

**UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – February 19, 2020
County of Union
Administration Building – 6th Floor
Freeholder Conference Room
10 Elizabethtown Plaza
Elizabeth, NJ
10:00 AM**

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

ROLL CALL OF COMMISSIONERS:

Amy Wagner	Present (<i>via teleconference</i>)
Claudia Martins	Absent
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	D&H Alternative Risk Solutions, Inc. Kathleen Guze Wayne Ring
	PERMA Risk Management Services Robyn Walcott
Managed Care Services	First MCO Suzanne Rajsteter
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Acrisure, LLC
Treasurer	Bibi Taylor
Attorney	Bruce Bergen, Esq.
Safety	J.A. Montgomery Risk Control Jonathan Czarnecki T&M Associates Mark Worthington

ALSO PRESENT:

Adam Hayek, Taylor Darin
Terry Pacheco, Union County
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF JANUARY 16, 2020

Chair Wagner confirmed she received and reviewed a copy of the closed minutes that Ms. Dodd e-mailed to her earlier.

MOTION TO APPROVE THE OPEN MINUTES AND CLOSED MINUTES OF JANUARY 16, 2020

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

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington reported the Labor Committee met last week and there are now dates for the Reasonable Suspicion Training and they spoke about other topics. Mr. Worthington advised he met with Corrections earlier in the morning. Mr. Worthington advised that concluded his report.

CLAIM COMMITTEE: Ms. Walcoff advised the Claims Committee met prior to the Commission Meeting and discussed the claims for presentation during closed session.

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

2020 PROPERTY & CASUALTY BUDGET INTRODUCTION: Executive Director reported at the December 2019 and January 2020 meetings two temporary budgets were approved in the amount of \$411,174 each month and represented 1/12 of last year's budget. Executive Director advised he was requesting approval of a third temporary budget in the amount of \$411,174. Executive Director noted the total of the 2020 temporary budget was \$12,235.22. Executive Director referred to Resolution 14-20 which was included in the agenda. Executive Director asked if anyone had any questions and requested a motion for approval.

MOTION TO APPROVE RESOLUTION 14-20, ADOPTING A THIRD TEMPORARY 2020 PROPERTY & CASUALTY BUDGET IN THE AMOUNT OF \$411,174

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

CERTIFICATE OF INSURANCE REPORT: Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the month of January was included in the agenda. Executive Director advised there were 4 certificates issued during the month of January. reported

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE would hold it Reorganization Meeting on February 27, 2020 at 1:00 PM at the Camden County College Regional Emergency Training Center.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the December Financial Fast Track was included in the agenda. The Commission had a surplus of \$3,911,986 as of December 31, 2019. Executive Director referred to Line 10 of the report, “Investment in Joint Venture” and indicated \$2,138,393 of the surplus was the UCIFC’s share of the NJCE equity. Executive Director noted the cash amount was \$7,979,477.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the December Financial Fast Track was included in the agenda. As of December 31, 2019 the Fund had a surplus of \$15,026,780. Executive Director reported the cash amount was \$30,611,582. Executive Director referred to line 7, “Dividend” and noted the NJCE released dividends in the amount of \$3,607,551. Executive Director asked if anyone had any questions regarding the Financial Fast Track.

CLAIMS TRACKING REPORTS: Executive Director advised the Claim Tracking reports as of December 31, 2019 were included in the agenda. Executive Director referred to a copy of the Claims Management Report Expected Loss Ratio Analysis Report. Executive Director advised this report measured how the losses were running compared to the actuary’s projections. Executive Director reported for the first year the actuary’s projection was 92% and the Commission was running at 47% and for 2019 the Commission was performing at 42% and the actuary’s projection was 65%. Executive Director asked if anyone had any questions on the claims reports.

2020 EXCESS INSURANCE RENEWAL OVERVIEW: Executive Director referred to a copy of a memorandum from the NJCE Underwriting Manager. Executive Director advised the insurance marketplace had been hardening over the past few years. Executive Director also advised the NJCE had experienced a high frequency of property losses over the last several years which caused the need for increased retentions and premium rates. Executive Director reported the casualty market experienced the same hardening and after the NJCE had set their budget, Brit along with all other Excess Casualty insurers, cut back their limits from \$15,000,000/\$20,000,000 to \$10,000,000/\$20,000,000. Brit did return the premium for that layer of insurance in the amount of \$240,000, however that amount was far below the new market’s premium for that layer of insurance. Executive Director advised Old Republic provided the only quotation for this layer at the \$1,000,000 premium mark. They will also replace Argonaut’s layer. Executive Director advised the differential is approximately \$750,000 and at the next NJCE meeting a recommendation would be made to the Board for the NJCE to absorb the difference due to their surplus. Executive Director noted this was

another benefit of participating in a JIF because commercial markets would collect that additional premium right away.

2020 MEL MRHIF AND NJCE EDUCATIONAL SEMINAR: Executive Director reported the 10th annual educational seminar was scheduled for Friday, May 1, 2020 beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. Executive Director advised the seminar qualified for an extensive list of Continuing Educational Credits. Executive Director reviewed the topics of the seminar and the presenters.

CYBER INCIDENT: Chair Wagner provided an update of the recent cyber incident. Chair Wagner advised they were at the tail end, with a few more accounts to check and believed everything was basically wrapped up. Chair Wagner reported they were just waiting for a date for the final call. Chair Wagner noted they were happy they did not lose any data. Chair Wagner advised they were working with MS-ISAC to evaluate their network to see if there were any vulnerabilities and was also providing some tools the government was offering and being proactive. Chair Wagner indicated Mr. Bergen was still working on the Spincube invoice. Mr. Bergen advised he would provide an update during closed session.

UNION COUNTY COURT ANNEX BUILDING WATER LOSS: Executive Director reported during closing session an update would be provided on the recent water loss claim.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Commission Treasurer reported she recommended Resolution 15-20 for approval.

MOTION TO APPROVE RESOLUTION 15-20 FEBRUARY BILL LIST

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

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

ATTORNEY: Mr. Bergen advised his report was for closed session.

CLAIMS SERVICE: Ms. Guze reported for the month of January there were 17 claims, 1 claim was denied, 7 were closed, 7 remain treating. Ms. Guze noted we have had an easy winter so far and did not have the normal slip and fall claims or motor vehicle accidents and was hopeful the trend would continue for the rest of the season. Ms. Guze advised that concluded her report unless there were any questions.

MANAGED CARE: Ms. Rajsteter advised First MCO's reports were included in the agenda. Ms. Rajsteter reviewed the Case Management Monthly Activity Report for the month of January as noted below.

Month	Total Claims Reported	Medical Only	Loss Time	Total Case Managed	% Total Case Managed
January	19	13	3	16	81.25%

Ms. Rajsteter reviewed the Medical Savings Report for the month of January as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
January	\$ 99,613	\$ 32,489	\$ 67,123	67%	170	163	96%

NJCE SAFETY DIRECTOR: Mr. Czarnecki reported the Safety Director's report for January – February was included in the agenda. Mr. Czarnecki advised the agenda also included two shift briefings which included Properly Securing Loads and Winter Driving Tips. Mr. Czarnecki reported the agenda also included a memo on the BRIT Safety Grant Program. Mr. Czarnecki noted there was \$45,000 available again for 2020 for the 10 counties to split. All submissions should be sent direct to Glenn Prince. Lastly Mr. Czarnecki reported at the last meeting Mr. Prince was requested to conduct an accident investigation for the Parks Department which he could discuss in closed session. Mr. Czarnecki advised that concluded his report unless anyone had any questions.

Correspondence Made Part of Minutes

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

CLOSED SESSION: Executive Director advised there was a need for a closed session. Commission Attorney stated that pursuant to the provisions of the Open Public Meetings Act, a public body may enter into Executive Session for the purpose of discussing certain enumerated subjects. Commission Attorney then read the below statement which was included in the agenda.

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 0093, 0070, 0692 and 6175 as well as potential litigation concerning Spinecube, Inc. and potential legal and contractual issues regarding a water claim.

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.

February 19, 2020 Union County Insurance Fund Commission OPEN Minutes

MOTION TO RETURN TO OPEN SESSION

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

MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:28 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary