; (973) 200-0805
- Weiner Law Group, LLP, 629 Parsippany Road, Parsippany, NJ 07054; (973)403-1100

RESOLUTION NO. 7-20

**UNION COUNTY INSURANCE FUND COMMISSION
DESIGNATING COMMISSION TREASURER**

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 UCIFC requires the services of a Treasurer, and

WHEREAS, **Bibi Taylor** has demonstrated the skill and possesses the qualifications to perform the duties of Treasurer for the Union County Insurance Fund Commission and as required by the Rules & Regulations:

NOW THEREFORE BE IT RESOLVED that the Commission hereby appoints Bibi Taylor as UCIFC Treasurer for the term commencing January 1, 2020 through 2021 UCIFC Reorganization; and

NOW THEREFORE BE IT RESOLVED that compensation for the Treasurer shall be in the amount of \$4,000.00 per annum to be paid through a stipend by the County with full reimbursement by the UCIFC; and

BE IT FURTHER RESOLVED that the amount of \$4,000.00 shall be charged to the Administrative Account of the Union County Insurance Fund Commission as full reimbursement to the County of Union.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

RESOLUTION NO. 8-20

**UNION COUNTY INSURANCE FUND COMMISSION
DESIGNATING COMMISSION ATTORNEY**

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 UCIFC requires the services of an Attorney, and

WHEREAS, **Bruce H. Bergen** has demonstrated the skill and possesses the qualifications to perform the duties of Commission Attorney for the County Insurance Commission;

NOW THEREFORE BE IT RESOLVED that the Commission hereby appoints Bruce H. Bergen as UCIFC Attorney for the term commencing January 1, 2020 through 2021 UCIFC Reorganization; and

NOW THEREFORE BE IT RESOLVED that compensation for the Attorney shall be in the amount of \$4,000.00 per annum to be paid through a stipend by the County with full reimbursement by the UCIFC.

BE IT FURTHER RESOLVED that the amount of \$4,000.00 shall be charged to the Administrative Account of the Union County Insurance Fund Commission as full reimbursement to the County of Union.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

RESOLUTION NO. 9-20

**UNION COUNTY INSURANCE FUND COMMISSION
AUTHORIZING COMMISSION TREASURER TO PROCESS
CONTRACTED PAYMENTS AND EXPENSES**

WHEREAS, the Union County Insurance Fund Commission (hereinafter “the Commission”) is duly constituted as an insurance commission and is subject to all applicable laws and regulations of the State of New Jersey; and

WHEREAS, the Board of Commissioners has deemed it necessary and appropriate to provide authorization to the Commission Treasurer to pay certain Commission contracted payments and expenses during the month(s) when the Commission does not meet; and

WHEREAS, payment by the Commission Treasurer of contracted payments and expenses for the month(s) in which the Commission does not meet shall be ratified by the Commission at its next regularly scheduled meeting; now, therefore,

BE IT RESOLVED by the Board of Commissioners of the UNION COUNTY INSURANCE FUND COMMISSION that the Commission Treasurer is hereby authorized to process the contracted payments and Commission expenses for all months in which the Commission does not meet during the year 2020.

BE IT FURTHER RESOLVED that the Board of Commissioners of the UNION COUNTY INSURANCE FUND COMMISSION shall ratify the contracted payments and Commission expenses so paid by the Commission Treasurer pursuant to the within Resolution at its next regularly scheduled monthly meeting.

ADOPTED by the UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

UNION COUNTY INSURANCE FUND COMMISSION

9 CAMPUS DRIVE, SUITE 216
PARSIPPANY, NJ 07054

TO: Members of the Commission

2020 ANNUAL MEETING NOTICE

Pursuant to Chapter 231, Laws of 1975, known as the Open Public Meeting Acts, the following have been designated as meeting dates of the Union County Insurance Fund Commission at which the business of said Commission may be formally discussed, decided or acted upon.

TIME	DATE	LOCATION	PURPOSE
10:00 AM	January 16, 2020	County of Union Administration Building Freeholder Conference Room 6 th Floor 10 Elizabethtown Plaza Elizabeth, NJ	Re-Organization Meeting
10:00 AM	February 19, 2020	“	Regular Meeting
10:00 AM	March 18, 2020	“	Regular Meeting
10:00 AM	April 15, 2020	“	Regular Meeting
10:00 AM	June 17, 2020	“	Regular Meeting
10:00 AM	July 15, 2020	“	Regular Meeting
10:00 AM	September 16, 2020	“	Regular Meeting
10:00 AM	October 21, 2020	“	Regular Meeting
10:00 AM	December 16, 2020	“	Regular Meeting ing

In addition such other meetings as may be required shall be scheduled and held, but pursuant to and with such additional notice as may be required by statute.

**By: PERMA Risk Management Services
Administrator**

UNION COUNTY INSURANCE FUND COMMISSION

RESOLUTION NO. 11-20

**UNION COUNTY INSURANCE FUND COMMISSION
2020 REGULAR MEETING SCHEDULE**

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 Open Public Meetings Act of the State of New Jersey, N.J.S.A.10:4-6 et seq. requires public bodies to adopt an annual schedule of regular meetings and to furnish the public with notice of said schedule in a manner more specifically said forth in said Act; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said Union County Insurance Fund Commission as follows:

1. The schedule of regular meetings of the UCIFC for the year 2020 annexed hereto and made a part hereof be and is hereby adopted;
2. Copies of said annual schedule of regular meetings shall be posted and shall continue to be posted throughout the year on the bulletin board in the vestibule of the Administration Building, Elizabeth, New Jersey;
3. Copies of said annual schedule of regular meetings shall be provided to the Star Ledger and the Westfield Leader newspapers for publication;
4. A copy of said annual schedule of regular meetings shall be filed with the Union County Clerk.

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

UNION COUNTY INSURANCE COMMISSION					
2020 PROPOSED BUDGET :					
90%				Total	
				Increase/Decrease	
APPROPRIATIONS		ANNUALIZED BUDGET FY2019	PROPOSED BUDGET FY2020	\$	%
I. Claims and Excess Insurance					
Claims					
1	Property	306,379	355,673	49,294	16.09%
2	Liability	385,651	393,364	7,713	2.00%
3	Auto	232,998	237,658	4,660	2.00%
4	Workers' Comp.	3,870,000	3,947,400	77,400	2.00%
5					
6	Subtotal - Claims*	4,795,028	4,934,095	139,067	2.90%
7					
8					
9					
10	II. Expenses, Fees & Contingency				
11					
12	Claims Adjustment	0	0	0	0.00%
13	Safety Director	0	0	0	0.00%
14	General Expense				
15	Exec. Director	156,760	159,895	3,135	2.00%
16	Actuary	6,018	6,138	120	1.99%
17	Auditor	9,531	9,722	191	2.00%
18	Attorney	4,000	4,000	0	0.00%
19	Treasurer	4,000	4,000	0	0.00%
20					
21					
22	Misc. Expense & Contingency	7,000	7,000	0	0.00%
23					
24	Total Fund Exp & Contingency	187,309	190,755	3,446	1.84%
25	Risk Managers	0	0	0	0.00%
26					
27					
28	Total FUND Disbursements	4,982,337	5,124,850	142,513	2.86%

RESOLUTION NO. 12-20

UNION COUNTY INSURANCE FUND COMMISSION

ADOPTION OF A TEMPORARY 2020 PROPERTY & CASUALTY BUDGET

BE IT RESOLVED by the Union County Insurance Fund Commission that it hereby approves and adopts a second Temporary Budget in the amount of \$411,174 equal to 1/12 of the 2019 Property & Casualty Budget

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 16, 2020.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

**Certificate of Insurance Monthly Report
Union County Insurance Commission**

From 12/1/2019 to 12/31/2020

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID	Coverage
H - NJ Office of Faith Based I - County of Union	Initiatives P.O. Box 456 Trenton, NJ 08625	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 respects grant.	12/13/2019 #2362855	GL AU EX WC OTH
Total # of Holders: 1				

UNION COUNTY INSURANCE COMMISSION					
FINANCIAL FAST TRACK REPORT					
AS OF October 31, 2019					
ALL YEARS COMBINED					
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME	415,195	4,151,947	5,739,964	9,891,911
2.	CLAIM EXPENSES				
	Paid Claims	133,450	847,334	1,350,944	2,198,278
	Case Reserves	391,479	1,610,663	734,406	2,345,069
	IBNR	(411,466)	167,648	3,621,836	3,789,484
	Discounted Claim Value	(1,075)	(15,202)	(101,676)	(116,878)
	TOTAL CLAIMS	112,388	2,610,443	5,605,510	8,215,953
3.	EXPENSES				
	Excess Premiums	0	0	0	0
	Administrative	14,712	152,042	181,152	333,194
	TOTAL EXPENSES	14,712	152,042	181,152	333,194
4.	UNDERWRITING PROFIT (1-2-3)	288,095	1,389,462	(46,698)	1,342,764
5.	INVESTMENT INCOME	12,669	109,652	49,908	159,559
6.	PROFIT (4 + 5)	300,763	1,499,113	3,210	1,502,323
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	(385,900)	119,808	2,006,003	2,125,811
11.	SURPLUS (6 + 7 + 8 - 9)	(85,137)	1,618,921	2,009,213	3,628,135
SURPLUS (DEFICITS) BY FUND YEAR					
	2018	(419,856)	1,116,705	2,009,213	3,125,918
	2019	334,720	502,217		502,217
	TOTAL SURPLUS (DEFICITS)	(85,137)	1,618,921	2,009,213	3,628,135
TOTAL CASH					8,358,666
FUND YEAR 2018					
	Paid Claims	56,305	251,972	1,350,944	1,602,916
	Case Reserves	(55,794)	285,874	734,406	1,020,280
	IBNR	25,574	(1,755,984)	3,621,836	1,865,852
	Discounted Claim Value	1,936	39,937	(101,676)	(61,739)
	TOTAL FY 2018 CLAIMS	28,021	(1,178,202)	5,605,510	4,427,309
FUND YEAR 2019					
	Paid Claims	77,146	595,363		595,363
	Case Reserves	447,272	1,324,790		1,324,790
	IBNR	(437,040)	1,923,632		1,923,632
	Discounted Claim Value	(3,011)	(55,139)		(55,139)
	TOTAL FY 2019 CLAIMS	84,367	3,788,645	0	3,788,645
COMBINED TOTAL CLAIMS		112,388	2,610,443	5,605,510	8,215,953
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	October 31, 2019		
ALL YEARS COMBINED						
			THIS	YTD	PRIOR	FUND
			MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME		1,972,315	19,723,138	139,838,292	159,561,430
2.	CLAIM EXPENSES					
		Paid Claims	(17,262)	613,412	3,794,828	4,408,240
		Case Reserves	248,439	859,453	5,641,230	6,500,683
		IBNR	331,765	1,293,187	8,032,894	9,326,081
		Discounted Claim Value	(68,398)	(263,110)	(1,272,066)	(1,535,176)
	TOTAL CLAIMS		494,544	2,502,941	16,196,887	18,699,828
3.	EXPENSES					
		Excess Premiums	1,248,579	12,483,102	97,129,691	109,612,792
		Administrative	162,642	1,601,036	10,482,471	12,083,508
	TOTAL EXPENSES		1,411,220	14,084,138	107,612,162	121,696,300
4.	UNDERWRITING PROFIT (1-2-3)		66,551	3,136,059	16,029,244	19,165,303
5.	INVESTMENT INCOME		67,181	541,763	497,530	1,039,293
6.	PROFIT (4+5)		133,732	3,677,822	16,526,774	20,204,596
7.	Dividend		0	2,000,000	1,607,551	3,607,551
8.	SURPLUS (6-7-8)		133,732	1,677,822	14,919,223	16,597,045
SURPLUS (DEFICITS) BY FUND YEAR						
	2010		1,793	(236,173)	777,092	540,919
	2011		(5,368)	(506,242)	878,879	372,637
	2012		3,279	(190,697)	1,184,534	993,837
	2013		5,463	(609,867)	2,027,740	1,417,873
	2014		7,171	377,926	2,492,972	2,870,898
	2015		7,575	(388,696)	1,162,564	773,867
	2016		9,499	293,240	3,256,376	3,549,617
	2017		9,180	(194,742)	2,011,827	1,817,086
	2018		9,139	823,002	1,127,237	1,950,239
	2019		86,001	2,310,071		2,310,071
TOTAL SURPLUS (DEFICITS)			133,732	1,677,822	14,919,222	16,597,044
TOTAL CASH						32,149,785

NEW JERSEY COUNTIES EXCESS JIF FINANCIAL FAST TRACK REPORT					
AS OF October 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	1,650	9,666	11,316	
Discounted Claim Value	0	(58)	(1,005)	(1,063)	
TOTAL FY 2010 CLAIMS	0	1,592	180,501	182,093	
FUND YEAR 2011					
Paid Claims	(166,399)	33,586	488,982	522,568	
Case Reserves	(12,638)	47,088	461,457	508,545	
IBNR	186,700	200,426	39,375	239,801	
Discounted Claim Value	0	(2,496)	(53,088)	(55,583)	
TOTAL FY 2011 CLAIMS	7,663	278,604	936,726	1,215,330	
FUND YEAR 2012					
Paid Claims	2,761	16,170	1,533,507	1,549,677	
Case Reserves	(13,603)	(10,392)	87,538	77,146	
IBNR	10,841	(44,820)	126,579	81,759	
Discounted Claim Value	0	8,051	(22,910)	(14,859)	
TOTAL FY 2012 CLAIMS	(0)	(30,992)	1,724,714	1,693,722	
FUND YEAR 2013					
Paid Claims	12,730	48,936	520,298	569,235	
Case Reserves	(13,269)	229,091	507,306	736,397	
IBNR	539	(110,632)	226,103	115,471	
Discounted Claim Value	0	(9,631)	(77,544)	(87,175)	
TOTAL FY 2013 CLAIMS	0	157,764	1,176,165	1,333,928	
FUND YEAR 2014					
Paid Claims	854	(5,853)	447,238	441,385	
Case Reserves	(854)	(321,792)	655,655	333,864	
IBNR	0	(285,246)	472,893	187,647	
Discounted Claim Value	0	47,197	(91,782)	(44,585)	
TOTAL FY 2014 CLAIMS	0	(565,693)	1,484,004	918,311	
FUND YEAR 2015					
Paid Claims	71,569	366,277	395,960	762,237	
Case Reserves	(241,549)	(246,450)	2,462,260	2,215,810	
IBNR	170,260	82,339	603,828	686,167	
Discounted Claim Value	0	5,499	(223,216)	(217,716)	
TOTAL FY 2015 CLAIMS	281	207,664	3,238,832	3,446,497	
FUND YEAR 2016					
Paid Claims	64	64,356	0	64,356	
Case Reserves	185,793	358,312	530,313	888,625	
IBNR	(185,857)	(981,450)	1,132,357	150,907	
Discounted Claim Value	0	97,994	(170,405)	(72,411)	
TOTAL FY 2016 CLAIMS	(0)	(460,788)	1,492,266	1,031,477	
FUND YEAR 2017					
Paid Claims	35,226	38,526	25,647	64,173	
Case Reserves	207,631	434,516	640,084	1,074,599	
IBNR	(242,857)	(162,257)	2,126,369	1,964,112	
Discounted Claim Value	0	(37,058)	(247,426)	(284,483)	
TOTAL FY 2017 CLAIMS	0	273,727	2,544,674	2,818,401	
FUND YEAR 2018					
Paid Claims	1,300	24,792	211,356	236,148	
Case Reserves	(1,300)	(127,182)	296,617	169,436	
IBNR	0	(688,380)	3,295,723	2,607,344	
Discounted Claim Value	0	62,774	(384,692)	(321,917)	
TOTAL FY 2018 CLAIMS	0	(727,995)	3,419,005	2,691,010	
FUND YEAR 2019					
Paid Claims	24,631	26,621		26,621	
Case Reserves	138,228	496,262		496,262	
IBNR	392,139	3,281,558		3,281,558	
Discounted Claim Value	(68,398)	(435,383)		(435,383)	
TOTAL FY 2019 CLAIMS	486,601	3,369,058	0	3,369,058	
COMBINED TOTAL CLAIMS	494,544	2,502,941	16,196,887	18,699,828	

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 OCTOBER 31, 2019			
COVERAGE LINE - PROPERTY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
September-19	1	15	16
October-19	1	16	17
NET CHGE	0	1	1
Limited Reserves			\$1,092
Year	2018	2019	TOTAL
September-19	\$0	\$10,500	\$10,500
October-19	\$0	\$18,565	\$18,565
NET CHGE	\$0	\$8,065	\$8,065
Ltd Incurred	\$290,449	\$161,357	\$451,806
COVERAGE LINE - GENERAL LIABILITY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
September-19	26	50	76
October-19	22	60	82
NET CHGE	-4	10	6
Limited Reserves			\$1,041
Year	2018	2019	TOTAL
September-19	\$30,340	\$41,839	\$72,179
October-19	\$31,345	\$54,027	\$85,372
NET CHGE	\$1,005	\$12,188	\$13,193
Ltd Incurred	\$133,940	\$54,823	\$188,763
COVERAGE LINE - AUTO LIABILITY			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
September-19	2	8	10
October-19	2	5	7
NET CHGE	0	-3	-3
Limited Reserves			\$1,299
Year	2018	2019	TOTAL
September-19	\$4,092	\$5,000	\$9,092
October-19	\$4,092	\$5,000	\$9,092
NET CHGE	\$0	\$0	\$0
Ltd Incurred	\$27,178	\$10,228	\$37,407
COVERAGE LINE - WORKERS COMP.			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
September-19	37	36	73
October-19	36	35	71
NET CHGE	-1	-1	-2
Limited Reserves			\$31,437
Year	2018	2019	TOTAL
September-19	\$1,041,641	\$819,998	\$1,861,640
October-19	\$984,843	\$1,247,198	\$2,232,041
NET CHGE	(\$56,799)	\$427,200	\$370,401
Ltd Incurred	\$2,171,770	\$1,693,744	\$3,865,514
TOTAL ALL LINES COMBINED			
CLAIM COUNT - OPEN CLAIMS			
Year	2018	2019	TOTAL
September-19	66	109	175
October-19	61	116	177
NET CHGE	-5	7	2
Limited Reserves			\$13,249
Year	2018	2019	TOTAL
September-19	\$1,076,073	\$877,337	\$1,953,411
October-19	\$1,020,280	\$1,324,790	\$2,345,069
NET CHGE	(\$55,794)	\$447,452	\$391,659
Ltd Incurred	\$2,623,338	\$1,920,152	\$4,543,490

Union County Insurance Commissions
CLAIMS MANAGEMENT REPORT
EXPECTED LOSS RATIO ANALYSIS

AS OF October 31, 2019

FUND YEAR 2018 -- LOSSES CAPPED AT RETENTION

	Budget	Current		22			Last Month		21			Last Year		10		
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	31-Oct-19		TARGETED	Incurred	Incurred	30-Sep-19		TARGETED	Incurred	Incurred	30-Oct-18		TARGETED
PROPERTY	320,021	290,449	290,449	90.76%	315,821	98.69%	290,449	290,449	90.76%	313,746	98.04%	308,413	308,413	96.37%	243,216	76.00%
GEN LIABILITY	427,942	133,940	133,940	31.30%	329,110	76.91%	132,935	132,935	31.06%	323,414	75.57%	88,625	88,625	20.71%	179,736	42.00%
AUTO LIABILITY	259,693	27,178	27,178	10.47%	191,063	73.57%	27,178	27,178	10.47%	186,924	71.98%	12,151	12,151	4.68%	103,877	40.00%
WORKER'S COMP	4,546,370	2,171,770	2,171,770	47.77%	4,173,662	91.80%	2,172,264	2,172,264	47.78%	4,125,563	90.74%	1,735,215	1,735,215	38.17%	1,909,475	42.00%
TOTAL ALL LINES	5,554,026	2,623,338	2,623,338	47.23%	5,009,656	90.20%	2,622,827	2,622,827	47.22%	4,949,647	89.12%	2,144,404	2,144,404	38.61%	2,436,304	43.87%
NET PAYOUT %	\$1,603,058				28.86%											

FUND YEAR 2019 -- LOSSES CAPPED AT RETENTION

	Budget	Current		10			Last Month		9			Last Year		-2		
		Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH	Unlimited	Limited	Actual		MONTH
		Incurred	Incurred	31-Oct-19		TARGETED	Incurred	Incurred	30-Sep-19		TARGETED	Incurred	Incurred	30-Oct-18		TARGETED
PROPERTY	340,421	161,357	161,357	47.40%	258,720	76.00%	142,130	142,130	41.75%	231,487	68.00%	0	0	N/A	N/A	N/A
GEN LIABILITY	428,501	54,823	54,823	12.79%	179,970	42.00%	42,635	42,635	9.95%	154,260	36.00%	0	0	N/A	N/A	N/A
AUTO LIABILITY	258,887	10,228	10,228	3.95%	103,555	40.00%	8,812	8,812	3.40%	90,610	35.00%	0	0	N/A	N/A	N/A
WORKER'S COMP	4,637,297	1,693,744	1,693,744	36.52%	1,947,665	42.00%	1,199,272	1,199,272	25.86%	1,530,308	33.00%	0	0	N/A	N/A	N/A
TOTAL ALL LINES	5,665,107	1,920,152	1,920,152	33.89%	2,489,910	43.95%	1,392,849	1,392,849	24.59%	2,006,665	35.42%	0	0	N/A	N/A	N/A
NET PAYOUT %	\$595,363				10.51%											

UNION COUNTY INSURANCE FUND COMMISSION BILLS LIST

Resolution No. 13-20

JANUARY 2020

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Union County Insurance Fund Commission, hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission

FUND YEAR 2019

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001077			
001077	PERMA RISK MANAGEMENT SERVICES	POSTAGE 12/19	6.35
			6.35
		Total Payments FY 2019	6.35

FUND YEAR 2020

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001078			
001078	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 1/20	13,324.59
			13,324.59
001079			
001079	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 1/20	511.50
			511.50
001080			
001080	WESTFIELD LEADER	REORG MTG 1/20	13.26
			13.26
		Total Payments FY 2020	13,849.35
		TOTAL PAYMENTS ALL FUND YEARS	\$13,855.70

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		October		
CURRENT FUND YEAR		2019		
Description:			Administrative Account-Investors	Claims Account - Investors
ID Number:				
Maturity (Yrs)				
Purchase Yield:				
TO TAL for All Accts & instruments				
Opening Cash & Investment Balance		\$8,502,042.95	8,527,348.92	-25305.97
Opening Interest Accrual Balance		\$0.00	-	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	\$12,668.72	\$12,578.25	\$90.47
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	\$12,668.72	\$12,578.25	\$90.47
9	Deposits - Purchases	\$176,608.12	\$2,449.22	\$174,158.90
10	(Withdrawals - Sales)	-\$332,653.23	-\$196,753.74	-\$135,899.49
Ending Cash & Investment Balance		\$8,358,666.56	\$8,345,622.65	\$13,043.91
Ending Interest Accrual Balance		\$0.00	\$0.00	\$0.00
Plus Outstanding Checks		\$98,954.48	\$501.50	\$98,452.98
(Less Deposits in Transit)		\$0.00	\$0.00	\$0.00
Balance per Bank		\$8,457,621.04	\$8,346,124.15	\$111,496.89

UNION COUNTY INSURANCE COMMISSION							
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED							
Current Fund Year: 2019							
Month Ending: October							
	Property	Liability	Auto	Worker's Comp	NJ CEL	Admin	TOTAL
OPEN BALANCE	204,394.25	722,078.61	473,724.85	7,024,889.23	0.00	76,955.62	8,502,042.56
RECEIPTS							
Assessments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Refunds	2,449.22	0.00	0.00	0.00	0.00	0.00	2,449.22
Invest Pymnts	304.56	1,075.96	705.88	10,467.64	0.00	114.67	12,668.71
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	304.56	1,075.96	705.88	10,467.64	0.00	114.67	12,668.71
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	2,753.78	1,075.96	705.88	10,467.64	0.00	114.67	15,117.93
EXPENSES							
Claims Transfers	11,161.99	0.00	1,416.40	123,321.10	0.00	0.00	135,899.49
Expenses	0.00	0.00	0.00	0.00	0.00	22,594.84	22,594.84
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	11,161.99	0.00	1,416.40	123,321.10	0.00	22,594.84	158,494.33
END BALANCE	195,986.04	723,154.57	473,014.33	6,912,035.77	0.00	54,475.45	8,358,666.16



First Managed Care Option, Inc.

Case Management Monthly Activity Report

December 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%	2	206
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%	1	24
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%	1	16
Aug-19	6	22	17	2	19	0	89.47%	10.53%	0.00%	1	18
Sep-19	3	22	12	5	17	0	70.59%	29.41%	0.00%	3	14
Oct-19	3	23	11	2	13	0	84.62%	15.38%	0.00%	2	11
Nov-19	2	13	5	5	10	0	50.00%	50.00%	0.00%	2	8
Dec-19	7	19	6	3	9	0	66.67%	33.33%	0.00%	6	3
Total FY2019	42	236	133	37	170	0	78.24%	21.76%	0.00%	18	152

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
8	12	20	0	20	3	9

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 01/02/2020

* 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

December 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
PWF Public Works / 775-580	3	3	100%
P&R Watchung Stables / 371-595	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 01/02/2020

* 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		
Oct-19	\$167,342	\$61,475	\$204,386	\$105,867	63%	160	145	15	91%	1		
Nov-19	\$925,054	\$158,170	\$798,110	\$766,884	83%	125	114	11	91%	1		
Dec-19	\$437,663	\$147,480	\$495,203	\$290,183	66%	149	141	8	95%	0		
Total 2019	\$2,461,211	\$708,458	\$2,446,769	\$1,752,753	71%	1,621	1,546	75	95%	3		
Total to Date	\$4,276,107	\$1,445,562	\$6,725,301	\$2,830,545	66%	3,153	2,831	322	90%	3		

Report Run Date:01/02/2020

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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: January 8, 2020

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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**December 2019 – January 2020
RISK CONTROL ACTIVITIES**

MEETINGS ATTENDED / TRAINING / LOSS CONTROL VISITS CONDUCTED

- **December 18:** Attended the UCIFC meeting in Elizabeth.
- **December 18:** Attended the UCIFC Claims Committee meeting in Elizabeth.
- **December 18:** Attended the UCIFC Executive Safety Committee meeting in Elizabeth.
- **December 18:** Attended the UCIFC Jail Sub Safety Committee meeting in Elizabeth.

UPCOMING MEETINGS / TRAINING / LOSS CONTROL VISITS PLANNED

- **January 16:** Plan to attend the UCIFC meeting in Elizabeth.
- **January 16:** Plan to attend the UCIFC Claims Committee meeting in Elizabeth.
- **January 16:** Plan to attend the UCIFC Executive Safety Committee meeting in Elizabeth.

- **January 16:** Plan to attend the UCIFC Jail Sub Safety Committee meeting in Elizabeth.

CEL MEDIA LIBRARY

No Videos were 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: **8776, 8072, 8464, and 9177**. 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 – 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 Chair Wagner. Executive Director read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Amy Wagner	Present
Claudia Martins	Present
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	D&H Alternative Risk Solutions, Inc. Kathleen Guze
	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
Second:	Commissioner Martins
Roll Call Vote:	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:	Chairman Wagner
Second:	Commissioner Martins
Roll Call Vote:	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

APPENDIX II

2020 PLAN OF RISK MANAGEMENT

Union County Insurance Commission 2020 Plan of Risk Management

BE IT RESOLVED by the Insurance Commission's governing body that effective January 1, 2020, the 2020 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 – \$20,250,000 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 \$9,550,000 per occurrence/aggregate excess of \$6,000,000 are purchased from Brit, and \$5,000,000 per occurrence excess of \$15,550,000 are purchased from Old Republic.

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/\$30,250,000 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 \$10,000,000 per occurrence/\$20,000,000 aggregate for each of General Liability, Law Enforcement Liability and Employee Benefits Liability, and \$5,000,000 per occurrence/\$10,000,000 aggregate from Old Republic.

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 \$10,000,000 per accident and from Old Republic a limit of \$5,000,000 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 \$750,000 excess of the member Insurance Commission limit of \$250,000, 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. Breakdown - \$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 - \$10,000,000
 - 7. Vehicles - \$15,000,000 (PD Only)
 - 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. \$250,000 per occurrence
 - 2. Equipment Breakdown is \$25,000 per occurrence
 - 3. Earthquake is \$250,000
 - 4. Flood is \$250,000 per occurrence
 - i. Special Flood Hazard Area (SFHA) is \$1,000,000 buildings and \$1,000,000 contents and \$1,000,000 time element
 - 5. Named Storm is \$250,000
 - 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 \$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. \$25,000 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 16th day of January, 2020.

COMMISSION CHAIR

ATTEST:

COMMISSION VICE CHAIRPERSON