

**UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – January 16, 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 Chair Wagner. Executive Director read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Amy Wagner	Present
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
	PERMA Risk Management Services
Managed Care Services	First MCO Suzanne Rajsteter
NJCE Underwriting Manager	Conner Strong & Buckelew Ed Cooney
Risk Management Consultant	Acrisure, LLC Robin Racioppi
Treasurer	
Attorney	Bruce Bergen, Esq.
Safety	J.A. Montgomery Risk Control Ken Schultz T&M Associates Mark Worthington (<i>arrived at 10:30</i>)

ALSO PRESENT:

Terry Pacheco, Union County
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF DECEMBER 19, 2019

MOTION TO APPROVE THE OPEN MINUTES AND CLOSED MINUTES OF DECEMBER 19, 2019

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

CORRESPONDENCE: None

CLAIM COMMITTEE: Executive Director advised the PARS were reviewed prior to the meeting and the PARS would be presented during closed session with the Commissioners.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda.

REORGANIZATION RESOLUTIONS: Executive Director recommended to the Chair that he review the reorganization resolutions and then approve by consent. Chair Wagner agreed to Executive Director's recommendation. Executive Director noted the resolutions were reviewed by the Commission Attorney. Executive Director reviewed the following resolutions which were included in the agenda.

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

Executive Director advised the Cash Management Plan, Resolution 5-20 had 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.

Chair Wagner confirmed with the Commission Attorney that a second RFQ for Litigation and Defense Counsel Services was issued. Commission Attorney advised if there were additional names to add another resolution would be prepared.

Executive Director asked if there were any questions on the resolutions and requested a motion to approve Resolutions 1-20 through 9-20.

**MOTION TO APPROVE REORGANIZATION RESOLUTIONS 1-20
THROUGH 9-20**

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

2020 PLAN OF RISK MANAGEMENT: Executive Director advised the 2020 Risk Management Plan was included in the Appendix II section of the agenda. Executive Director reported the Plan was an overview of the Commission's coverages, risks retained by the Commissions, reserving, philosophy, claims payment authority, etc. Executive Director noted the changes were highlighted yellow. Executive Director advised as was discussed previously the 2020 Property Self-Insurance Retention (SIR) for UCIFC would increase to \$250,000 from \$150,000. Executive Director also advised the payment authority for worker compensation claims increased to \$25,000 from \$15,000.

**MOTION TO APPROVE RESOLUTION 10-20, PLAN OF RISK
MANAGEMENT**

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

2020 MEETING SCHEDULE: Executive Director referred to a copy of the 2020 Meeting Schedule which was included in the agenda. Executive Director advised the schedule was presented at the last meeting. Executive Director reported there were no meetings scheduled for May, August or November. Additional meetings could be scheduled with proper notice or cancelled if there were no action items. Executive Director asked for a motion to approve Resolution 11-20 if the schedule was acceptable to the Commissioners. Chair Wagner noted she did have a conflict with one of the meeting dates, however did not think it be an issue. Executive Director indicated as long as there was a quorum there should be no problems.

**MOTION TO APPROVE RESOLUTION 11-20, 2020 MEETING
SCHEDULE**

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

2020 PROPERTY & CASUALTY BUDGET INTRODUCTION: Executive Director reported at the last meeting we approved a temporary budget in the amount of \$411,174 which represented 1/12 of last year's budget. Executive Director advised he was requesting approval of a second temporary budget in the amount of \$411,174. Executive Director noted the total of the 2020 temporary budget was \$822,348. Executive Director referred to Resolution 12-20 which was included in the agenda. Executive Director asked if anyone had any questions and requested a motion for approval.

MOTION TO APPROVE RESOLUTION 12-20, ADOPTING A SECOND TEMPORARY 2020 PROPERTY & CASUALTY BUDGET IN THE AMOUNT OF \$411,174

Moved:	Chair Wagner
Second:	Commissioner Scutari
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 December was included in the agenda. Executive Director advised there was 1 certificate issued during the month of December.

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 its 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 October Financial Fast Track was included in the agenda. The Commission had a surplus of \$3,628,135 as of October 31, 2019. Executive Director referred to Line 10 of the report, "Investment in Joint Venture" and indicated \$2,125,811 of the surplus was the UCIFC's share of the NJCE equity. Executive Director noted the cash amount was \$8,358,666.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the October Financial Fast Track was included in the agenda. As of October 31, 2019 the Fund had a surplus of \$16,597,044. Executive Director reported the cash amount was \$32,149,785. 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 October 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 referred to columns 4 and 6 and explained column 4 represented the Commission's performance and column 6 was the actuary's projection. Executive Director advised 2018 was a good year and 2019 was off to a good start. Executive Director asked if anyone had any questions on the claims reports.

CYBER INCIDENT: Executive Director asked Chair Wagner to provide an update of the recent cyber incident. Chair Wagner advised they engaged an attorney, Mullin Coughlin LLC, who they used last time. Chair Wagner reported they used CRA to do a forensics look and it was determined the incident came through the mobile CATS System at Public Safety. Chair Wagner advised there was no evidence of any information going out. Chair Wagner reported a tripartite virus was found on 6 machines but when it was found it was eradicated. Chair Wagner advised they were waiting for a

quote from Carbon Black, a company that provides cyber security. Chair Wagner noted Carbon Black has not been removed yet and makes the machines run slowly.

Chair Wagner advised she did receive backup from SpinCube relating to the \$35,000 billing she mentioned previously. Chair Wagner explained this was the company they purchased bitfender through. Chair Wagner advised they paid the ransom and dealt with hostage takers. After a brief discussion it was agreed the Commission Attorney would review the contract.

Chair Wagner reported the FBI and State Police are involved. Chair Wagner advised there was a program MSI through Homeland Security and she would like them to review what they are doing. Chair Wagner advised they were in the process of isolating Public Safety.

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

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Executive Director advised the January Bill List was included in the agenda and requested a motion for approval. Chair Wagner reported Ms. Taylor was not present.

MOTION TO APPROVE RESOLUTION 13-20 JANUARY BILL LIST

Moved:	Chair Wagner
Second:	Commissioner Scutari
Vote:	2 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 reported for the period of December 1, 2019 to December 31, 2019 there were 17 claims, 6 of those claims were report only, 5 were closed, 4 remained open for treatment and 2 were under investigation. Ms. Guze advised one was for mechanism of injury and the other was a medical issue not related to a work injury. Ms. Guze advised that concluded her report unless there were any issues.

MANAGED CARE: Ms. Rajsteter advised First MCO's reports were included in the agenda. Ms. Rajsteter reviewed the Case Management Monthly Activity Report for December and the Year to Date figures as noted below.

Month	Total Claims Reported	Medical Only	Loss Time	Total Case Managed	% Total Case Managed
December	19	6	3	9	66.67%
Year to Date	236	133	37	170	78%

Ms. Rajsteter reviewed the Medical Savings Report for the month of December and the Year to Date figures as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
December	\$ 437,663	\$ 147,480	\$ 290,183	66%	149	141	95%
Year to Date	\$ 2,461,211	\$ 708,458	\$ 1,752,753	71%	1,621	1,546	95%

Executive Director pointed out the PPO penetration percentage for 2018 was 84% and for 2019 the percentage increased to 95%. Ms. Rajsteter explained this was due to the new contract for Urgent Care.

Ms. Rajsteter reported First MCO wanted to roll out an employee card. When an employee is injured her office will e-mail or text the employee or supervisor a pharmacy card to ensure the bills are submitted correctly. Ms. Rajsteter advised they wanted to do the same thing with an insurance card. Ms. Rajsteter reported when an employee is injured First MCO would e-mail or text them or the supervisor a card with their name, employer, case number and where the bill should be submitted. Ms. Rajsteter advised the card would include the Union County Logo. Chair Wagner suggested that the card be reviewed with Ms. Martins. After a brief discussion it was agreed Ms. Rajsteter would schedule a teleconference call to discuss the procedure further with all parties involved. Ms. Rajsteter advised the procedure was rolled out to some of the JIF entities.

SAFETY COMMITTEE: Executive Director noted Mr. Worthington was now in attendance and asked him to provide his report. Mr. Worthington reported Labor met last week and they started to review the County's annual plans. A meeting was scheduled with Parks as an issue came up with an employee who had concerns with turf field management. Mr. Worthington advised the first quarter safety alerts went out to DPW so they could start their Tool Box Talks.

NJCE SAFETY DIRECTOR: Executive Director advised Mr. Schulz was filling in for Mr. Prince. Mr. Schultz advised the Safety Director's report for December - January was included in the agenda. Mr. Schultz advised the BRIT Safety Grant would be available again for 2020 and all members were encouraged to contact Mr. Prince if they had any submission for consideration. Mr. Schultz 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 8776, 8072, 8464 and 9177. 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.

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
Vote:	2 Yes, 0 Nays

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:44 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary