

**UNION COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
JUNE 16, 2021**

10:00 AM

MEETING BEING HELD TELEPHONICALLY

**To attend the meeting via teleconference
Dial 1-312-626-6799 and enter Meeting ID: 579 506 9590**

OR

**Join Zoom Meeting via Computer Link
<https://zoom.us/j/5795069590>**

The Union County Insurance Fund Commission will conduct its June 16, 2021 meeting electronically, in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. and in consideration of Executive Order No. 103, issued by Governor Murphy on March 9, 2020, declaring a State of Emergency and a Public Health Emergency in the State of New Jersey.

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: June 16, 2021
10:00 AM

- ☐ **MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
 - ☐ **ROLL CALL OF COMMISSIONERS**
 - ☐ **APPROVAL OF MINUTES:** April 21, 2021 Open MinutesAppendix I
April 21, 2021 Closed Minutes.....sent via e-mail

 - ☐ **CORRESPONDENCE:** None

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

 - ☐ **EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMAPages 2-15**

 - ☐ **TREASURER – Bibi Taylor**
 - Resolution **22-21** June Bill List – MotionPage 16
 - March Treasurer Reports.....Pages 17-18

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

 - ☐ **CLAIMS SERVICE - PERMA..... Verbal**

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

 - ☐ **MANAGED CARE – First MCO**
 - Monthly Report.....Pages 19-21

 - ☐ **NJCE SAFETY DIRECTOR – J.A. Montgomery Consulting**
 - Monthly Report.....Pages 22-28

 - ☐ **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 StatementPage 29
 - Motion to go into Executive Session
 - ☐ **MOTION TO APPROVE PARS AS DISCUSSED IN EXECUTIVE SESSION**
-
- ☐ **MEETING ADJOURNMENT**
 - ☐ **NEXT SCHEDULED MEETINGS: July 17, 2021, 10:00 AM**

UNION COUNTY INSURANCE FUND COMMISSION

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

Date: June 16, 2021

Memo to: Commissioners of the Union County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

❑ Proposed Amendment to the Commission's Rules & Regulations (Appendix II & Page 4)

Previously we discussed an amendment to the Insurance Commission's Rules & Regulations (By-Laws) pursuant to Governor Murphy signing S855 into law on August 21, 2020. The legislation changes the title of "chosen freeholder" to "county commissioner" and all "board of chosen freeholders" to "boards of county commissioners" effective January 1, 2021. It was agreed a change to the Rules & Regulations was necessary. Attached in Appendix II of the agenda is a copy of the proposed revised Rules & Regulations and a "red lined" version showing all proposed changes. The Commission Attorney advised that the Commission can consider the proposed changes at our meeting of June 16, 2021, upon notice to all Commissioners and as long as a copy of the proposed changes are served in advance upon the County Commissioner Board Chair and the County Manager. This information was provided to the Insurance Fund Commissioners in an email from Cathy Dodd dated June 8, 2021. The Fund Attorney notified the County Commissioner Board Chair and the County Manager. The major revisions include changing (except in the preamble) Freeholder to Commissioner and made some stylistic changes, but the Commission Attorney did not change any of the procedural sections. The Commission Attorney advised that the Commissioners can approve today but if more time is needed to review we can approve at the July meeting. If the Commissioners want to approve the amendments to the UCIFC Rules & Regulations, Resolution 21-21 is included in the agenda on page 4. The resolution was reviewed by the Commission Attorney.

❑ Motion to adopt Resolution 21-21, Approving Rules & Regulations

- ❑ Certificate of Insurance Reports (Pages 5-8)** – Included in the agenda on pages 5-8 is the certificate of insurance issuance reports from the NJCE listing those certificates issued during the months of April and May. There were (6) six certificates issued during the month of April and (5) five certificates during the month of May.

❑ Motion to approve the certificate of insurance report

- ❑ NJ Counties Excess Joint Insurance Fund (NJCE) (Pages 9-13)** – The NJCE met on April 22, 2021. A written summary report of the meeting is included in the agenda on pages 9-12. The NJCE also held a special meeting on May 27 to introduce an amended 2021 budget. A written summary of that meeting is on page 13. The NJCE Board agreed the JIF would charge additional assessments to cover the premium due which totaled approximately \$609,000. The NJCE will meet again on June 24, 2021 at 9:30 AM.

- ❑ **NJCE Finance Committee (Appendix III)** – The NJCE team (PERMA, JAM and CSB) made a presentation to the Finance Committee on the state of the commercial market and benefits of the insurance commission/joint insurance versus commercial market. The presentation was roughly an hour, generated some good questions and interaction with commissioners and was well received. The Finance Committee has suggested the presentation be made available to all commissioners and key members of their management team. It was also suggested a recorded version be available as well as one or live webinars to promote interaction and allow for questions. Included in Appendix III of the agenda is a copy of the NJCE Executive Director’s memorandum along with a copy of the presentation.
- ❑ **Financial Fast Tracks** –The March Financial Fast Tracks are not available at this time. We are waiting for information from the actuary to process the reports. The March reports will appear in the July agenda.
- ❑ **Claims Tracking Reports (Pages 14-15)** – Included in the agenda on page 14 is the Claim Activity Report as of March 31, 2021. Also included in the agenda on page 15 is the Claims Management Report Expected Loss Ratio Analysis Report as of March 31, 2021. This report measures how the losses are running compared to the actuary’s projections for 2021. Executive Director will review the reports with the Commission.
- ❑ **Union County Department of Corrections** – It is our understanding the Elizabeth facility will be closing on July 1 and will be used to intake, process, temporarily detain and transport prisoners to the Essex County Jail. We worked with Commissioner Martins on changes in payroll. We are currently working with the Actuary to adjust the workers compensation loss funds to reflect this change, which will result in a reduction in the County’s workers compensation assessment. We will have this finalized for the July meeting.
- ❑ **2021 MEL, MRHIF & NJCE Educational Seminar** – The 10th Annual Educational Seminar was conducted virtually on May 14 and May 21. There were over 200 attendees for each session. Executive Director will provide a verbal report on the seminar.
- ❑ **2021 Meeting Schedule** – The Commission is scheduled to meet again on July 21, September 15, October 20 and December 15. We are asking if the Commissioners would like to consider in-person meetings in the fall.

RESOLUTION NO. 21-21

**UNION COUNTY INSURANCE FUND COMMISSION
APPROVING AMENDED RULES & REGULATIONS**

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 pursuant to N.J.S.A. 40A:10-10(c), may adopt Rules and Regulations;

NOW, THEREFORE, BE IT RESOLVED that the attached Rules & Regulations, are hereby adopted as amended, to effectuate R.S. 40:20-1, signed into law by Governor Murphy on August 21, 2020, effective January 1, 2021, and to correct technical and typographical errors;

ADOPTED by THE UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on June 16, 2021.

ADOPTED:

BY: _____
CHAIR

DATE

ATTEST:

VICE CHAIR

DATE

Union County Insurance Commission

Certificate of Insurance Monthly Report

From 4/1/2021 To 5/1/2021

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID	Coverage
H - Township of Cranford Recreation I - County of Union	and Parks Department 220 Walnut Ave Cranford, NJ 07016	RE: use of facilities The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of facilities.	4/1/2021 #2881968	GL AU EX WC OTH
H - State of NJ, Dept of Environment Protection I - County of Union	Attn Steve Csorgo Jr Asst Biologist NJ State Mosquito Control Commission;PO Box 400 Trenton, NJ 08625	Company E: Auto Physical Damage; Policy Term: 01/01/2021 - 01/01/2022; Policy #:ERP980616209; Policy Limits: \$15,000,000 Company E: Property; Policy Term: 01/01/2021 - 01/01/2022; Policy #:ERP980616209; Policy Limits: \$110,000,000 Evidence of insurance for Eager Beaver 20 HA SG-A25C Trailer (Ser.# 1YB291860H1B1T117)	4/14/2021 #2896582	GL AU EX WC OTH
H - Immaculate Conception Church I - County of Union	425 Union Avenue Elizabeth, NJ 07208	RE: Use of Parking Lot The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of parking lot.	4/16/2021 #2898696	GL AU EX WC OTH
H - Evidence of Insurance I - County of Union		Company E: Crime; Policy Term: 01/01/2021 - 01/01/2022; Policy #031731962; Policy Limits: \$1,000,000 Company F: POL/EPL/SDLL; Policy Term: 01/01/2021 - 01/01/202; Policy #:EONG2900786A004; Policy Limits: \$15,000,000 Evidence of coverage as respects the following services provided by Kristen Balsamo Kleinbach: - Analysis of a range of forensic casework samples using Applied Biosystems real-time quantitation system and capillary electrophoresis instruments; - Forensic DNA STR analysis; - Preparation of technical reports of scientific findings and submission of results to Combined DNA Index System (CODIS); - Accurate record keeping and expert witness testimony, as needed; - Assistance with software implementations - configuration and implementation of a new Laboratory Information Management System (LIMS) - JusticeTrax - validation of new instrumentation/integration into the LIMS. - Testing procedures, practices and procedures in compliance with Laboratory accreditation standards and admissible in the courts of law and other formal proceedings.	4/23/2021 #2905032	GL AU EX WC OTH

Union County Insurance Commission

Certificate of Insurance Monthly Report

From 4/1/2021 To 5/1/2021

H - St. John's Lutheran Church I - County of Union	587 Springfield Avenue Summit, NJ 07901	RE: use of facilities The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of facilities.	4/27/2021 #2906166	GL AU EX WC OTH
H - Township of Cranford I - County of Union	8 Springfield Avenue Cranford, NJ 07016	RE: use of facilities at Cranford Community Center. The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of facilities at Cranford Community Center.	4/27/2021 #2906175	GL AU EX WC OTH
Total # of Holders: 6				

Union County Insurance Commission

Certificate of Insurance Monthly Report

From 5/1/2021 To 6/1/2021

Holder (H)/ Insured Name (I)	Holder / Insured Address	Description of Operations	Issue Date/ Cert ID	Coverage
H - NOKIA OF AMERICA CORPORATION I - County of Union	600-700 Mountain Avenue Murray Hill, NJ 07974	RE: use of parking lot for mobile shredding event The Certificate Holder is an Additional Insured on a Primary/Non-Contributory basis on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of parking lot for mobile shredding event. Waiver of Subrogation applies in favor of Certificate Holder as respects the General Liability, Auto Liability and Excess Liability Coverages shown if required by written contract	5/11/2021 #2918203	GL AU EX WC OTH
H - New Jersey Department of I - County of Union	Military and Veterans' Affairs P.O. Box 340 Trenton, NJ 08625	RE: use of facilities at National Guard Armory The Certificate Holder is an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of facilities at National Guard Armory located at 500 Rahway Avenue, Westfield, NJ 07090-3335.	5/13/2021 #2918847	GL AU EX WC OTH
H - Evidence of Insurance I - County of Union		Company E: Crime; Policy Term: 01/01/2021 - 01/01/2022; Policy #031731962; Policy Limits: \$1,000,000 Company F: POL/EPL/SDLL; Policy Term: 01/01/2021 - 01/01/202; Policy #:EONG2900786A004; Policy Limits: \$15,000,000 Evidence of coverage as respects the following services provided by Kristen Balsamo Kleinbach: - Analysis of a range of forensic casework samples using Applied Biosystems real-time quantitation system and capillary electrophoresis instruments; - Forensic DNA STR analysis; - Preparation of technical reports of scientific findings and submission of results to Combined DNA Index System (CODIS); - Accurate record keeping and expert witness testimony, as needed; - Assistance with software implementations - configuration and implementation of a new Laboratory Information Management System (LIMS) - JusticeTrax - validation of new instrumentation/integration into the LIMS. - Testing procedures, practices and procedures in compliance with Laboratory accreditation standards and admissible in the courts of law and other formal proceedings. As a LIMS support analyst for the Union County Prosecutor's Office Forensic Laboratory, my main duties are to configure and implement the new Justice Trax laboratory management system as well as validating	5/14/2021 #2918970	GL AU EX WC OTH

Union County Insurance Commission

Certificate of Insurance Monthly Report

From 5/1/2021 To 6/1/2021

		and implementing the TECAN instruments utilized in the laboratory		
H - Evidence of Insurance I - County of Union		Company E: Crime; Policy Term: 01/01/2021 - 01/01/2022; Policy #031731962; Policy Limits: \$1,000,000 Company F: POL/EPL/SDLL; Policy Term: 01/01/2021 - 01/01/202; Policy #:EONG2900786A004; Policy Limits: \$15,000,000 Evidence of coverage as respects the following services provided by Kristen Balsamo Kleinbach: Configure and implement the new Justice Trax laboratory management system as well as validating and implementing the TECAN instruments utilized in the laboratory	5/17/2021 #2919542	GL AU EX WC OTH
H - New Jersey Department of I - County of Union	Military and Veterans' Affairs P.O. Box 340 Trenton, NJ 08625	RE: use of facilities at National Guard Armory THE NEW JERSEY DEPARTMENT OF MILITARY AND VETERANS AFFAIRS AND ITS EMPLOYEES ARE an Additional Insured on the above-referenced Commercial General Liability and Excess Liability Policies if required by written contract as respect to use of facilities at National Guard Armory located at 500 Rahway Avenue, Westfield, NJ 07090-3335.	5/20/2021 #2920608	GL AU EX WC OTH
Total # of Holders: 5				



NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive - Suite 216
Parsippany, NJ 07054-4412
Telephone (201) 881-7632 Fax (201) 881-7633

Date: April 22, 2021

Memo to: Union County Insurance Fund Commission

From: Joseph Hrubash, NJCE Executive Director

Subject: April 22, 2021 Meeting

NJCE Financial Fast Track: Executive Director reviewed the revised Financial Fast Tracks (FFT) as of December 31, 2020 and February 28, 2021. Executive Director reported the Financial Fast Tracks were amended to reflect an anticipated recoverable amount from Safety National, the excess workers compensation insurer, for 2020 Covid-19 workers compensation claims.

COVID-19: Ms. Robyn Walcoff of PERMA provided an update on COVID-19 claim activity noting that as of March 31, 2021 for 2020 there were a total of 1,751 claims and 279 for 2021; total paid for both years was \$1.7 million. Ms. Walcoff reported a review of claims development will be conducted to evaluate if reserves on open claims may be reduced and/or closed.

Executive Director reported there is ongoing dialogue with Safety National on how the 2020 endorsement will be applied with respects to COVID-19 claims. Executive Director reported Safety National removed this endorsement for 2021 so each COVID-19 claim will be considered a single occurrence; however, the NJCE JIF is committed to applying one retention to its Commission and County members for any 2021 COVID-19 claims and seeking reimbursement from the carrier.

Finance Sub-Committee: Executive Director reported the Finance sub-committee met on April 9, 2021 to discuss on the 2021 NJCE budget delta of \$2,535,244 and review procurement responses for various JIF professional services. Copies of the meeting minutes were submitted for information.

Budget delta

Executive Director reported the budget delta was first addressed in late 2019 due to the hard insurance market and replacement of excess liability insurer; the NJCE absorbed the difference of \$1 million for 2020 which has already improved as of 12/31/20. Executive Director reported the 2021 renewal at expiring retentions would have resulted in significantly higher member premiums in excess of 25% increase and a number of changes in the excess program structure were done to control that pricing. Executive Director reported the NJCE adopted a 2021 budget with an 8% increase; however, the final results of the marketing and program restructuring efforts resulted in a delta of \$2,535,215 or 11.67% increase. Executive Director reported the budget delta is comprised of approximately \$600K in excess premium and the balance related to short fall in the loss funds.

Executive Director reported the fund is currently financially stable and there was no emergent need to take action; however, the Finance sub-committee met to review options to address the delta for 2021 fund year.

Finance sub-committee recommended the option of C1 to declare an additional assessment for the premium portion of delta of \$609,437; this will be billed in mid-September as a 3rd separate installment and due on November 1st. Included with the agenda was an exhibit of premium delta by member. No action to be taken at this time on the balance of the delta of \$1,925,777, which represents the short fall in the loss funds. Executive Director reported PERMA in conjunction with the Finance sub-committee, will monitor and re-evaluate the development of the balance of the delta on an annual basis. Executive Director reported, that based on prior history, the reserves and claims may improve over time, which would ultimately reduce the balance of the delta. Executive Director reported surplus may be gained as older years mature and the Finance sub-committee could consider an inter-fund transfer of that surplus to offset deficit years to close out the remaining delta. The Board of Fund Commissioners accepted the recommendation of the Finance sub-committee to declare an additional assessment in the total amount of \$609,437.

Professional Services/Procurement

Executive Director reported the Finance sub-committee reviewed responses to professional services, which were procured with the guidance of the Fund Attorney.

Finance sub-committee made the following recommendations:

- Litigation Manager - Award Judge E. David Millard of Citta, Holzapfel & Zabarsky a 1-year contract.
- Auditor – Award Bowman & Company for a 1-year contract.
- Payroll Auditor - Award Bowman & Company for a 1-year contract.
- Actuary – Award The Actuarial Advantage for a 1-year contract.

The Board of Fund Commissioners accepted the recommendations of the Finance sub-committee as noted; action was taken via Motion for Litigation Manager and Auditor and via adoption of Resolutions for Payroll Auditor and Actuary.

2021 Plan of Risk Management Amendment: Based on the recommendation of the Fund Underwriting Manager, the cyber coverage limits should be removed from the Plan of Risk Management. The Plan of Risk Management is posted to the NJCE JIF website and could serve as an incentive for cyber hacker attacks by identifying coverage limits. The Board of Fund Commissioners adopted a Resolution to amend the 2021 Plan of Risk Management as presented.

Prospective Membership: The County of Essex and Middlesex County Insurance Commission are renewing mid-2021 and have been identified as potential members for the NJCE program. Executive Director reported initial membership efforts are being taken now so as not to miss an opportunity to increase NJCE membership. The Board of Fund Commissioners adopted Resolutions to offer membership to County of Essex and Middlesex County Insurance Commission.

Membership Renewal: The Commissions of Camden County, Gloucester County and the County of Monmouth are scheduled to renew their three-year membership with the Fund as of January 1, 2022. Renewal documents will be sent to each respective County following the meeting.

NJ Senate Bill 3375: Executive Director reported proposed legislation S3775, which if passed would weaken the rights of employers to direct and control medical care including nurse case management as respects workers' compensation. Executive Director reported there has been considerable opposition to this bill and more information will be provided at future meetings.

Pollution Liability Coverage: As last reported, Zurich had informed the Fund office that this will be the final year of providing pollution liability coverage as they are moving away from this industry. The Underwriting Manager will conduct widespread marketing efforts on this line of coverage, which includes the feasibility of making a submission to the NJ Environmental Joint Insurance Fund (EJIF). Executive Director reported any additional information will be reported at future meetings.

NJCE Cyber Task Force: A meeting of this task force will be scheduled in May to discuss cyber-related issues. If any Fund Commissioner and/or a designated representative is interested in serving on the task force, please contact the office. Commissioners that currently serve are Commissioner Sheehan and Commissioner Block.

NJCE Claims Review Committee: The Claims Review Committee met prior to this Fund's meeting. The Board of Fund Commissioners accepted the recommendations of the Claims Review Committee to approve payment or settlement authority requests. Closed Session was not required for this action.

Marijuana Legislation and Effects on the Workplace & Mandatory Vaccinations: Submitted as part of the agenda were copies of memorandums drafted by the Municipal Excess Liability Joint Insurance Fund Attorney Fred Semrau, Esq. for our municipal clients. Executive Director reported these were included for informational purposes as they are also pertinent to NJCE membership.

Dividend: Deputy Executive Director reported this Board authorized the release of a \$1.5 million dividend, which was distributed in late January.

December 31, 2020 Audit: Deputy Executive Director reported following today's appointment, the Fund office will work with the Auditor to provide necessary report to complete the 2020 Audit. As in the past, a draft report is expected to be presented at the June meeting and the final at the September meeting.

2021 New Jersey Association of Counties Conference: The 71st Annual Conference is scheduled to be held from October 11th – October 14th at Caesar's in Atlantic City. NJAC will also be celebrating its 100 year anniversary.

2021 MEL, MRHIF and NJCE JIF Educational Seminar: For 10 years, the MEL Joint Insurance Fund (MEL) and Municipal Reinsurance Health Insurance Fund (MRHIF) – and most recently the New Jersey Counties Excess Joint Insurance Fund (NJCE JIF) have sponsored an Educational Seminar on property/casualty and health insurance matters. The session provided members and insurance producers the opportunity to earn as much as 5 Continuing Education Credits.

Deputy Executive Director reported this seminar will be conducted virtually over 2 half days – the morning of Friday, May 14th and Friday, May 21st. The agenda includes two ethics courses, and presentations on implicit bias, insurance market conditions, proposals to change the Workers' Compensation law and a discussion of proposed changes to the Affordable Care Act.

2021 Financial Disclosures: Deputy Executive Director reported Commissioners should anticipate the online filing of the Financial Disclosure forms as both a NJCE Commissioner, as well as, any County-related positions that require filing. It is expected the Division of Local Government Services will distribute a notice with filing instructions. As of 4/14/21 the Local Finance Board voted to extend the enforcement date to take action against non-filers until June 30, 2021 from the statutory deadline of April 30, 2021.

Underwriting Manager Report

Underwriting Manager provided a brief report on benefits of JIF membership versus commercial market especially during a hard market. Underwriting Manager reported while there may have been higher renewal costs for 2021, the NJCE and other JIFs are outpacing the commercial market in terms of comparing premium dollars. Underwriting Manager said an analysis report would be presented at the June meeting; Executive Director noted this analysis was suggested by Commissioner Wood at the Finance sub-committee meeting.

Risk Control Report

Safety Director submitted a report reflecting the risk control activities and the Safety Director Bulletins distributed from February to May 2021. Safety Director reported the NJCE online Learning Management System (LMS) is in the final stages of implementation; each Commission and County has been asked to designate an LMS Training Administrator(s) and an instructional webinar on how to navigate the LMS will be provided for members. Safety Director reported the 2021 safety grant program with Munich Re is modeled similar to the expiring program with two noted changes: 1) funding pool increased to \$50,000 to share among members that submit and 2) is applicable to efforts related to general liability, auto liability and law enforcement liability.

WC Claims Administration Report

A report was submitted noting the billed amount, paid amount, net savings as of March 2021.

Next Meeting: The next meeting of the NJCE fund is scheduled for June 24, 2021 at 9:30AM via Zoom; please contact the Fund office for meeting access information.



NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive - Suite 216
Parsippany, NJ 07054-4412
Telephone (201) 881-7632 Fax (201) 881-7633

Date: May 27, 2021

Memo to: Union County Insurance Fund Commission

From: Joseph Hrubash, NJCE Executive Director

Subject: May 27, 2021 Special Meeting

2021 Amended Budget: At the April 22nd Fund meeting the NJCE Board agreed that the JIF would charge an additional assessment to the premium portion of the delta which totaled \$609,437. Per JIF regulations on supplemental assessments, this change requires an amendment to the budget. Following the introduction of the amended 2021 budget in the amount of \$27,697,716, the Board of Fund Commissioners scheduled a public hearing on June 24, 2021 at 9:30am via Zoom.

Finance Sub-Committee Meeting: A Finance sub-committee meeting is scheduled for Wednesday, June 9th at 2:00 pm to review an analysis of how the NJCE performs versus the commercial market.

2021 MEL, MRHIF and NJCE JIF Educational Seminar: The 10th annual seminar was conducted virtually on 2 half-day sessions: Friday, May 14th and Friday, May 21 from 9 am to 12 noon. There were over 200 attendees for each session and the Fund Office is currently submitting applicable credits to the respective agencies.

Next Meeting: The next meeting of the NJCE fund is scheduled for June 24, 2021 at 9:30AM via Zoom; please contact the Fund office for meeting access information.

Union County Insurance Commissions					
CLAIM ACTIVITY REPORT					
AS OF MARCH 31, 2021					
COVERAGE LINE - PROPERTY					
CLAIM COUNT - OPEN CLAIMS					
Year	2018	2019	2020	2021	TOTAL
February-21	1	1	10	3	15
March-21	1	1	9	6	17
NET CHGE	0	0	-1	3	2
Limited Reserves					\$17,314
Year	2018	2019	2020	2021	TOTAL
February-21	\$0	\$0	\$270,721	\$7,000	\$277,721
March-21	\$0	\$0	\$274,221	\$20,118	\$294,339
NET CHGE	\$0	\$0	\$3,500	\$13,118	\$16,618
Ltd Incurred	\$290,449	\$115,093	\$423,418	\$23,646	\$852,607
COVERAGE LINE - GENERAL LIABILITY					
CLAIM COUNT - OPEN CLAIMS					
Year	2018	2019	2020	2021	TOTAL
February-21	20	19	53	6	98
March-21	14	16	38	13	81
NET CHGE	-6	-3	-15	7	-17
Limited Reserves					\$11,706
Year	2018	2019	2020	2021	TOTAL
February-21	\$618,413	\$344,845	\$76,673	\$5,500	\$1,045,431
March-21	\$528,913	\$344,840	\$61,923	\$12,485	\$948,160
NET CHGE	(\$89,500)	(\$5)	(\$14,750)	\$6,985	(\$97,270)
Ltd Incurred	\$701,623	\$370,682	\$61,969	\$12,485	\$1,146,758
COVERAGE LINE - AUTO LIABILITY					
CLAIM COUNT - OPEN CLAIMS					
Year	2018	2019	2020	2021	TOTAL
February-21	2	3	6	1	12
March-21	2	2	4	2	10
NET CHGE	0	-1	-2	1	-2
Limited Reserves					\$27,497
Year	2018	2019	2020	2021	TOTAL
February-21	\$150,000	\$101,077	\$23,388	\$500	\$274,965
March-21	\$150,000	\$101,077	\$22,888	\$1,000	\$274,965
NET CHGE	\$0	\$0	(\$500)	\$500	\$0
Ltd Incurred	\$173,110	\$108,816	\$32,115	\$1,750	\$315,791
COVERAGE LINE - WORKERS COMP.					
CLAIM COUNT - OPEN CLAIMS					
Year	2018	2019	2020	2021	TOTAL
February-21	25	44	66	21	156
March-21	25	42	47	32	146
NET CHGE	0	-2	-19	11	-10
Limited Reserves					\$26,431
Year	2018	2019	2020	2021	TOTAL
February-21	\$825,304	\$1,980,336	\$953,773	\$89,773	\$3,849,187
March-21	\$820,183	\$1,948,623	\$910,478	\$179,584	\$3,858,868
NET CHGE	(\$5,121)	(\$31,714)	(\$43,295)	\$89,810	\$9,681
Ltd Incurred	\$2,260,117	\$3,468,669	\$1,986,724	\$244,802	\$7,960,312
TOTAL ALL LINES COMBINED					
CLAIM COUNT - OPEN CLAIMS					
Year	2018	2019	2020	2021	TOTAL
February-21	48	67	135	31	281
March-21	42	61	98	53	254
NET CHGE	-6	-6	-37	22	-27
Limited Reserves					\$21,167
Year	2018	2019	2020	2021	TOTAL
February-21	\$1,593,717	\$2,426,258	\$1,324,554	\$102,773	\$5,447,303
March-21	\$1,499,096	\$2,394,540	\$1,269,510	\$213,186	\$5,376,332
NET CHGE	(\$94,621)	(\$31,719)	(\$55,045)	\$110,413	(\$70,971)
Ltd Incurred	\$3,425,300	\$4,063,260	\$2,504,226	\$282,683	\$10,275,467

Union County Insurance Commissions

CLAIMS MANAGEMENT REPORT

EXPECTED LOSS RATIO ANALYSIS

AS OF

March 31, 2021

FUND YEAR 2018 -- LOSSES CAPPED AT RETENTION

	Current			39			Last Month			38			Last Year			27		
	Budget	Unlimited Incurred	Limited Incurred	Actual 31-Mar-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 28-Feb-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 30-Mar-20		MONTH TARGETED		
PROPERTY	320,021	290,449	290,449	90.76%	320,021	100.00%	290,449	290,449	90.76%	320,021	100.00%	290,449	290,449	90.76%	320,021	100.00%		
GEN LIABILITY	427,942	701,623	701,623	163.95%	393,474	91.95%	726,123	726,123	169.68%	391,065	91.38%	429,615	429,615	100.39%	353,905	82.70%		
AUTO LIABILITY	259,693	173,110	173,110	66.66%	230,633	88.81%	173,110	173,110	66.66%	229,309	88.30%	27,178	27,178	10.47%	207,821	80.03%		
WORKER'S COMP	4,546,370	2,260,117	2,260,117	49.71%	4,481,390	98.57%	2,259,367	2,259,367	49.70%	4,474,774	98.43%	2,335,835	2,335,835	51.38%	4,334,004	95.33%		
TOTAL ALL LINES	5,554,026	3,425,300	3,425,300	61.67%	5,425,518	97.69%	3,449,050	3,449,050	62.10%	5,415,169	97.50%	3,083,078	3,083,078	55.51%	5,215,751	93.91%		
NET PAYOUT %	\$1,926,203					34.68%												

FUND YEAR 2019 -- LOSSES CAPPED AT RETENTION

	Current			27			Last Month			26			Last Year			15		
	Budget	Unlimited Incurred	Limited Incurred	Actual 31-Mar-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 28-Feb-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 30-Mar-20		MONTH TARGETED		
PROPERTY	340,421	115,093	115,093	33.81%	340,421	100.00%	115,093	115,093	33.81%	340,421	100.00%	142,961	142,961	42.00%	328,275	96.43%		
GEN LIABILITY	428,501	370,682	370,682	86.51%	354,367	82.70%	370,687	370,687	86.51%	349,882	81.65%	217,674	217,674	50.80%	283,100	66.07%		
AUTO LIABILITY	258,887	108,816	108,816	42.03%	207,176	80.03%	108,816	108,816	42.03%	204,314	78.92%	10,816	10,816	4.18%	154,246	59.58%		
WORKER'S COMP	4,637,297	3,468,669	3,468,669	74.80%	4,420,684	95.33%	3,468,120	3,468,120	74.79%	4,395,959	94.80%	2,610,066	2,610,066	56.28%	3,647,968	78.67%		
TOTAL ALL LINES	5,665,107	4,063,260	4,063,260	71.72%	5,322,648	93.95%	4,062,716	4,062,716	71.71%	5,290,577	93.39%	2,981,518	2,981,518	52.63%	4,413,590	77.91%		
NET PAYOUT %	\$1,668,720					29.46%												

FUND YEAR 2020 -- LOSSES CAPPED AT RETENTION

	Current			15			Last Month			14			Last Year			3		
	Budget	Unlimited Incurred	Limited Incurred	Actual 31-Mar-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 28-Feb-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 30-Mar-20		MONTH TARGETED		
PROPERTY	355,673	423,418	423,418	119.05%	342,983	96.43%	421,119	421,119	118.40%	341,566	96.03%	348,273	348,273	97.92%	81,805	23.00%		
GEN LIABILITY	393,364	61,969	61,969	15.75%	259,886	66.07%	76,719	76,719	19.50%	252,529	64.20%	17,988	17,988	4.57%	23,602	6.00%		
AUTO LIABILITY	237,658	32,115	32,115	13.51%	141,598	59.58%	32,615	32,615	13.72%	135,379	56.96%	2,000	2,000	0.84%	14,259	6.00%		
WORKER'S COMP	3,947,400	1,986,724	1,986,724	50.33%	3,105,255	78.67%	1,925,043	1,925,043	48.77%	2,955,968	74.88%	93,914	93,914	4.73%	118,422	3.00%		
TOTAL ALL LINES	4,934,095	2,504,226	2,504,226	50.75%	3,849,722	78.02%	2,455,496	2,455,496	49.77%	3,685,442	74.69%	462,176	462,176	108.06%	238,088	4.83%		
NET PAYOUT %	\$1,234,716					25.02%												

FUND YEAR 2021 -- LOSSES CAPPED AT RETENTION

	Current			3			Last Month			2			Last Year			-9		
	Budget	Unlimited Incurred	Limited Incurred	Actual 31-Mar-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 28-Feb-21		MONTH TARGETED	Unlimited Incurred	Limited Incurred	Actual 30-Mar-20		MONTH TARGETED		
PROPERTY	319,500	23,646	23,646	7.40%	73,485	23.00%	9,457	9,457	2.96%	41,535	13.00%	0	0	N/A	N/A	N/A		
GEN LIABILITY	363,600	12,485	12,485	3.43%	21,816	6.00%	5,500	5,500	1.51%	9,090	2.50%	0	0	N/A	N/A	N/A		
AUTO LIABILITY	203,400	1,750	1,750	0.86%	12,204	6.00%	500	500	0.25%	5,085	2.50%	0	0	N/A	N/A	N/A		
WORKER'S COMP	3,483,000	244,802	244,802	7.03%	104,490	3.00%	104,875	104,875	3.01%	69,660	2.00%	0	0	N/A	N/A	N/A		
TOTAL ALL LINES	4,369,500	282,683	282,683	6.47%	211,995	4.85%	120,332	120,332	2.75%	125,370	2.87%	0	0	N/A	N/A	N/A		
NET PAYOUT %	\$0					0.00%												

UNION COUNTY INSURANCE FUND COMMISSION BILLS LIST

Resolution No. 22-21

June 2021

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 2021

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
✓001131			
✓001131	PERMA RISK MANAGEMENT SERVICES	ED MAY & JUNE 2021	27,182.16
			27,182.16
✓001132			
✓001132	THE ACTUARIAL ADVANTAGE	ACTUARY MAY & JUNE 2021	1,043.50
			1,043.50
		Total Payments FY 2021	28,225.66
		TOTAL PAYMENTS ALL FUND YEARS	\$28,225.66

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	March			
CURRENT FUND YEAR	2021			
		Description:	Administrative Account-Investors	Claims Account - Investors
		ID Number:		
		Maturity (Yrs)		
		Purchase Yield:		
		TOTAL for All Accts & instruments		
Opening Cash & Investment Balance	\$ 11,110,959.27	\$ 11,139,642.88	-\$ 28,683.61	
Opening Interest Accrual Balance	\$ -	\$ -	\$ -	
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	\$4,731.67	\$4,682.24	\$49.43
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	\$4,731.67	\$4,682.24	\$49.43
9	Deposits - Purchases	\$360,086.58	\$9,181.00	\$350,905.58
10	(Withdrawals - Sales)	-\$627,418.64	-\$367,372.04	-\$260,046.60
Ending Cash & Investment Balance		\$10,848,358.88	\$10,786,134.08	\$62,224.80
Ending Interest Accrual Balance		\$0.00	\$0.00	\$0.00
Plus Outstanding Checks		\$197,131.55	\$1,204.75	\$195,926.80
(Less Deposits in Transit)		\$0.00	\$0.00	\$0.00
Balance per Bank		\$11,045,490.43	\$10,787,338.83	\$258,151.60
			-	-

UNION COUNTY INSURANCE COMMISSION							
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED							
Current Fund Year: 2021 Month Ending: March							
	Property	Liability	Auto	Worker's Comp	NJ CEL	Admin	TOTAL
OPEN BALANCE	429,702.61	1,087,981.28	705,283.66	8,671,499.13	14.38	216,477.98	11,110,959.04
RECEIPTS							
Assessments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Refunds	1,201.00	7,980.00	0.00	0.00	0.00	0.00	9,181.00
Invest Pymnts	183.28	461.42	299.11	3,684.03	0.01	103.82	4,731.67
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	183.28	461.42	299.11	3,684.03	0.01	103.82	4,731.67
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1,384.28	8,441.42	299.11	3,684.03	0.01	103.82	13,912.67
EXPENSES							
Claims Transfers	1,070.99	65,000.00	750.00	193,225.61	0.00	0.00	260,046.60
Expenses	0.00	0.00	0.00	0.00	0.00	16,466.46	16,466.46
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1,070.99	65,000.00	750.00	193,225.61	0.00	16,466.46	276,513.06
END BALANCE	430,015.90	1,031,422.70	704,832.77	8,481,957.55	14.39	200,115.34	10,848,358.65

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	170	38	208	0	81.73%	18.27%	0.00%	1	207
Total FY2019	42	236	132	38	170	0	77.65%	22.35%	0.00%	2	168
Total FY2020	160	352	120	124	244	0	49.18%	50.82%	0.00%	7	237
Jan-21	15	32	11	18	29	0	37.93%	62.07%	0.00%	1	28
Feb-21	8	20	9	5	14	0	64.29%	35.71%	0.00%	5	9
Mar-21	7	32	12	17	29	0	41.38%	58.62%	0.00%	3	26
Apr-21	4	21	12	7	19	0	63.16%	36.84%	0.00%	2	17
May-21	5	19	7	4	11	0	63.64%	36.36%	0.00%	5	6
Total FY2021	39	124	51	51	102	0	50.00%	50.00%	0.00%	16	86

Present 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	Total Working Restricted Duty	Total Working Full Duty	Total Out Of Work
11	16	27	0	27	10	6	8	13	6

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



Case Management Monthly Activity Report
May 2021
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
PS EMT / 747-942	1	1	100%
P&R Watchung Stables / 371-595	1	1	100%
Cornerstone RNs / 791-614	2	1	50%

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 06/01/2021

* 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 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%	1,530	1,284	246	84%	0		
Total 2019	\$2,461,211	\$708,325	\$2,447,019	\$1,752,886	71%	1,610	1,539	71	96%	4		
Total 2020	\$4,466,705	\$829,257	\$4,403,223	\$3,637,321	81%	1,769	1,677	92	95%	19		
Jan-21	\$534,289	\$89,040	\$485,472	\$445,249	83%	230	224	6	97%	0		
Feb-21	\$672,356	\$70,033	\$710,819	\$602,323	90%	215	208	7	97%	0		
Mar-21	\$362,956	\$113,704	\$797,784	\$249,252	69%	225	220	5	98%	3		
Apr-21	\$514,063	\$126,417	\$558,094	\$387,646	75%	183	180	3	98%	3		
May-21	\$210,336	\$62,080	\$266,182	\$148,256	70%	173	170	3	98%	0		
Total 2021	\$2,293,999	\$461,273	\$2,818,352	\$1,832,726	80%	1,026	1,002	24	98%	6		
Total to Date	\$11,036,811	\$2,735,959	\$13,947,125	\$8,300,725	75%	5,935	5,502	433	93%	29		

Report Run Date:06/01/2021

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SAFETY DIRECTOR REPORT

UNION COUNTY INSURANCE FUND COMMISSION

TO: Fund Commissioners

FROM: J.A. Montgomery Consulting, Safety Director

DATE: June 9, 2021

DATE OF MEETING: June 16, 2021

UCIFC SERVICE TEAM

Paul Shives, Vice President, Safety Services 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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April - June 2021

RISK CONTROL ACTIVITIES

MEETINGS ATTENDED / TRAINING / LOSS CONTROL VISITS CONDUCTED

- **April 21:** Attended the UCIFC meeting via teleconference.
- **April 21:** Attended the UCIFC Executive Safety Committee meeting via teleconference.
- **April 21:** Attended the UCIFC Jail Sub Safety Committee meeting via teleconference.
- **April 21:** Attended the UCIFC Claims Committee meeting via teleconference.
- **May 19:** Attended the UCIFC Safety Committee meeting via teleconference.

UPCOMING MEETINGS / TRAINING / LOSS CONTROL VISITS PLANNED

- **June 16:** Plan to attend the UCIFC meeting via teleconference.
- **June 16:** Plan to attend the UCIFC Executive Safety Committee meeting via teleconference.
- **June 16:** Plan to attend the UCIFC Jail Sub Safety Committee meeting via teleconference.
- **June 16:** Plan to attend the UCIFC Claims Committee meeting via teleconference.

SAFETY DIRECTOR BULLETINS

Safety Director Bulletins and Messages are distributed by e-mail to Executive Directors, Fund Commissioners, Risk Managers and Training Administrators. They can be viewed at <https://njce.org/safety/safety-bulletins/>.

- NJCE JIF – SD Message - National Stand-Down to Prevent Falls – April 21.
- NJCE JJIF - SD Bulletin: National Stand-Down for Fall Prevention Resources – April 27.
- NJCE JJIF - SD Bulletin: FD Training in Acquired Structures – April 28.
- NJCE JIF - Day 1 – Day 5 National Safety Stand-Down to Prevent Falls – May 3 – May 7.
- NJCE JJIF - SD Bulletin: Latest Reopening New Jersey Limits, Restrictions & Guidance – May 5.
- NJCE JJIF - SD Bulletin: May 19 Reopening Indoor and Outdoor Guidelines – May 18.
- NJCE JJIF - SD Bulletin: 2021 Hurricane Season Preparedness – May 26.
- NJCE JJIF - SD Bulletin: May 28 & June 4 Reopening Guidelines – May 28.

NJCE TRAINING OVERVIEW – LIVE SAFETY TRAINING WEBINARS

Due to the ongoing COVID-19 crisis in New Jersey, the indefinite suspension of in-person New Jersey Counties Excess Joint Insurance Fund (NJCE) classroom training and with the utmost concern for our public employers and employees NJCE is offering online live safety training webinars.

Instruction is conducted with a live instructor using the Zoom webinar platform. We are excited to offer you the same training content, with the same experienced crew of instructors and with the same continuing education credits as with out in-person classes, but with the flexibility and safety of online delivery.

- The June – July Live Virtual Training Schedules and registration links are attached.

NJCE MEDIA LIBRARY

NJCE Media Library includes a vast library of DVDs topics on many aspects of safety, risk control, employment practices, and supervision, and most can be viewed in under 20 minutes. The DVDs can be requested free of charge for NJCE members and held for up to 2 weeks so you can view them at your convenience. A prepaid self-addressed envelope is included to return the DVD. To view the full video catalog please visit <https://njce.org/wp-content/uploads/2021/02/NJCE-Media-DVD-Catalog.pdf>. Email the video library at melvideolibrary@jamontgomery.com or call 856-552-4900.

- No videos utilized.

NJCE ONLINE STREAMING VIDEO SERVICE

The NJCE JIF now has a New Video Streaming Service. This is an “on demand” service and has about 180 titles available for streaming right to your workplace! We encourage leaders to view the videos

with members of their team and then discuss how the information in the video can best be used specifically in your operations.

To access the streaming “on demand videos”, go to the NJCE website <https://njce.org/safety-training-videos-registration/> Complete the Registration Form, click submit. The following screen will provide the URL and password to access the streaming videos.



NJCE Learning Management System (LMS) – We are excited to announce that the New NJCE Learning Management System (LMS) is in the final stages of implementation. We have been in contact with each of the Commissions/Counties and have asked that they designate LMS Training Administrator(s).

Out of the utmost concern for our public employers and employees, The MEL Safety Institute (MSI) and New Jersey Counties Excess Joint Insurance Fund (NJCE) is offering virtual real time, instructor-led safety training.

June and July Safety Training Schedules – Click on the Training Topic to Register and for the Course Descriptions.

Date	Training Topic	Time
6/16/21	HazCom w/GHS	11:00 - 12:30 pm
6/16/21	Confined Space Entry for Entrants & Attendants	1:00 - 3:00 pm
6/17/21	Preparing for First Amendment Audits	9:00 - 11:00 am
6/18/21	Bloodborne Pathogens (BBP)	8:30 - 9:30 am
6/18/21	Ladder Safety/Walking & Working Surfaces	10:00 - 12:00 pm
6/21/21	Implicit Bias in the Workplace	9:00 - 10:30 am
6/21/21	Fall Protection Awareness	1:00 - 3:00 pm
6/22/21	CDL: Supervisors' Reasonable Suspicion	8:30 - 10:30 am
6/22/21	CDL: Drivers' Safety Regulations	1:00 - 3:00 pm
6/23/21	Fire Safety	8:30 - 9:30 am
6/23/21	Personal Protective Equipment (PPE)	10:00 - 12:00 pm
6/23/21	Shop & Tool Safety	1:00 - 2:00 pm
6/24/21	Driving Safety Awareness	8:30 - 10:00 am
6/24/21	Bloodborne Pathogens (BBP)	10:30 - 11:30 am
6/25/21	Employee Conduct and Violence Prevention in the Workplace	9:00 - 10:30 am
6/25/21	Back Safety / Material Handling	11:00 - 12:00 pm
6/28/21	Flagger Skills and Safety	8:30 - 9:30 am
6/28/21	Jetter/Vacuum Safety Awareness	10:00 - 12:00 pm
6/29/21	Hearing Conservation	11:00 - 12:00 pm
6/29/21	HazCom w/GHS	1:00 - 2:30 pm
6/30/21	Ladder Safety/Walking & Working Surfaces	8:30 - 10:30 am
6/30/21	Fire Extinguisher	11:00 - 12:00 pm
7/1/21	HazCom w/GHS	8:30 - 10:00 am
7/1/21	Hearing Conservation	10:30 - 11:30 am
7/1/21	Fire Safety	1:00 - 2:00 pm
7/6/21	Personal Protective Equipment (PPE)	8:30 - 10:30 am
7/6/21	HazCom w/GHS	11:00 - 12:30 pm
7/6/21	Bloodborne Pathogens (BBP)	1:00 - 2:00 pm
7/7/21	Heavy Equipment - Tractor Safety	8:30 - 9:30 am
7/7/21	Lock Out/Tag Out (LOTO)	10:00 - 12:00 pm
7/7/21	Fire Extinguisher	1:00 - 2:00 pm
7/8/21	Hazard Identification: Making Your Observations Count	8:30 - 10:30 am

7/8/21	Back Safety / Material Handling	11:00 - 12:00 pm
7/8/21	Ladder Safety/Walking & Working Surfaces	1:00 - 3:00 pm
7/9/21	Flagger Skills and Safety	8:30 - 9:30 am
7/9/21	Implicit Bias in the Workplace	9:00 - 10:30 am
7/9/21	CDL-Drivers Safety Regulations	10:00 - 12:00 pm
7/12/21	Preparing for the Unspeakable	9:00 - 10:30 am
7/12/21	Implicit Bias in the Workplace	1:00 - 2:30 pm
7/13/21	Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	9:00 -11:00 am
7/13/21	Work Zone: Temporary Traffic Controls	8:30 - 10:30 am
7/13/21	Bloodborne Pathogens (BBP)	11:00 - 12:00 pm
7/13/21	Ethics for NJ Local Government Employees	1:00 - 3:00 pm
7/14/21	Housing Authority: Safety Awareness & Regulatory Training	8:30 - 11:30 am
7/14/21	HazCom w/GHS	1:00 - 2:30 pm
7/15/21	Heavy Equipment - Earth Moving Equipment Safety	8:30 - 9:30 am
7/15/21	Heavy Equipment - Trucks & Trailer Safety	10:00 - 11:00 am
7/15/21	Jetter/Vacuum Safety Awareness	1:00 - 3:00 pm
7/16/21	Confined Space Entry for Entrants & Attendants	8:30 - 10:30 am
7/16/21	Shop & Tool Safety	11:00 - 12:00 pm
7/19/21	HazCom w/GHS	8:30 - 10:00 am
7/19/21	Bloodborne Pathogens (BBP)	10:30 - 11:30 am
7/19/21	Lock Out/Tag Out (LOTO)	1:00 - 3:00 pm
7/20/21	Fire Safety	8:30 - 9:30 am
7/20/21	Employee Conduct and Violence Prevention in the Workplace	9:00 - 10:30 am
7/20/21	Personal Protective Equipment (PPE)	10:00 - 12:00 pm
7/21/21	HazMat Awareness w/HazCom GHS	8:30 - 11:30 am
7/21/21	Fall Protection Awareness	1:00 - 3:00 pm
7/22/21	CDL-Drivers Safety Regulations	8:30 - 10:30 am
7/22/21	Fire Extinguisher	11:00 - 12:00 pm
7/22/21	Driving Safety Awareness	1:00 - 2:30 pm
7/23/21	Ladder Safety/Walking & Working Surfaces	8:30 - 10:30 am
7/23/21	Back Safety / Material Handling	11:00 - 12:00 pm
7/26/21	Fire Safety	8:30 - 9:30 am
7/26/21	Bloodborne Pathogens (BBP)	10:00 - 11:00 am
7/26/21	HazCom w/GHS	1:00 - 2:30 pm
7/27/21	Confined Space Entry for Entrants & Attendants	8:30 - 10:30 am
7/27/21	Shop & Tool Safety	11:00 - 12:00 pm
7/27/21	Employee Conduct and Violence Prevention in the Workplace	1:00 - 2:30 pm
7/28/21	Housing Authority Sensibility	8:30 - 11:30 am
7/28/21	Work Zone Safety for Supervisors	1:00 - 2:00 pm
7/29/21	Asbestos, Lead, Silica, Overview	1:00 - 2:00 pm
7/30/21	Playground Safety Inspections	8:30 - 10:30 am
7/30/21	Hearing Conservation	11:00 - 12:00 pm
7/30/21	Jetter/Vacuum Safety Awareness	1:00 - 3:00 pm

Safety Training Guidelines:

To maintain the integrity of the classes and our ability to offer CEUs, we must abide by the rules of the State agency who issued the designation. Chief among those rules is the attendee of the class must attend the whole session. **Attendees who enter the class more than 5 minutes late or leave early will not be awarded CEUs for the class or receive a certificate of completion.**

The Zoom platform is utilized to track the time each attendee logs in and logs out of webinars. Also, we can track participation, to demonstrate to the State agency that the student also participated in polls, quizzes, and question & answer activities during the live, instructor-led webinar. We maintain these records to document our compliance with the State agency.

Zoom Training:

Registration Tips:

- Once registered you will receive an email with the webinar link. We suggest registering no later than a day before to insure you receive the link and your computer and sound system are working correctly.
- Your confirmation email is sent to the first name, last name & email address provided including links to Join, Add to Calendar & Cancel.
- We recommend saving the event to your calendar. Zoom Email reminders are sent 1 day & 1 hour prior for all LIVE virtual training classes.

About Zoom:

A Zoom account is not needed to attend a class. Attendees can login and view the presentations from a laptop, smartphone, or tablet.

- Zoom periodically updates their software. After registering for a webinar, the confirmation email contains a link at the bottom to Test your system. We strongly recommend testing your system, and updating if needed, at that time.
- Please [click here](#) for informative Zoom operation details.
- It is suggested you log in to the webinar about 15 minutes early, so if there is an issue, there is time to address it. We cannot offer credit or CEUs/TCHs to attendees who log in 5 minutes late or leave early.

Group Training Procedures: Please have one person register for the safety training webinar.

- Group sign in sheet: Please assign someone to submit the completed sign-in sheet(s) within 24 hours of the webinar.

CEU's for Certified Publics Works Managers			
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Accident Investigation	2 / M	HazCom with Globally Harmonized System	1 / T,G
Advanced Safety Leadership	10 / M	Hazardous Materials Awareness w/ HazCom & GHS	3 / T
Asbestos, Lead & Silica Industrial Health Overview	1 / T,G	Hazard Identification - Making Your Observations Count	1 / T,M
Back Safety / Material Handling	1 / T	Hearing Conservation	1 / T,G
Bloodborne Pathogens Training	1 / G	Heavy Equipment Safety	1 / G - 2 / T
Bloodborne Pathogens Administrator Training	1 / T,M	Hoists, Cranes and Rigging	2 / T
BOE Safety Awareness	3 / T	Housing Authority Safety Awareness	3 / T
CDL – Supervisors Reasonable Suspicion	2 / M	Jetter Safety	2 / T
CDL - Drivers' Safety Regulations	2 / G	Landscape Safety	2 / T
Coaching the Maintenance Vehicle Operator	2 / T,M	Leaf Collection Safety Awareness	2 / T
Confined Space Entry – Permit Required	3.5 / T	Lockout Tagout	2 / T
Confined Space Awareness	1 / T,G	Personal Protective Equipment (PPE)	2 / T
Dealing With Difficult People	1 / M	Playground Safety Inspections	2 / T
		Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	2 / M
Defensive Driving-6-Hour	6 / M	Sanitation and Recycling Safety	2 / T
Driving Safety Awareness	1.5 / T	Safety Committee Best Practices	1.5 / M
Employee Conduct and Violence in the Work Place	1.5 / E	Safety Coordinator's Skills Training	2 / M,G
Excavation Trenching & Shoring	2 / T,M	Shop and Tool Safety	1 / T
Fall Protection Awareness	2 / T,M	Seasonal Public Works Operations	3 / T
Fast Track to Safety	4 / T	Snow Plow Safety	2 / T
Fire Extinguisher	1 / T	Special Events Management	2 / M
Fire Safety	.5/ T - .5/ G	Shift Briefing Essentials	1 / M
Flagger / Workzone Safety	2 / T,M		
CEU's for Registered Municipal Clerks			
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Asbestos, Lead & Silica Industrial Health Overview	1 / P	Hazard Identification - Making your Observations Count	2 / P
		Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	2 / P
Bloodborne Pathogens Training	1 / P	Safety Committee Best Practices	1.5 / P
Dealing With Difficult People	1 / P	Safety Coordinator's Skills Training	4 / P
Employee Conduct and Violence in the Work Place	1.5 / E	Special Event Management	2 / P
TCH's For Water/ Wastewater			
MSI Course	TCH's/Cat.	MSI Course	TCH's/Cat.
Accident Investigation	1.5 / S	HazCom with Globally Harmonized System	1.5 / S
Advanced Safety Leadership	10 / S	Hazardous Materials Awareness w/ HazCom & GHS	3 / S
Asbestos, Lead & Silica Industrial Health Overview	1 / S	Heavy Equipment Safety	3 / S
Back Safety / Material Handling	1 / S	Housing Authority Safety Awareness	3 / S
Bloodborne Pathogens Training	1 / S	Hazard Identification - Making your Observations Count	1.5 / S
Bloodborne Pathogens Administrator Training	2 / Non S	Hearing Conservation	1 / S
BOE Safety Awareness	3 / S	Hoists, Cranes and Rigging	2 / S
CDL – Supervisors Reasonable Suspicion	1.5 / S	Jetter Safety	2 / S
CDL - Drivers' Safety Regulations	2 / S	Ladder Safety/Walking Working Surfaces	2 / S
Confined Space Awareness	1 / S	Landscape Safety	2 / S
Confined Space Entry - Permit Required	3.5 / S	Leaf Collection Safety Awareness	2 / S
Dealing With Difficult People	1 / S	Lockout Tagout	2 / S
Defensive Driving-6-Hour	5.5 / S	Shop and Tool Safety	1 / S
Driving Safety Awareness	1.5 / S	Office Safety	2 / S
Employee Conduct and Violence in the Work Place	1.5 / Non S	Personal Protective Equipment (PPE)	2 / S
Excavation Trenching & Shoring	4 / S	Safety Committee Best Practices	1.5 / S
Excavation Trenching & Shoring	4 / S	Safety Coordinator's Skills Training	4 / S
Fall Protection Awareness	2 / S	Seasonal Public Works Operations	3 / S
Fast Track to Safety	4 / S	Shift Briefing Essentials	1.5 / S
Fire Extinguisher	1 / S	Snow Plow Safety	2 / S
Fire Safety	1 / S	Special Event Management	2 / S
Flagger / Workzone Safety	2 / S		
CEU's for Tax Collectors		CEU's for County/Municipal Finance Officers	
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Employee Conduct and Violence in the Work Place	1.5 / E	Employee Conduct and Violence in the Work Place	1.5 / E
Dealing With Difficult People	1 / E, Gen	Dealing With Difficult People	1 / E, M
Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	2 / Gen	Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	2 / OFM
CEU's for Certified Recycling Professionals		CEU's for Qualified Purchasing Agents	
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Fire Extinguisher Safety	1 / CRP	Employee Conduct and Violence in the Work Place	1.5 / E
Hazard Recognition- Making your Observations Count	2 / CRP	Dealing With Difficult People	1 / OFF
		Protecting Children from Abuse - For Managers/Supervisors/Elected Officials	2 / OFF
Heavy Equipment	3 / CRP		
Sanitation and Recycling Safety	2 / CRP		
CEU's for Park and Rec Professionals			
MSI Course	CEU's/Cat.		
Playground Safety Inspections (CEUs for all Park and Rec Professionals)	.2		
***Categories		***Categories(cont.)	
E - Ethics		Non S - Non Safety (Management)	
T - Technical		P - Professional Development	
G - Governmental		M - Management	
S - Safety / Non S - Non Safety		CRP - Certified Recycling Professional Classroom CEU	
GEN - General Secondary Duties		OFF - Office Admin/General Duties	
OFM - Office Mgmt. and Ancillary subjects			

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: **4515, 3751, 4447, 4793 & 5211-02/03/04/05**. 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 – April 21, 2021
TELEPHONIC MEETING
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
Claudia Martins	Present
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
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Claims Service	D&H Alternative Risk Solutions, Inc. Kathleen Guze Wayne Ring Mary Ann Maitilasso
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	PERMA Risk Management Services Jen Conicella
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Managed Care Services	First MCO Alyssa Hrubash
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NJCE Underwriting Manager	Conner Strong & Buckelew Jonathon Tavares
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Risk Management Consultant	Acrisure, LLC Robin Racioppi
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Treasurer	Bibi Taylor
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Attorney	Bruce Bergen, Esq.
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Safety	J.A. Montgomery Consulting Glenn Prince
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	T&M Associates Mark Worthington
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ALSO PRESENT:

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

APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF MARCH 17, 2021

Executive Director noted the closed minutes were e-mailed to the Commissioners prior to the meeting for review.

Chair Wagner asked that the Closed Minutes be amended to reflect she was present at the meeting. Ms. Dodd said she would amend accordingly.

MOTION TO APPROVE THE OPEN MINUTES AND CLOSED MINUTES OF MARCH 17, 2021

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

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington reported since the last meeting they were active in completing some of the health and safety update plans for the County. Mr. Worthington noted the County was utilizing the J.A. Montgomery platform through IT where possible, however Public Works could not and some in-person, socially distance training classes were conducted on premises the last few Monday mornings. Mr. Worthington advised they were scheduling some confined space drilling in June and hopefully could work out the logistics. Mr. Worthington concluded his report unless there were any questions.

CLAIMS COMMITTEE: Ms. Conicella advised the Claims Committee met prior to the Commission Meeting and the claims would be presented during closed session. Ms. Conicella concluded her report unless there were any questions.

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

CERTIFICATE OF INSURANCE REPORT: Executive Director referred to a copy of the Certificate of Insurance Issuance Report from the NJCE, which was included in the agenda. Executive Director advised for the month of March there were 4 certificates issued. 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:	Chair Wagner
Second:	Commissioner Martins
Vote:	3 Yes, 0 Nays

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported that the NCE would meet again on April 22, 2021 via Zoom audio/video at 9:30 AM. The NJCE Finance Committee met on April 9 and discussed the 2021 NJCE Budget Delta Options and the results of the recent Professional Services Procurement. Executive Director noted a copy of the minutes from that meeting were included in Appendix II of the agenda. Executive Director reported there would be an additional assessment for the commercial premium portion of the 2021 Budget.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the February Financial Fast Track was included in the agenda. Executive Director reported the Commission had a surplus of \$4,176,800 as of February 28, 2021. Executive Director referred to Line 10 of the report, “Investment in Joint Venture” and indicated \$1,883,356 of the surplus was the UCIFC’s share of the NJCE equity. Executive Director noted the cash amount was \$11,110,959.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the February Financial Fast Track was included in the agenda. Executive Director advised the February Financial Fast Track was revised and Mrs. Dodd e-mailed a revised version of the report prior to the meeting. Executive Director said the report was revised to include a line for “excess recoveries” on the COVID claims. Executive Director advised they were in discussion with Safety National Insurance Company on the extent of coverage. Executive Director indicated he hoped the NJCE would receive monies back from the insurance company and this recovery was now reflected in the Financial Fast Track. Executive Director reported as of February 28, 2021 the Fund had a surplus of \$15,349,550. Executive Director referred to line 7, “Dividend” and noted the NJCE released dividends in the amount of \$5,107,551. Executive Director noted the cash amount was \$19,534,623. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director advised the Claim Tracking reports as of February 28, 2021 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 reviewed the Fund Years with the Commission and advised the Commission was doing exceptional well.

ZURICH INSURANCE COMPANY RISK ENGINEERING VISIT: Executive Director reported Zurich Insurance Company visited the Juvenile Detention Center at 1075 Edward Street, Linden, NJ on April 13 to tour and inspect the building. Executive Director advised Evelio Salerno and Jonathan Czarnecki of J.A. Montgomery Consulting met with the Zurich representative. Executive Director asked Mr. Prince to comment on the inspection. Mr. Prince reported some of the items Zurich was looking at were the age of the building, roofing, security, boilers and fire suppression systems. Mr. Prince indicated it was all property related. Mr. Prince noted the County was no longer housing juveniles there at this time. Mr. Prince advised the overall findings were well received and a written report was forthcoming. Mr. Worthington said he also attended the inspection and one of the concerns was the PV on the roof with regard to fire so there would be a request for additional information on the report with regard to construction. Executive Director thanked Union County representatives for participating in the inspection.

NJ SENATE BILL S3375: Executive Director reported he spoke about this bill previously and if passed would weaken the rights of employers to direct and control medical care as respects to

workers' compensation. Executive Director advised there was plenty of opposition to the bill. Executive Director thought the bill would be defeated at this time however it could resurrect itself in the future.

MAY MEETING: Executive Director reminded the Commission was not scheduled to meet in May and the next meeting was scheduled for June 16, 2021, virtually.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Ms. Taylor reported she recommended approval of Resolution 20-21; April Bill List and Executive Director already reviewed the Financial Fast Track.

MOTION TO APPROVE RESOLUTION 20-21, APRIL BILL LIST

Moved:	Chair 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. Conicella advised she had nothing further to report.

CLAIMS ADMINISTRATOR: Ms. Guze reported for the month of April there were 20 worker compensation claims reported, 3 were report only, 10 were closed and 7 remained open for treatment. Ms. Guze said in addition, there were 12 COVID claims reported all tested positive, having known or suspected exposure to a co-worker or member of the public and all of those claims were closed. Mrs. Guze indicated there was nothing serious from the exposure.

MANAGED CARE: Ms. Hrubash referred to First MCO's reports, which were included in the agenda. Ms. Hrubash reviewed the Case Management Monthly Activity Report for the month of March as noted below.

Month	Total Claims Reported	Medical Only	Loss Time	Total Case Managed	Present Open Claims
March	32	11	17	28	31

Ms. Hrubash reviewed the Medical Savings Report for the month of March as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
March	\$ 362,956	\$ 113,704	\$ 249,252	69%	225	220	98%

Ms. Hrubash advised that concluded her report unless there were any questions.

NJCE SAFETY DIRECTOR: Mr. Prince reported the Safety Director's report for March through April was included in the agenda. Mr. Prince advised all of the training Mr. Worthington alluded to earlier was included in the agenda. Mr. Prince said the training schedule was through June 30. Mr. Prince encouraged all department heads to review the NJCE website to review all of the training

opportunities. Mr. Prince reported as of April 1 the new Learning Management System was up and running. Mr. Prince advised they would provide additional webinars for those administrators who were appointed to enter data including records, record data and training. Executive Director said the Learning Management System was a huge initiative for the NJCE and was very excited. Ms. Martins noted they had 15 administrators that signed up and took the class. Mr. Prince concluded his report unless there were any questions.

Correspondence Made Part of Minutes

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: Mr. Bergen did not believe there was anyone from the public attending the meeting. Mr. Bergen advised if there was anyone wishing to speak, they should put their name in the chat feature and they would be acknowledged. Mr. Bergen said he did not see anyone and recommended moving on.

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 claim number 4290, 4384, 5068, 2475, 4522 and 1866. 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 GO INTO TO CLOSED SESSION

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

MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:33 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary

APPENDIX II

Rules & Regulations

UNION COUNTY INSURANCE FUND COMMISSION
RULES AND REGULATIONS

Adopted June 16, 2020

UNION COUNTY INSURANCE FUND COMMISSION

**Administration Building
10 Elizabethtown Plaza
Elizabeth, NJ 07207**

WHEREAS: Article 3 of N.J.S.A. 40A:10-1 et seq. permits Union County to establish an insurance commission so that the County and the local units associated with the County can achieve cost savings through the joint purchase or self-funding of insurance; and,

WHEREAS: On February 27, 1986 the then-Union County Board of Chosen Freeholders created an Insurance Commission; and,

WHEREAS: Article 3 of N.J.S.A. 40A:10-1 et seq. provides that the Insurance Commissioners are authorized to adopt Rules and Regulations for the operation of the insurance commission.

NOW THEREFORE, the Commissioners hereby adopt the following rules and regulations:

ARTICLE I - DEFINITIONS

All terms used herein shall have the meaning consistent with the statutes and regulation then in effect. The definitions herein are for convenience.

“ACTUARY” means a person who is a fellow in good standing of the Casualty Actuarial Society with three years recent experience in loss reserving; an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving; or an associate in good standing of the American Academy of Actuaries who has been approved as qualified for signing loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries and who has seven years recent experience in loss reserving.

"ACTUARY" in the case of health insurance means a fellow in good standing of the Society of Actuaries or the Casualty Actuarial Society with at least three (3) years recent experience in health insurance pricing and reserving. Actuary in the case of life insurance means a fellow in good standing of the Society of Actuaries with at least three (3) years recent experience in life insurance pricing and reserving.

“ADMINISTRATOR” means a person, partnership, corporation or other legal entity engaged by the Commission to act as Executive Director to carry out the policies established by the Commissioners and to otherwise administer and provide day-to-day management of the Commission.

“ALLOCATED CLAIMS EXPENSE” means attorneys’ fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers’ fees, police reports and other similar expenses. The exact definition of “allocated claims expense” or similar terms for any line of insurance coverage shall be the definition in the insurance policy issued by the Commission.

“COMMISSION” means the Union County Insurance Fund Commission.

“COMMISSION YEAR” means the Commission’s fiscal year of January 1, through December 31.

“COUNTY” means the County of Union.

“EMPLOYER’S LIABILITY” means the legal liability of a public employer to pay damages because of bodily injury or death by accident or disease at any time resulting there from sustained by an employee arising out of and in the course of employment by the public employer, which is not covered by a workers’ compensation law. The exact definition of “Employer’s Liability” or similar terms shall be the definition used in the insurance policy issued by the Commission.

“EXCESS INSURANCE” means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commissioner as a surplus lines insurer or from any other entity authorized to provide said coverage in this state pursuant to law, covering losses in excess of an amount set forth in insurance contracts on a specific occurrence, or per accident or annual aggregate basis.

“GENERAL LIABILITY” means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers’ compensation, and employer’s liability. The exact definition of a “general liability” or similar terms is the definition used in the insurance policy issued by the Commission.

"HEALTH INSURANCE" means health insurance as defined pursuant to N.J.S.A. 17B:17-4; service benefits as provided by health service corporations, hospital service corporations or medical service corporations authorized to do business in this state, including basic health care services and/or supplemental health care services provided by health maintenance organizations, or dental care services provided by dental plan organizations and dental service corporations.

“INCURRED CLAIMS” means claims which occur during a Commission year including claims reported or paid during a later period. The exact definition of “incurred claims” or any similar term is the definition used in the excess insurance or reinsurance policy purchased by the Commission.

“INDEMNITY AND TRUST AGREEMENT” means a written contract signed by and

duly adopted by the members of the Commission under which each agrees to jointly and severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Commission. The agreement shall specify the extent of the member's participation in the Commission with respect to the types of coverage to be provided by the Commission and shall include the duration of Commission membership which shall not exceed three years. The agreement shall also specify that the member has never defaulted on claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to application to the Commission.

“LIFE INSURANCE” means life insurance as defined pursuant to N.J.S.A. 17B:117-3.

“MANUAL PREMIUM” means the premium computed according to the Experience Rating Plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner and similar insurance industry rating plans for other lines of coverage.

“MOTOR VEHICULAR AND EQUIPMENT LIABILITY” means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the members or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of “motor vehicular and equipment liability” or any similar terms shall be the definition of the insurance policy issued by the Commission.

“OCCURRENCE” means a single event. The exact definition of “occurrence” or any similar term shall be the definition used in the insurance policy issued by the Commission.

“PRODUCER” means any person engaged in the business of an insurance agent, insurance broker, or insurance consultant as defined in N.J.S.A. 17:22A-1 et seq.

“PROPERTY DAMAGE” means any loss or damage, however caused, to property including monies and securities, motor vehicles, equipment or apparatus owned by the member or owned by or under the control of any of its departments, boards, agencies, commissions, or other entities which the membership may provide coverage for. The exact definition of “property damage” or similar terms shall be the definition in the insurance policy issued by the Commission.

“QUALIFIED LOCAL UNIT” means any entity governed by a board appointed by the Union County Board of County Commissioners, including but not limited to a county college, technical school, library, or county authority.

“SERVICING ORGANIZATION” means an individual, partnership, association, or corporation, other than the administrator, that has contracted with the Commission to provide, on the Commission's behalf, any function as designated by the Commissioners

including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the Commission's underwriting file, coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the Commission for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation and such other duties as designated by the Commission.

"SURPLUS" means that amount of monies in a trust account that is in excess of all costs, earned investment income, refunds, incurred losses and loss adjustment expenses and incurred but not reported reserves including the associated loss adjustment expenses attributed to the Commission net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

"WORKERS' COMPENSATION" means the provisions of N.J.S.A. 34:15-7 et seq.

ARTICLE II - MEMBERSHIP

Membership Application:

1. The governing body of a qualified local unit shall by resolution, agree to join the Commission. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the Commission's rules and regulations as approved and adopted by the Commissioners. The resolution shall also provide for the execution of an Indemnity and Trust agreement as defined in Article I.
2. Any qualified local unit seeking membership shall also submit an application for membership to the Commission on a form acceptable to the Commissioners. The application shall include the executed Indemnity and Trust agreement and the resolution required under Subsection 1 above.
3. An application may be approved by a majority vote of the Commissioners based on the following criteria:
 - a. The applicant's claims history shows safety performance consistent with the Commission's objectives and the applicant's physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
 - b. The Commission has the administrative capability to absorb additional memberships without undue inconvenience or strain.
4. If a non-member is not approved for membership, the Commission shall set forth in

writing the reasons for disapproval and send the reasons for disapproval to the non-member. The Commission shall retain a copy of all membership application disapprovals for five years.

Membership Renewal:

1. Members may renew their participation by execution of a new resolution to join the Commission ninety (90) days prior to the expiration of the term.
2. The Commissioners must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application, the Commissioners shall find by majority vote that the applicant has failed to fulfill its responsibilities as a member or no longer meets the Commission's risk management or underwriting standards or other reasons approved by the Commissioners as reasons for termination.
4. If a member's renewal application is rejected, the Commission shall comply with the termination provisions as outlined below.
5. Non-renewal of a Commission member does not relieve the member of responsibility for claims incurred during its period of membership.

Termination and/or Withdrawal of Commission Members:

1. A member must remain in the Commission for the full term of membership unless earlier terminated by the Commissioners for non-payment of assessments or continued non-compliance after receiving written notice to comply with the Commission's rules and regulations, risk management or underwriting standards, or other reasons approved by the Commissioners as reasons for termination. However, a member shall not be deemed terminated until the Commission gives a written notice by registered mail to the member of its intention to terminate the member in thirty (30) days.
2. A member that does not desire to continue as a member after the expiration of its membership term shall give written notice to the Commission of its intent ninety (90) days before the expiration of the term period.
3. A member that has been terminated or does not continue as a member of the Commission shall remain jointly and severally liable for claims incurred by the Commission and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.

ARTICLE III – ORGANIZATION

Commissioners:

1. The Union County Board of County Commissioners shall appoint three officials of the County, to serve as Insurance Commissioners. The officer or body having the power to make appointments of member local units other than the County shall appoint one official, who may be a member of the governing body, to serve as a non-voting insurance commissioner.
2. The commissioners shall hold office for 2 years or for the remainder of their term of office as officials, whichever shall be less, and until their successors shall have been duly appointed and qualified. Vacancies in the office of Insurance Commissioners caused by any reason other than expiration of term as an official shall be filled for the unexpired term. Vacancies in the position of secretary shall be filled in the manner of the original appointment.
3. The Commissioners shall serve without compensation.
4. The Commissioners are hereby required, authorized and empowered to operate the Commission in accordance with these rules and regulations and appropriate state laws and regulations in the interests of the total membership of the Commission. The Commissioners shall have the following powers and authority:
 - a. Employ necessary clerical assistants, whose compensation shall be fixed and paid by the governing body of the local unit in the same manner as is that of other employees of the local unit;
 - b. Invest the funds and all additions and accretions thereto in compliance with New Jersey laws and regulations, as they shall deem best suited for the purposes of this article;
 - c. Adopt rules and regulations for the control and investment of the funds;
 - d. Keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the local unit or of a county college which participates in the Commission pursuant to P.L. 1988, c. 144 (C. 18A:64A-25.40 et al.) or of a county vocational school which participates in the commission pursuant to P.L. 1988, c. 143 (C. 18A:18B-8 et al.), or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus;
 - e. Fix reasonable rates of premium for all insurance carried by the insurance

- f. Commission and shall affect all insurance in the insurance Commission or with any insurance company or companies authorized to do business in this State;
- g. Premiums for insurance, whether carried in the Commission insurance fund or placed with insurance companies, shall be paid to the Commission by the board, commission, department, committee or officer having charge or control of the property insured;
- h. All insurance upon property owned or controlled by the county, or any of its departments, boards, agencies or commissions, or by a participating local unit including, but not limited to a board of education of a participating county vocational school or by a board of trustees of a participating county college shall be placed and effected by the Commissioners;
- h. Each commissioner shall have one vote.

Officers:

1. As soon as possible after the beginning of each Commission year, the Commissioners shall meet to elect the following officers of the Commission from its own membership. Commission officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.
 - a. **Chairperson:** The Chairperson shall preside at all meetings of the Commissioners and shall perform such other duties provided for in these rules and regulations and the laws and regulations of the State of New Jersey.
 - b. **Vice-Chairperson:** The Vice-Chairperson shall serve as Acting Chairperson in the absence of the Chairperson, and shall perform such other duties as provided for in these rules and regulations and the laws and regulations of the state of New Jersey.
2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the Union County Board of County Commissioners shall appoint a commissioner to fill the vacancy for the unexpired term.
3. Any officer can be removed with cause at any time by resolution of the Union County Board of County Commissioners.

Secretary:

1. The Union County Board of County Commissioners shall appoint a person to serve as secretary to Commission. The salary of the secretary shall be set by resolution, as authorized by the Commission.
2. The Secretary shall:
 - a. Coordinate the Commission's meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - b. Perform such other duties as provided for by the Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.

Commission Professionals:

As soon as possible after the beginning of each year, the Commissioners shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be a Commissioner. All professionals shall be retained pursuant to the "Local Public Contracts Law."

1. Treasurer:

The Treasurer shall have the following duties and responsibilities:

- a. Custodian of the Commission's assets and shall maintain the various trust funds.
- b. Approval of all receipts, disbursements, and financial records.
- c. Draft the cash management plan and invest all balances.
- d. Ascertain availability of sufficient unencumbered funds in any account to fully pay all charges or commitments prior to any payment or commitment.
- e. The treasurer shall perform such other duties as provided for by the Commissioners, these rules and regulations and in the laws and regulations of the State of New Jersey.
- f. The treasurer shall be covered by a fidelity bond protecting the Commission's assets in a form and amount to be determined annually by the commissioners. Said bond to be paid for by the Commission.

2. **Executive Director/Administrator:**

- a. The Administrator shall serve as Executive Director of the Commission and shall be a licensed New Jersey Insurance Producer who shall be experienced in risk management matters and self-funded entities.
- b. The Administrator shall have the following duties and responsibilities:
 - i) Carry out the policies established by the commissioners and to otherwise supervise the management of the Commission.
 - ii) Advise the commissioners on risk management matters and shall prepare a draft Risk Management Plan.
 - iii) Prepare the Commission's budget, compile and bill assessments.
 - iv) Maintain underwriting files, secure insurance and excess insurance as authorized by the Commission and prepare new members submissions for review of the commissioners.
 - v) Prepare draft requests for proposals for services to be provided by servicing organizations and monitor the performance of the service companies.
 - vi) Prepare filing required by state regulations.
 - vii) Coordinate in conjunction with the Commission's secretary the meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - viii) Maintain the Commission's general ledger, accounts payable and accounts receivable function.
 - ix) Perform such other duties as provided for by the Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.
- c. The Administrator shall assume overall executive responsibility for the operations of the Commission except that the Administrator shall not be responsible for the errors and omissions of any other servicing organization except as to generally monitor the compliance of said organization with the directives of the Commissioners, its Service Provider contract, or the applicable statutes and regulations as to the form and timeliness of said undertaking. For example, the Executive

Director shall be responsible to verify the issuance of excess or reinsurance policies, and the timely receipt of said policies by the Commission.

- d. The Administrator shall be bonded in a form and amount acceptable to the Commissioner. The Administrator shall also be covered by Errors and Omissions insurance, said coverage is to be paid by the Commission.

3. **Auditor:**

The auditor shall be an independent Certified Public Accountant (CPA) or a registered municipal accountant (RMA) who has evidenced the ability and experience to properly examine an insurance commission. The auditor shall conduct the annual audit of the Commission and shall perform such other duties as provided for by the Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

4. **Attorney:**

- a. The Commission attorney shall be admitted to the New Jersey Bar and shall provide advice to the Commission on legal matters such as advising the Commissioners of their obligations and responsibilities under Article 3 of N.J.S.A. 40A:10-1 et seq., these rules and regulations and other pertinent law such as the Open Public Meetings Act.
- b. The attorney shall have the following responsibilities:
 - i) The attorney shall advise the Commission as to the appropriateness of claim settlements recommended by the Claims Administrator.
 - ii) The attorney shall advise the commissioners on the selection of counsel to represent the Commission Members in the defense of claims. The Commission attorney may also provide representation concerning incidental aspects of claim matters such as motions where it is more expeditious, cost effective or otherwise to do so. However, the attorney or any member of the attorney's law firm shall not defend claims which are the responsibility of the Commission without the authorization of the Commissioners.
 - iii) The attorney shall perform such other duties as provided for by the Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

5. **Actuary:**

The actuary shall certify the actuarial soundness of the Commission and shall report to the Commissioners in a manner and at such times established by them, and shall provide such actuarial reports as required by the Department. The actuary shall certify claim reserves, reserves for “Incurred but Not Reported” (IBNR) losses, and unearned assessments and shall comment on the adequacy of the budget.

6. All Commission professionals shall be retained on a contractual basis which shall be approved by the Commissioners.
7. Commission Professionals shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the Commissioners. The written fee schedule shall be part of the official contract.

Servicing Organizations:

1. The Commission may contract to have the following services performed:
- a. Actuarial services
 - b. Claims Administration
 - c. Cost containment services
 - d. Loss prevention/safety engineering services
 - e. Legal services
 - f. Auditing services
 - g. Financial services
 - h. Compilation and maintenance of the Commission’s underwriting file
 - i. Coordination and preparation of coverage documents
 - j. Risk selection and pricing
 - k. Excess insurance or reinsurance producer services
 - l. Member assessment and fee development
 - m. Report preparation
 - n. Other duties as designated by the Commission.
2. The Commission may at its option contract for these services from different servicing organizations.
3. a. No servicing organization of the Commission or their employees, officers or directors shall have either a direct or indirect financial interest in the administrator of the Commission or be an employee, officer or director of the administrator unless notice of such interest has been provided to the Commissioners and members.

- b. No administrator of the Commission, or their employees, officers or directors shall be an employee, officer or director of, or have either a direct or indirect financial interest in, a servicing organization of the Commission, or the insurance producer that may be appointed by that Commission unless notice of such interest has been provided to the Commissioners and members.
 - c. Any employee, officer or director of the administrator or servicing organization shall disclose to the Commissioners, any direct or indirect financial interest such employee, officer or director has in any other administrator, servicing organization or insurance producer.
- 4. Each service contract shall include a clause stating “unless the Commissioners otherwise permit, the servicing organization shall handle to its conclusion all claims and other obligations incurred during the contract period.”
 - 5. Each Servicing Organization shall provide a surety bond and Errors and Omissions coverage if required by law, in a form and amount acceptable to the Commissioner.
 - 6. All officers, employees and agents, including the Administrator and Servicing Organization of the Commission, on the final day of their contract or employment shall surrender and deliver to their successors all accounts, funds, property, records, books and any other material relating to their contract or employment, or if no successor has been designated, delivery shall be made to the Administrator or Commission Chairperson.

Indemnification of Officers and Employees:

- 1. The Administrator, Claims Service Provider(s), Producer, Risk Management Consultant(s) and such others as are required by regulation to do so, shall provide Errors and Omissions coverage in a form satisfactory to the Commissioner. The Commissioners may also require other professionals to provide evidence of Errors and Omissions coverage, and any other coverage as a requirement of their contract.
- 3. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Commission shall indemnify and defend any past, present or future Commissioner, and may indemnify such other officials or professionals or service providers as the Commissioners determine, for claims arising from an act or omission of such Commissioner, official or employee within the scope of the performance of such individual’s duties as Commissioner, officials, professional or employee within the scope of the performance of such individual’s duties as Commissioner, official, professional

or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Commission to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such an individual and the Commission shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Commissioner, official, professional or employee is either covered, or required to be covered by Errors and Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Commissioners. Nothing herein contained is intended to shield omission or wrongdoing which would not customarily be covered by Errors and Omissions insurance if same had been required of said employee or appointed official.

3. A present, past or future Commissioner, official, professional or employee of the Commission shall not be entitled to a defense or indemnification from the Commission unless:
 - a. Within ten (10) calendar days of the time they are served with the summons, complaint, process, notice or pleading, they deliver the original or exact copy to the Commission Chairman with a copy to the Commission attorney, together with a request that the Commission provide for such defense; and
 - b. In the event the Commission provides a defense or indemnification, they cooperate in the preparation and presentation of the defense with the attorney selected to defend the case; and
 - c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Commission to handle such matters, the past, present or future Commissioner, official, professional or employee shall agree that the Commission and its counsel shall have exclusive control over the handling of the litigation.
4. The foregoing right of indemnification shall not be exclusive of any other rights to which any Commissioner, official, professional or employee may be entitled as a matter of law or which may be lawfully granted to them; and the right to indemnification hereby granted by this Commission shall be in addition to and not in restriction or limitation of any other privilege or power which the Commission may lawfully exercise with respect to the indemnification or reimbursement of a Commissioner, official, professional or employee; except that in no event shall a Commissioner, official, professional or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.

5. Expenses incurred by any Commissioner, official, professional or employee in defending an action, suit or proceeding may be paid by the Commission in advance of final determination of such action, suit or proceeding as authorized by the Commission in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

Advisory Committees:

1. From time to time, the Commission Chairperson may establish advisory committees and may appoint any individual to serve on these committees.
2. Loss Prevention Committee:
 - a. **Membership:** Each member shall appoint one of its management employees to serve as the safety coordinator, for the member. The safety coordinator shall serve as the representative of the member on the Commission's Safety Committee. The member shall also designate a management employee to serve as alternate safety coordinator whenever the safety coordinator is unable to serve. The safety coordinator and the alternate shall serve at the pleasure of the member and shall perform those duties specified in the Commission's Loss Control Program.
 - b. The Commission's safety committee shall consist of the Commission's safety director and the safety coordinator from each member. The alternate safety coordinator from each member may also attend meetings of the safety committee.
 - c. At the beginning of each Commission year the safety committee shall select a chairperson to preside over meetings of the committee.
 - d. **Duties:** The safety committee shall meet at least quarterly and shall have the following duties or responsibilities.
 - i) Confer with the Commission's safety director to develop a comprehensive safety and loss control program.
 - ii) Monitor all accident trends and frequency of accident in order to identify problem areas and local unit activities and programs requiring more frequent loss control surveys and evaluations.
 - iii) Assist in the development of a safety educational program that will include visual aids, equipment, etc.

- iv) Make recommendations to the Commission for policies that will implement a comprehensive safety and loss control program for the Commission and the member local units.
- v) Perform such other duties that are assigned by the Commission Commissioners or required by law.

Risk Managers:

1. The Commission shall appoint an Insurance Producer as a Risk Management Consultant who shall not be a Commissioner.
2. The Risk Management Consultant's specific responsibilities shall include, but not be limited to:
 - a. Evaluation of the member's exposures.
 - b. Explanation of the various coverages available from the Commission and assisting the member in the selection of proper coverage.
 - c. Preparation of applications, statements of values, etc. required by the Commission.
 - d. Review of the member's assessment and assisting in the preparation of the local unit's insurance budget.
 - e. Assisting in the claims settlement process.
 - f. Review of losses and engineering reports and providing assistance to the member's safety committee.
3. The Risk Management Consultant(s) shall be appointed in conformance with the Public Contracts Law.

ARTICLE IV - OPERATION OF THE COMMISSION

General Operation:

1. The Commission shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and regulations (including but not limited to N.J.A.C. 5:34) and the various statutes authorizing the investment of public funds..

2. The Commission shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.
3. The Commission shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Commission shall prepare a financial statement on a form acceptable to the Commissioners showing the financial ability of the Commission to meet its obligations.
4. All monies, assessments, funds and other assets of the Commission shall be under the exclusive control of the Commissioners.
6. The Commission shall adopt a resolution designating a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian of funds shall possess a Certified Municipal Finance Officer certificate issued pursuant to N.J.S.A. 40A:9-140.2. The custodian shall quarterly report to the Commissioners on investment and interest income.
6. All books, records, files, documents and equipment of the insurance Commission are the property of the Commission and shall be retained by the Commission Administrator at the discretion of the Commissioners in accordance with a record retention program adopted by the Commission. All books, records, files and documents of the Commission shall be retained for not less than five years. The Commission shall also retain claims information

Risk Management Plan:

The Commissioners shall prepare or cause to be prepared, a Risk Management Plan for the Commission including all information detailed in N.J.A.C. 11:15-2.6(e) and or 11:15-3.6(d) as appropriate. The Risk Management Plan shall be adopted and approved by resolution of the Commissioners.

Financial Statement and Reports:

1. The Commissioners shall provide its members with periodic reports covering the activities and status of the Commission for the reporting period. The reports shall be made at least quarterly, and may be made more frequently at the

direction of the Commissioners, and shall include, but not be limited to, the minutes, the Administrator's report, the Treasurer's report, and a summation of Commission activity, including comments on previously reported claims and newly reported claims, and any other information required by the Commissioners. The Treasurer's report shall include budget status, account balances, claims information, investment status, earnings and the costs of making investments.

2. A sworn annual report in a form prescribed by the Commissioners shall be prepared by the Commission, and be made available to each Commission member not later than one hundred eighty (180) days after the end of each Commission year. The report shall be accompanied by an annual audited statement of the financial condition of the Commission prepared by the Auditor, and performed in accordance with generally accepted accounting principles.

Coverages:

The Commission may offer coverage to its members for the following purposes:

1. To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
2. To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
3. To insure against liability for its negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);
4. To insure against any loss or damage from liability as established by chapter 15 of Title 34 of the Revised Statutes;
5. To provide contributory or noncontributory self-funded, or partially self-funded, health benefits to employees or their dependents, or both, in accordance with rules and regulations of the Director of the Division of Local Government Services in the Department of Community Affairs. The establishment and operation of a Commission to provide health benefits by a local unit prior to the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby validated; however, any such health benefits Commission shall comply with all rules and regulations promulgated by the director pursuant to this subsection.

Services:

The Commission may also provide its members with safety and loss control programs and may jointly purchase or lease, on behalf of its membership, safety and loss control services, training, equipment and apparatus, in connection with the provision of the coverage set forth above.

ARTICLE V - MEETINGS AND RULES OF ORDER

1. Annual Organization Meeting:

On or before January 15th the beginning of the Commission year, the Commissioners shall meet to elect officers and to appoint professionals and servicing organizations and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.

2. Business Meetings:

The Commissioners shall establish an annual schedule of meetings to conduct the business of the Commission.

3. Special Meetings:

The Chairperson or two (2) Commissioners may call a special meeting by notifying the Commission's Secretary at least three (3) days in advance. The Secretary shall notify the Commissioners by telephone.

4. Quorum:

The quorum for a meeting of Commissioners shall be a majority of the regular Commissioners.

5. Conduct Of Meetings:

- a. All meetings of the Commission shall be subject to the rules and regulations of the Open Public Meetings Act. (N.J.S.A. 10:4-6 et.seq.)
- b. Unless otherwise provided in these rules and regulations, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.
- c. The Secretary shall cause written minutes to be maintained of all

Commission meetings, and shall cause the minutes to be made available to the Commissioner upon request. In addition, the Secretary shall tape record open sessions for clarity in preparing the minutes. Said meeting tape shall be maintained for 180 days or until the meeting minutes are approved, whichever occurs first. There shall be no tape recording of closed session meetings.

6. Amendments to the Rules and Regulations:

- a. Any commissioner may propose an amendment to the Rules and Regulations by filing the proposed amendment in writing with the Secretary.
 - b. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Commissioners of the hearing date and shall send all Commissioners and members a copy of the proposed amendment. Notice shall be given to the County Commission Chair and the County Manager.
3. The amendment may be adopted by the Commissioners upon the completion of the hearing.

ARTICLE VI - BUDGETS

1. On or before November 15 of each year, the Commission shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self insurance or loss retention accounts. The budget shall be prepared on a basis that does not recognize investment income or discounting of claim reserves, but recognizes all anticipated or forecasted losses and administrative expenses associated with that fiscal year.
2. A copy of the Commission's proposed budget shall be made available to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget shall be adopted until a hearing has been held in accordance with N.J.S.A. 40A:4-1 et seq. giving all members the opportunity to present comments or objections.
3. Not later than December 1st of each year the Commissioners shall adopt by majority vote the budget for the Commission's operation for the coming fiscal year.

4. An adopted budget may be amended by majority vote of Commissioners.

ARTICLE VII - ASSESSMENTS

Annual Assessment:

1. In November of each year, the Executive Director/Administrator shall compute each member's assessments for the upcoming Commission year, which shall consist of an amount allocated for the administrative account plus specific assessment to establish and/or replenish the claim or loss retention trust fund account for each type of coverage provided by the Commission and in which such member participates.
2. The annual assessment of each participating local unit shall be its pro rata share of the Commission's budget for the upcoming year for each line of coverage provided to the member.
3. The calculation of pro rata shares shall be based on each member's manual premium by Commission year for that line of coverage. To the extent possible, the Commission shall use experience modification formulas in computing manual premiums. Unless otherwise approved by the Commissioners, the assessment for Worker's Compensation and Employer's Liability shall be based upon the experience rating plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner of Banking and Insurance. The Commissioners may also adopt a capping formula which limits the increase in any member's assessment to the Commission-wide average increase plus a percentage established by the Commissioners.
4. The total amount of each member's annual assessment shall be certified by majority vote of the Commissioners to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment shall be paid to the Commission in installments, to be determined by the Commissioners.
6. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention Trust Fund account.
7. If a member joins the Commission or elects to participate in a line of coverage after the start of the Commission year, such member's assessments and

supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

Supplemental Assessments:

1. The Commissioners shall by majority vote levy upon the member local units additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.
 - a. All supplemental assessments shall be charged to the members by applicable Commission year, and shall be apportioned by that year's assessments for that line of coverage.
 - b. All members shall be given at least thirty (30) days advance written notice of the Commission's intention to charge an additional assessment.
 - c. Members shall have thirty (30) days to pay the Commission from the due date established by the Commissioners at the time any supplemental assessment is adopted. Whenever possible, the due date shall be no sooner than the beginning of the Commission's next fiscal year.

Insolvency or Bankruptcy of Commission Members:

The insolvency or bankruptcy of a member does not release the Commission, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

ARTICLE VIII - REFUNDS

1. Any monies for a Commission year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Commission.
2. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission.
3. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual assessment.

ARTICLE IX - TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS

Establishment of Trust Fund Accounts:

1. By resolution, the Commission shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian shall report to the commission quarterly on interest and interest/income
2. The Commission shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums designated as the Claims or Loss Retention Fund Account.
 - a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a claim or loss retention account without the approval of the commissioners.
 - b. The Commission shall maintain accounting records allocating all income, disbursements, and assets in the Claims account by line of coverage and by Commission year. Accounting records for closed Commission year(s) shall be allocated by member. Accounting records for loss fund contingency or excess loss contingency shall also be allocated by member.
3. The Commission shall also establish an administrative account which shall be utilized for payment of the Commission's general operating expenses, loss prevention activities, data processing services, and general legal expenses. The Commission shall maintain accounting records for the administrative account per 2(b) above.

Investments:

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Commission's cash management plan and consistent with the statutes and rules governing the investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.
2. The investment and interest income earned by the investment of the assets of

each claim or loss retention account shall be credited to each account.

3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

Disbursements

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Commission's assets shall certify as to the availability of sufficient unencumbered funds to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Commissioners.
3. Notwithstanding numbers 1 and 2 above, the Commission may provide for the expedient resolution of certain claims by designating the Commission's Administrator or service organization as a "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Commission may authorize the certifying and approving officer to approve for payment any specified claims in an amount not to exceed an amount approved by the Commissioner in the Plan of Risk Management. The Commission shall establish such other procedures and restrictions on the exercise of this authority as the Commission deems appropriate.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Commission's assets, directing that a check for payment be prepared.
5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Commissioners at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.
6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and shall be certified by an officer or duly designated agent or employee of the Commission having knowledge of the facts that the goods have been received by, or the services rendered to the Commission. In the case of claims or losses to be charged against any loss fund, the Commission's claims administrator shall certify as to the claims correctness and validity.

7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the Commissioners. Payment of claims may be made by wire transfer.
8. All claims or other disbursements approved for payment by the Commission shall be recorded in a claims register maintained by the custodian of the Commission's assets.

ARTICLE X - CONFLICT OF INTEREST

All officials or employees of a member local unit or any members of the family of such officials or employees shall comply with N.J.S.A. 40A: 22.1 et. seq. (The "Local Government Ethics Law").

ARTICLE XI - VOLUNTARY DISSOLUTION OF THE COMMISSION

1. If the Commissioners deem it in the best interest of the members to dissolve the Commission, they shall by majority vote direct that a written Plan of Dissolution be prepared.
2. The Plan of Dissolution must provide for the payment of all unexpired losses of the Commission and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Commission or the trust fund accounts may be used for any other purpose.
3. Upon completion of the plan, the Chairperson shall call a general meeting of all Commissioners who shall review the plan and make any appropriate amendments. By majority vote, the Commissioners may recommend to the County that the Commission be dissolved in accordance with the Plan of Dissolution.
4. The Union County Board of Freeholders must by resolution vote to accept the Plan of Dissolution in order to dissolve the Commission.
5. Such Plan of Dissolution shall contain a statement of the Commission's current financial condition computed both on a statutory basis and according to generally accepted accounting principles as attested to by an independent certified accountant.

ARTICLE XII - CLAIMS HANDLING PROCEDURE

Claims Handling (Health Insurance)

1. Compliance: The Commission shall comply with the requirements of N.J.S.A. 17B:30-13.1 and 13.2 and N.J.A.C. 11:2-17 and N.J.A.C. 11:15-3.22.

2. Registration of Claims: Covered individuals shall submit claims to the Third Party Claims Administrator (TPA) retained by the Commission. Each covered employee shall have an identification card, which contains the name and telephone number of the TPA. Claim reporting forms shall be made available to each participant.
3. Claims Response: Upon receipt of the initial notice of claim, the TPA shall process the information in the following manner:
 - a. Validate that the person has coverage.
 - b. Determine if claim is eligible.
 - c. Calculate the amount payable based upon the plan or benefits deductible, coinsurance, any cost containment features in the plan, and coordination of benefits (COB) factors.
 - d. Pay valid claims or issue notice of rejection.
 - e. If a notice of rejection is issued, the reason for said rejection shall be stated thereon.
4. Periodic Review of Pending Claims: All pending claims will be reviewed not less than monthly. The TPA shall submit a report to the Commission not less than quarterly.
5. Approval of Payments: The Commission shall specify in the contract the TPA's claims payment authority.
6. Confidentiality:
 - a. The complaint handling procedure shall provide for the confidentiality of the claimant's identity as required by N.J.A.C. 11:15-3.22.; All Employee claims information is privileged and confidential and shall not be included as a part of any open public record.
 - b. Commissioners and the officials of the member local unit shall not have access to any employee claim information which reveals the identity of any individual plan participant.
 - c. All claims are to be filed, and all inquiries are to be handled, directly with the Third Party Administrator. All employees of the Third Party Administrator shall execute a non-disclosure statement to protect the identity of the plan participants.
 - d. Only Commissioners members and necessary Commission professionals shall participate in any closed session discussion of claims. These claims discussions, whether general or specific to a coverage dispute, shall at all times be confidential and anonymous so that the identity of the local unit and/or claimant cannot be ascertained. When necessary, as in a specific claim dispute, the

anonymity of the claimant shall be accomplished by assigning a blind claim number and deleting all references to the individual's name and place of employment. The claimant may demand that the matter be handled with disclosure of his identity by so indicating in writing to the Commission.

- e. Documents identifying the employee, or from which the employee's identity might be deduced, shall not be accessible to any persons other than the Third Party Administrator, Program Manager, Commission Attorney, or duly appointed claim auditors when such records are needed to verify the accuracy of claim data as part of an audit.
- f. Any person having access to claim information must sign a written non-disclosure statement.

7. Disputed Claims Appeal Procedures

- a. If the plan participant is dissatisfied with the determination of the claim processor, the plan participant may appeal in writing the processor's determination to the TPA's Services Management Review Team, who shall notify the plan participant in writing of their determination. The plan participant shall, at that time, be advised that the determination may be appealed to the Commission's Executive Committee and that, at the plan participant's written request, the appeal may be made with the identity of the plan participant revealed. The plan participant's identity shall be revealed only upon the written request of the participant. A copy of this communication with the plan participant's name shall be sent to the Program Manager.
- b. The plan participant may appeal an adverse determination concerning a claim to the Executive Committee by forwarding a copy of the determination letter issued by TPA to the Program Manager, who shall place it on the agenda for a closed session discussion at the next regularly scheduled meeting of the Commission, unless the appeal is received seven (7) business days or fewer prior to the next meeting, in which case it shall be placed on the ensuing meeting agenda. Prior to distribution of any writing concerning this appeal, all reference to the plan participant or the Town shall be stricken. The Program Manager shall review the claim and make a written recommendation to the Executive Committee prior to their deliberation regarding same. Whenever practical, the Executive Committee shall render its decision upon conclusion of the discussion at the appeal meeting, and if the plan participant is not present, advise the plan participant in writing of the determination and the reasons therefore within five (5) days.
- b. If the plan participant is dissatisfied with the Executive Committee's determination, the plan participant may appeal this determination to the

independent appeal organization designated by the Commission annually for a non-binding determination pursuant to fair, informal procedures adopted from time to time.

- d. If the plan participant is dissatisfied with the determination of the independent appeal agency, the plan participant may exercise any remedies provided by law.

Claims Handling (Non-health Claims)

Claims Reporting:

Upon receipt of the initial notice of a claim, the member shall immediately forward the notice of claim and any other information available to the claims administrator and, where appropriate, to the Commission's attorney for initial contact, investigation, court actions or other appropriate response.

Registration of Claims:

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the claims administrator shall cause each claim to be numbered, and to be included on a monthly report to the Executive Director. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, and an approximate estimate of the magnitude of the potential loss. This report shall be considered confidential.

Notice of Request for Settlement Authority:

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, and such settlement exceeds the authority of the claims administrator, the claims administrator shall submit to the Commission administrator for review at a Commissioners meeting, a request for settlement authority.

This notice shall be on forms approved by the Commissioners and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Commission, a summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement authority.

Approval of Payments and Settlements:

Whenever the Commission shall make any payment or settlement of any claim, a notation thereof identifying the claim, and the amount paid shall be entered upon a ledger of claims paid.

ARTICLE XIV - COMPLAINT HANDLING PROCEDURE

1. Whenever any interested party shall submit a complaint in writing to the Commission, the executive director/administrator, or any member of the Commission, a copy thereof shall be forthwith communicated to the Commissioners for consideration at its next regularly scheduled meeting.
2. At said meeting the Commissioners shall consider the complaint, and by recorded vote take such action as might be appropriate.
3. The complaining party and the Commissioner from the local unit shall receive written notice of the Commissioners findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning his/her complaint before the Commissioners.
4. They shall keep a separate record of all complaints received and the disposition of same.
5. If the complaining party is dissatisfied with the Commissioners decision, the complaining party may appeal this determination to the independent appeal organization or arbitrator designated by the Commission annually.
6. If the complaining party is dissatisfied with the determination of the independent appeal agency or arbitrator, the complaining party may exercise any remedies provided by law.

ARTICLE XV - OTHER CONDITIONS

Inspection and Audit:

The Commission shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others, to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Commission shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

Notice of Injury:

When an injury occurs, written notice shall be given by or on behalf of the member to the Commission or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the member and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

Notice of Claim or Suit:

If claim is made or formal petition or a suit or other proceedings are brought against the member, it shall immediately forward to the Commission every demand, notice, summons or other process received by the member or its representative.

Assistance and Cooperation of the Participant:

The member shall cooperate with the Commission and upon the Commission's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

Action Against Commission:

No action shall lie against the Commission unless, as a condition precedent thereto, the Member shall have fully complied with all the terms of this agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial or by written agreement of the member, the claimant and the Commission. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Commission as a co-defendant in any action against the member to determine the member's liability.

Bankruptcy or insolvency of the member shall not relieve the Commission of any of its obligations.

Subrogation:

In the event of any payment under the agreement, the Commission shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits

of this agreement against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

Conformance With Statute:

In the event any portion of these rules and regulations conflict with any statute or administrative regulation, the provision of any such statute or administrative regulation shall control to the extent it conflicts.

ADOPTED by the UNION COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting on June 16, 2021.

ADOPTED:

, CHAIR

ATTEST:

UNION COUNTY INSURANCE **FUND** COMMISSION

RULES AND REGULATIONS

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Adopted June 16, 2020

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UNION COUNTY INSURANCE FUND COMMISSION

Administration Building
10 ~~Elizabeth~~Elizabethtown Plaza
Elizabeth, NJ 07207

~~Adopted January 23, 2018~~

Rules and Regulations

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WHEREAS: Article 3 of N.J.S.A. 40A:10-1 et seq. permits ~~the county~~Union County to establish an insurance commission so that the ~~county~~County and the local units associated with the ~~county~~County can achieve cost savings through the joint purchase or self-funding of ~~these~~ insurance; and,

WHEREAS: On February 27, 1986 the ~~then-Union County Board of~~Chosen Freeholders of the County of Union created an Insurance Commission; and,

~~WHEREAS~~**WHEREAS:** Article 3 of N.J.S.A. 40A:10-1 et seq. provides that the Insurance Commissioners are authorized to adopt ~~rules~~Rules and ~~regulations~~Regulations for the operation of the insurance commission.

NOW THEREFORE, the Commissioners hereby adopt the following rules and regulations;

ARTICLE I - DEFINITIONS

All terms used herein shall have the meaning consistent with the statutes and regulation then in effect. The definitions herein are for convenience.

“ACTUARY” means a person who is a fellow in good standing of the Casualty Actuarial Society with three years recent experience in loss reserving; an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving; or an associate in good standing of the American Academy of Actuaries who has been approved as qualified for signing loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries and who has seven years recent experience in loss reserving.

"ACTUARY" in the case of health insurance means a fellow in good standing of the Society of Actuaries or the Casualty Actuarial Society with at least three (3) years recent experience in health insurance pricing and reserving. Actuary in the case of life insurance means a fellow in good standing of the Society of Actuaries with at least three (3) years recent experience in life insurance pricing and reserving.

“ADMINISTRATOR” means a person, partnership, corporation or other legal entity engaged by the Commission to act as Executive Director to carry out the policies established

by the Commissioners and to otherwise administer and provide day-to-day management of the Commission.

“ALLOCATED CLAIMS EXPENSE” means attorneys’ fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers’ fees, police reports and other similar expenses. The exact definition of “allocated claims expense” or similar terms for any line of insurance coverage shall be the definition in the insurance policy issued by the Commission.

“COMMISSION” means the Union County Insurance [Fund](#) Commission ~~(hereinafter referred to as the Commission).~~

“COMMISSION YEAR” means the Commission’s fiscal year of January 1, ~~2018~~ through ~~January 1, 2019~~ [December 31](#).

“COUNTY” means the County of Union.

“EMPLOYER’S LIABILITY” means the legal liability of a public employer to pay damages because of bodily injury or death by accident or disease at any time resulting therefrom sustained by an employee arising out of and in the course of ~~his~~ employment by the public employer, which is not covered by a workers’ compensation law. The exact definition of “Employer’s Liability” or similar terms shall be the definition used in the insurance policy issued by the Commission.

“EXCESS INSURANCE” means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commissioner as a surplus lines insurer or from any other entity authorized to provide said coverage in this state pursuant to law, covering losses in excess of an amount set forth in insurance contracts on a specific occurrence, or per accident or annual aggregate basis.

“GENERAL LIABILITY” means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers’ compensation, and employer’s liability. The exact definition of a “general liability” or similar terms is the definition used in the insurance policy issued by the Commission.

“HEALTH INSURANCE” means health insurance as defined pursuant to N.J.S.A. 17B:17-4; service benefits as provided by health service corporations, hospital service corporations or medical service corporations authorized to do business in this state, including basic health care services and/or supplemental health care services provided by health maintenance organizations, or dental care services provided by dental plan organizations and dental service corporations.

“INCURRED CLAIMS” means claims which occur during a Commission year including claims reported or paid during a later period. The exact definition of “incurred claims” or any similar term is the definition used in the excess insurance or reinsurance policy purchased by the Commission.

“INDEMNITY AND TRUST AGREEMENT” means a written contract signed by and duly adopted by the members of the Commission under which each agrees to jointly and severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Commission. The agreement shall specify the extent of the member’s participation in the Commission with respect to the types of coverage to be provided by the Commission and shall include the duration of Commission membership which shall not exceed three years. The agreement shall also specify that the member has never defaulted on claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to application to the Commission.

“LIFE INSURANCE” means life insurance as defined pursuant to N.J.S.A. 17B:117-3.

“MANUAL PREMIUM” means the premium computed according to the Experience Rating Plan provided for in the New Jersey Worker’s Compensation and Employer’s Liability Insurance Manual on file with the Commissioner and similar insurance industry rating plans for other lines of coverage.

“MOTOR VEHICULAR AND EQUIPMENT LIABILITY” means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the members or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of “motor vehicular and equipment liability” or any similar terms shall be the definition of the insurance policy issued by the Commission.

“OCCURRENCE” means a single event. The exact definition of “occurrence” or any similar term shall be the definition used in the insurance policy issued by the Commission.

“PRODUCER” means any person engaged in the business of an insurance agent, insurance broker, or insurance consultant as defined in N.J.S.A. 17:22-A22A-1 et seq.

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“PROPERTY DAMAGE” means any loss or damage, however caused, to property including monies and securities, motor vehicles, equipment or apparatus owned by the member or owned by or under the control of any of its departments, boards, agencies, commissions, or other entities which the membership may provide coverage for. The exact definition of “property damage” or similar terms shall be the definition in the insurance policy issued by the Commission.

“QUALIFIED LOCAL UNIT” means ~~the~~ any entity governed by a board appointed by the ~~County Executive or Union~~ County Board of ~~Freeholders as the case may be~~ County Commissioners, including but not limited to a county college, technical school, library, or county authority.

“**SERVICING ORGANIZATION**” means an individual, partnership, association, or corporation, other than the administrator, that has contracted with the Commission to provide, on the Commission’s behalf, any function as designated by the Commissioners including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the Commission’s underwriting file, coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the Commission for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation and such other duties as designated by the Commission.

“**SURPLUS**” means that amount of monies in a trust account that is in excess of all costs, earned investment income, refunds, incurred losses and loss adjustment expenses and incurred but not reported reserves including the associated loss adjustment expenses attributed to the Commission net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

“**WORKERS’ COMPENSATION**” means the provisions of N.J.S.A. 34:15-7 et seq.

ARTICLE II - MEMBERSHIP

MEMBERSHIP APPLICATIONS:

Membership Application:

1. The governing body of a qualified local unit shall by resolution, agree to join the Commission. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the Commission’s rules and regulations as approved and adopted by the Commissioners. The resolution shall also provide for the execution of an Indemnity and Trust agreement as defined in Article I.
2. Any qualified local unit seeking membership shall also submit an application for membership to the Commission on a form acceptable to the Commissioners. The application shall include the executed Indemnity and Trust agreement and the resolution required under Subsection 1 above.
3. An application may be approved by a majority vote of the Commissioners based on the following criteria:
 - a. The applicant’s claims history shows safety performance consistent with the Commission’s objectives and the applicant’s physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
 - b. The Commission has the administrative capability to absorb additional memberships without undue inconvenience or strain.

4. If a non-member is not approved for membership, the Commission shall set forth in writing the reasons for disapproval and send the reasons for disapproval to the non-member. The Commission shall retain a copy of all membership application ~~disapproval's~~disapprovals for five years.

Membership ~~Renewals~~Renewal:

1. Members may renew their participation by execution of a new resolution to join the Commission ninety (90) days prior to the expiration of the term.
2. The Commissioners must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application, the Commissioners shall find by majority vote that the applicant has failed to fulfill its responsibilities as a member or no longer meets the Commission's risk management or underwriting standards or other reasons approved by the Commissioners as reasons for termination.
4. If a member's renewal application is rejected, the Commission shall comply with the termination provisions as outlined below.
5. Non-renewal of a Commission member does not relieve the member of responsibility for claims incurred during its period of membership.

Termination and/or Withdrawal of Commission Members:

1. A member must remain in the Commission for the full term of membership unless earlier terminated by the Commissioners for non-payment of assessments or continued non-compliance after receiving written notice to comply with the Commission's rules and regulations, risk management or underwriting standards, or other reasons approved by the Commissioners as reasons for termination. However, a member shall not be deemed terminated until the Commission gives a written notice by registered mail to the member ~~a written notice~~ of its intention to terminate the member in thirty (30) days.
2. A member that does not desire to continue as a member after the expiration of its membership term shall give written notice to the Commission of its intent ninety (90) days before the expiration of the term period.
3. A member that has been terminated or does not continue as a member of the Commission shall remain jointly and severally liable for claims incurred by the Commission and its members during the period of its membership, including,

but not limited to being subject to and liable for supplemental assessments.

ARTICLE III – ORGANIZATION

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Commissioners:

1. The ~~(officer or the~~Union County Board of ~~Chosen Freeholders having the power to make appointments)~~County Commissioners shall appoint three officials of the County, to serve as Insurance Commissioners. The ~~(officer or body having the power to make appointments)~~ of member local units other than the ~~county~~County shall appoint one official, who may be a member of the governing body, to serve as a non-voting insurance commissioner.
2. The commissioners shall hold office for 2 years or for the remainder of their term of office as officials, whichever shall be less, and until their successors shall have been duly appointed and qualified. Vacancies in the office of Insurance Commissioners caused by any reason other than expiration of term as an official shall be filled for the unexpired term. Vacancies in the position of secretary shall be filled in the manner of the original appointment.
3. The Commissioners shall serve without compensation.
4. The Commissioners are hereby required, authorized and empowered to operate the Commission in accordance with these rules and regulations and appropriate state laws and regulations in the interests of the total membership of the Commission. The Commissioners shall have the following powers and authority:
 - a. Employ necessary clerical assistants, whose compensation shall be fixed and paid by the governing body of the local unit in the same manner as is that of other employees of the local unit;
 - ~~b.~~ Invest the funds and all additions and accretions thereto in compliance with New Jersey laws and regulations, as they shall deem best suited for the purposes of this article;
 - ~~c.~~ Adopt rules and regulations for the control and investment of the funds;
 - ~~d.~~ Keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the local unit or of a county college which participates in the Commission pursuant to P.L. 1988, c. 144 (C. 18A:64A-25.40 et al.) or of a county vocational school which participates in the commission pursuant to P.L. 1988, c. 143 (C. 18A:18B-8 et al.), or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus;

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e. Fix reasonable rates of premium for all insurance carried by the insurance

 f. Commission and shall affect all insurance in the insurance Commission or with any insurance company or companies authorized to do business in this State;

 f. Premiums for insurance, whether carried in the Commission insurance fund or placed with insurance companies, shall be paid to the Commission- by the board, commission, department, committee or officer having charge or control of the property insured;

 g. All insurance upon property owned or controlled by the county, or any of its departments, boards, agencies or commissions, or by a participating local unit including, but not limited to a board of education of a participating county vocational school or by a board of trustees of a participating county college shall be placed and effected by the Commissioners;

h. Each commissioner shall have one vote.

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Officers:

1. As soon as possible after the beginning of each Commission year, the Commissioners shall meet to elect the following officers of the Commission from its own membership. Commission officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.
 - a. **Chairperson:** The Chairperson shall preside at all meetings of the Commissioners and shall perform such other duties provided for in these rules and regulations and the laws and regulations of the State of New Jersey.
 - b. **Vice-Chairperson:** The Vice-Chairperson shall serve as Acting Chairperson in the absence of the Chairperson, and shall perform such other duties as provided for in these rules and regulations and the laws and regulations of the state of New Jersey.
2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the Union County Board of ~~Chosen~~ Freeholders/County Commissioners shall appoint a commissioner to fill the vacancy for the unexpired term.
3. Any officer can be removed with cause at any time by resolution of the Union County Board of ~~Chosen Freeholders by resolution~~ County Commissioners.

Secretary:

1. The Union County Board of ~~Chosen Freeholders~~ County Commissioners shall appoint a person to _____ serve as secretary to ~~the Insurance~~ Commission. The salary of the secretary shall be set by _____ resolution, as authorized by the Commission.
2. The Secretary shall:
 - a. Coordinate the Commission's meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - b. Perform such other duties as provided for by the Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.

Commission Professionals:

As soon as possible after the beginning of each year, the Commissioners shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be a Commissioner. All professionals shall be retained pursuant to the "Local Public Contracts Law."

1. **Treasurer:**

The Treasurer shall have the following duties and responsibilities:

- a. Custodian of the Commission's assets and shall maintain the various trust funds.
- b. Approval of all receipts, disbursements, and financial records.
- c. Draft the cash management plan and invest all balances.
- d. Ascertain availability of sufficient unencumbered funds in any account to fully pay all charges or commitments prior to any payment or commitment.
- e. The treasurer shall perform such other duties as provided for by the Commissioners, these rules and regulations and in the laws and regulations of the State of New Jersey.

- f. The treasurer shall be covered by a fidelity bond protecting the Commission's assets in a form and amount to be determined annually by the commissioners. Said bond to be paid for by the Commission.

2. **Executive Director/Administrator:**

- a. The Administrator shall serve as Executive Director of the Commission and shall be a licensed New Jersey Insurance Producer who shall be experienced in risk management matters and self-funded entities.
- b. The Administrator shall have the following duties and responsibilities:
 - i) Carry out the policies established by the commissioners and to otherwise supervise the management of the Commission.
 - ii) Advise the commissioners on risk management matters and shall prepare a draft Risk Management Plan.
 - iii) Prepare the Commission's budget, compile and bill assessments.
 - iv) Maintain underwriting files, secure insurance and excess insurance as authorized by the Commission and prepare new members submissions for review of the commissioners.
 - v) Prepare draft requests for proposals for services to be provided by servicing organizations and monitor the performance of the service companies.
 - vi) Prepare filing required by state regulations.
 - vii) Coordinate in conjunction with the Commission's secretary the meeting agenda, minutes, elections, contracts, and maintain the Commission's official records and office.
 - viii) Maintain the Commission's general ledger, accounts payable and accounts receivable function.
 - ix) Perform such other duties as provided for by the Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.

c. ~~c.~~ The Administrator shall assume overall executive responsibility for the operations of the Commission except that the Administrator shall not be responsible for the errors and omissions of any other servicing organization except as to generally monitor the

compliance of said organization with the directives of the Commissioners, its Service Provider contract, or the applicable statutes and regulations as to the form and timeliness of said undertaking. For example, the Executive Director shall be responsible to verify the issuance of excess or reinsurance policies, and the timely receipt of said policies by the Commission.

- d. The Administrator shall be bonded in a form and amount acceptable to the Commissioner. The Administrator shall also be covered by Errors and Omissions insurance, said coverage is to be paid by the Commission.

3. **Auditor:**

The auditor shall be an independent Certified Public Accountant (CPA) or a registered municipal accountant (RMA) who has evidenced the ability and experience to properly examine an insurance commission. The auditor shall conduct the annual audit of the Commission and shall perform such other duties as provided for by the Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

4. **Attorney:**

- a. The Commission attorney shall be admitted to the New Jersey Bar and shall provide advice to the Commission on legal matters such as advising the ~~commissioners~~Commissioners of their obligations and responsibilities under Article 3 of ~~N.J.S.A.~~N.J.S.A. 40A:10-1 et seq., these rules and regulations and other pertinent law such as the Open Public Meetings Act.
- b. The attorney shall have the following responsibilities:
 - i) The attorney shall advise the Commission as to the appropriateness of claim settlements recommended by the Claims Administrator.
 - ii) The attorney shall advise the commissioners on the selection of counsel to represent the Commission Members in the defense of claims. The Commission attorney may also provide representation concerning incidental aspects of claim matters such as motions where it is more expeditious, cost effective or otherwise to do so. However, the attorney or any member of the attorney's law firm shall not defend claims which are the responsibility of the Commission without the authorization of the Commissioners.

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- iii) The attorney shall perform such other duties as provided for by the Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

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5. **Actuary:**

The actuary shall certify the actuarial soundness of the Commission and shall report to the Commissioners in a manner and at such times established by them, and shall provide such actuarial reports as required by the Department. The actuary shall certify claim reserves, reserves for "Incurred but Not Reported" (IBNR) losses, and unearned assessments and shall comment on the adequacy of the budget.

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6. All Commission professionals shall be retained on a contractual basis which shall be approved by the Commissioners.
7. Commission Professionals shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the Commissioners. The written fee schedule shall be part of the official contract.

Servicing Organizations:

1. The Commission may contract to have the following services performed:
- a. Actuarial services
 - b. Claims Administration
 - c. Cost containment services
 - d. Loss prevention/safety engineering services
 - e. Legal services
 - f. Auditing services
 - g. Financial services
 - h. Compilation and maintenance of the Commission's underwriting file
 - i. Coordination and preparation of coverage documents
 - j. Risk selection and pricing
 - k. Excess insurance or reinsurance producer services
 - l. Member assessment and fee development
 - m. Report preparation
 - n. Other duties as designated by the Commission.
2. The Commission may at its option contract for these services from different servicing organizations.
3. No servicing organization of the Commission or their employees, officers or directors shall have either a direct or indirect financial interest in the

administrator of the Commission or be an employee, officer or director of the administrator unless notice of such interest has been provided to the Commissioners and members.

b. No administrator of the Commission, or their employees, officers or directors shall be an employee, officer or director of, or have either a direct or indirect financial interest in, a servicing organization of the Commission, or the insurance producer that may be appointed by that Commission unless notice of such interest has been provided to the Commissioners and members.

c. Any employee, officer or director of the administrator or servicing organization shall disclose to the Commissioners, any direct or indirect financial interest such employee, officer or director has in any other administrator, servicing organization or insurance producer.

4. Each service contract shall include a clause stating “unless the Commissioners otherwise permit, the servicing organization shall handle to its conclusion all claims and other obligations incurred during the contract period.”
5. Each Servicing Organization shall provide a surety bond and Errors and Omissions coverage if required by law, in a form and amount acceptable to the Commissioner.
6. All officers, employees and agents, including the Administrator and Servicing Organization of the Commission, on the final day of their contract or employment shall surrender and deliver to their successors all accounts, funds, property, records, books and any other material relating to their contract or employment, or if no successor has been designated, delivery shall be made to the Administrator or Commission Chairperson.

Indemnification of Officers and Employees:

1. The Administrator, Claims Service Provider(s), Producer, Risk Management Consultant(s) and such others as are required by regulation to do so, shall provide Errors and Omissions coverage in a form satisfactory to the Commissioner. The Commissioners may also require other professionals to provide evidence of Errors and Omissions coverage, and any other coverage as a requirement of their contract.
3. ~~2.~~ Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Commission shall indemnify and defend any past, present or future Commissioner, and may indemnify such other officials or professionals or service providers as the Commissioners determine, for claims arising from an act or omission of such Commissioner, official or employee within the scope of the performance of such individual’s duties as Commissioner, officials,

professional or employee within the scope of the performance of such individual's duties as Commissioner, official, professional or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Commission to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such an individual and the Commission shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Commissioner, official, professional or employee is either covered, or required to be covered by ~~errors~~Errors and Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Commissioners. Nothing herein contained is intended to shield omission or wrongdoing which would not customarily be covered by Errors and Omissions insurance if same had been required of said employee or appointed official.

3. A present, past or future Commissioner, official, professional or employee of the Commission shall not be entitled to a defense or indemnification from the Commission unless:
 - a. Within ten (10) calendar days of the time ~~he or she is~~they are served with the summons, complaint, process, notice or pleading, ~~he or she delivers~~they deliver the original or exact copy to the Commission Chairman with a copy to the Commission attorney, together with a request that the Commission provide for ~~his or hers~~such defense; and
 - b. In the event the Commission provides a defense or indemnification, ~~he or she cooperates~~they cooperate in the preparation and presentation of the defense with the attorney selected to defend the case; and
 - c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Commission to handle such matters, the past, present or future Commissioner, official, professional or employee shall agree that the Commission and its counsel shall have exclusive control over the handling of the litigation.
4. The foregoing right of indemnification shall not be exclusive of any other rights to which any Commissioner, official, professional or employee may be entitled as a matter of law or which may be lawfully granted to ~~him or her~~them; and the right to indemnification hereby granted by this Commission shall be in addition to and not in restriction or limitation of any other privilege or power which the Commission may lawfully exercise with respect to the indemnification or reimbursement of a Commissioner, official, professional or employee; except that in no event shall a Commissioner, official, professional or employee receive

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compensation in excess of the full amount of a claim and reasonable -costs and expense incurred in defending such claim.

5. Expenses incurred by any Commissioner, official, professional or employee in defending an action, suit or proceeding may be paid by the Commission in advance of final determination of such action, suit or proceeding as authorized by the Commission in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

Advisory Committees:

1. From time to time, the Commission Chairperson may establish advisory committees and may appoint any individual to serve on these committees.

2. Loss Prevention Committee:

a. Membership: Each member shall appoint one of its management employees to serve as the safety coordinator, for the member. The safety coordinator shall serve as the representative of the member on the Commission's Safety Committee. The member shall also designate a management employee to serve as alternate safety coordinator whenever the safety coordinator is unable to serve. The safety coordinator and the alternate shall serve at the pleasure of the member and shall perform those duties specified in the Commission's Loss Control Program.

b. The Commission's safety committee shall consist of the Commission's safety director and the safety coordinator from each member. The alternate safety coordinator from each member may also attend meetings of the safety committee.

c. At the beginning of each Commission year the safety committee shall select a chairperson to preside over meetings of the committee.

d. Duties: The safety committee shall meet at least quarterly and shall have the following duties or responsibilities.

i) Confer with the Commission's safety director to develop a comprehensive safety and loss control program.

ii) Monitor all accident trends and frequency of accident in order to identify problem areas and local unit activities and programs requiring more frequent loss control surveys and evaluations.

- iii) Assist in the development of a safety educational program that will include visual aids, equipment, etc.
- iv) Make recommendations to the Commission for policies that will implement a comprehensive safety and loss control program for the Commission and the member local units.
- v) Perform such other duties that are assigned by the Commission Commissioners or required by law.

Risk Managers:

1. The Commission shall appoint an Insurance Producer as a Risk Management Consultant who shall not be a Commissioner.
2. The Risk Management Consultant's specific responsibilities shall include, but not be limited to:
 - a→₂ Evaluation of the member's exposures.
 - b→₂ Explanation of the various coverages available from the Commission and assisting the member in the selection of proper coverage.
 - c→₂ Preparation of applications, statements of values, etc. required by the Commission.
 - d→₂ Review of the member's assessment and assisting in the preparation of the local unit's insurance budget.
 - e→₂ Assisting in the claims settlement process.
 - f→₂ Review of losses and engineering reports and providing assistance to the member's safety committee.
3. The Risk Management Consultant(s) shall be appointed in conformance with the Public Contracts Law.

ARTICLE IV - OPERATION OF THE COMMISSION

General Operation:

1. The Commission shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and regulations (including but

not limited to N.J.A.C. 5:34) and the various statutes authorizing the investment of public funds..

2. The Commission shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.
3. The Commission shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Commission shall prepare a financial statement on a form acceptable to the Commissioners showing the financial ability of the Commission to meet its obligations.
4. All monies, assessments, funds and other assets of the Commission shall be under the exclusive control of the Commissioners.
6. The Commission shall adopt a resolution designating a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian of funds shall possess a Certified Municipal Finance Officer certificate issued pursuant to N.J.S.A. 40A:9-140.2. The custodian shall quarterly report to the Commissioners on investment and interest income.
6. All books, records, files, documents and equipment of the insurance Commission are the property of the Commission and shall be retained by the Commission Administrator at the discretion of the Commissioners in accordance with a record retention program adopted by the Commission. All books, records, files and documents of the Commission shall be retained for not less than five years. The Commission shall also retain claims information

Risk Management Plan:

The Commissioners shall prepare or cause to be prepared, a Risk Management Plan for the Commission including all information detailed in N.J.A.C. 11:15-2.6(e) and or 11:15-3.6(d) as appropriate. The Risk Management Plan shall be adopted and approved by resolution of the Commissioners.

Financial Statement and Reports:

- ~~1. —1.—~~ The Commissioners shall provide its members with periodic reports covering the activities and status of the Commission for the reporting period. The reports shall be made at least quarterly, and may be made more frequently at the

direction of the Commissioners, and shall include, but not be limited to, the minutes, the Administrator's report, the Treasurer's report, and a summation of Commission activity, including comments on previously reported claims and newly reported claims, and any other information required by the Commissioners. The Treasurer's report shall include budget status, account balances, claims information, investment status, earnings and the costs of making investments.

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2. A sworn annual report in a form prescribed by the Commissioners shall be prepared by the Commission, and be made available to each Commission member not later than one hundred eighty (180) days after the end of each Commission year. The report shall be accompanied by an annual audited statement of the financial condition of the Commission prepared by the Auditor, and performed in accordance with generally accepted accounting principles.

Coverages:

The Commission may offer coverage to its members for the following purposes:

1. To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
2. To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
3. To insure against liability for its negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);
4. To insure against any loss or damage from liability as established by chapter 15 of Title 34 of the Revised Statutes;
5. To provide contributory or noncontributory self-funded, or partially self-funded, health benefits to employees or their dependents, or both, in accordance with rules and regulations of the Director of the Division of Local Government Services in the Department of Community Affairs. The establishment and operation of a Commission to provide health benefits by a local unit prior to the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby validated; however, any such health benefits Commission shall comply with all rules and regulations promulgated by the director pursuant to this subsection.

Services:

The Commission may also provide its members with safety and loss control programs and may jointly purchase or lease, on behalf of its membership, safety and loss control services, training, equipment and apparatus, in connection with the provision of the coverage set forth above.

ARTICLE V - MEETINGS AND RULES OF ORDER

1. ~~1.~~ Annual Organization Meeting:

On or before January 15th the beginning of the Commission year, the Commissioners shall meet to elect officers and to appoint professionals and servicing organizations and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.

2. Business Meetings:

The Commissioners shall establish an annual schedule of meetings to conduct the business of the Commission.

3. Special Meetings:

The Chairperson or two (2) Commissioners may call a special meeting by notifying the Commission's Secretary at least three (3) days in advance. The Secretary shall notify the Commissioners by telephone.

4. Quorum:

The quorum for a meeting of Commissioners shall be a majority of the regular Commissioners.

5. Conduct Of Meetings:

- a. All meetings of the Commission shall be subject to the rules and regulations of the Open Public Meetings Act. (N.J.S.A. 10:4-6 et.seq.)
- b. Unless otherwise provided in these rules and regulations, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.

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c. The Secretary shall cause written minutes to be maintained of all

~~e.~~ Commission meetings, and shall cause the minutes to be made available to the Commissioner upon request. In addition, the Secretary shall tape record open sessions for clarity in preparing the minutes. Said meeting tape shall be maintained for 180 days or until the meeting minutes are approved, whichever occurs first. There shall be no tape recording of closed session meetings.

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6. Amendments to the Rules and Regulations:

- a. Any commissioner may propose an amendment to the ~~bylaws~~Rules and Regulations by filing ~~the~~ proposed amendment in writing with the ~~Secretary~~.
- b. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Commissioners of the hearing date and shall send all Commissioners and members a copy of the proposed amendment. Notice shall be given to the ~~Freeholder Director and County Administrator~~Commission Chair and the County Manager.
3. The amendment may be adopted by the ~~commissioners~~Commissioners upon the completion of the hearing.

ARTICLE VI - BUDGETS

~~A1.~~ On or before November 15 of each year, the Commission shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self insurance or loss retention accounts. The budget shall be prepared on a basis that does not recognize investment income or discounting of claim reserves, but recognizes all anticipated or forecasted losses and administrative expenses associated with that fiscal year.

~~B2.~~ A copy of the Commission's proposed budget shall be made available to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget shall be adopted until a hearing has been held in accordance with N.J.S.A. 40A:4-1 ~~et. seq.~~ giving all members the opportunity to present comments or objections.

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€3. Not later than December 1st of each year the Commissioners shall adopt by majority vote the budget for the Commission's operation for the coming fiscal year.

E4. An adopted budget may be amended by majority vote of Commissioners.

ARTICLE VII - ASSESSMENTS

Annual Assessment:

1. In November of each year, the Executive Director/Administrator shall compute each member's assessments for the upcoming Commission year, which shall consist of an amount allocated for the administrative account plus specific assessment to establish and/or replenish the claim or loss retention trust fund account for each type of coverage provided by the Commission and in which such member participates.
2. The annual assessment of each participating local unit shall be its pro rata share of the Commission's budget for the upcoming year for each line of coverage provided to the member.
3. The calculation of pro rata shares shall be based on each member's manual premium by Commission year for that line of coverage. To the extent possible, the Commission shall use experience modification formulas in computing manual premiums. Unless otherwise approved by the Commissioners, the assessment for Worker's Compensation and Employer's Liability shall be based upon the experience rating plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner of Banking and Insurance. The Commissioners may also adopt a capping formula which limits the increase in any member's assessment to the Commission-wide average increase plus a percentage established by the Commissioners.
4. The total amount of each member's annual assessment shall be certified by majority vote of the Commissioners to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment shall be paid to the Commission in installments, to be determined by the Commissioners.

6. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention Trust Fund account.

7. If a member joins the Commission or elects to participate in a line of coverage after the start of the Commission year, such member's assessments and supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

Supplemental Assessments:

1. The Commissioners shall by majority vote levy upon the member local units additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

a. All supplemental assessments shall be charged to the members by applicable Commission year, and shall be apportioned by that year's assessments for that line of coverage.

b. All members shall be given at least thirty (30) days advance written notice of the Commission's intention to charge an additional assessment.

c. Members shall have thirty (30) days to pay the Commission from the due date established by the Commissioners at the time any supplemental assessment is adopted. Whenever possible, the due date shall be no sooner than the beginning of the Commission's next fiscal year.

Insolvency ~~And/Or~~ Bankruptcy ~~Of~~ Commission Members:

The insolvency or bankruptcy of a member does not release the Commission, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

ARTICLE VIII - REFUNDS

~~A1.~~ Any monies for a Commission year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Commission.

- B2. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission.
- E3. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual assessment.

ARTICLE IX - TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS

Establishment of Trust Fund Accounts:

1. By resolution, the Commission shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Commission and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian shall report to the commission quarterly on interest and interest/income
2. The Commission shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums designated as the Claims or Loss Retention Fund Account.
 - a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a claim or loss retention account without the approval of the commissioners.
 - b. The Commission shall maintain accounting records allocating all income, disbursements, and assets in the Claims account by line of coverage and by Commission year. Accounting records for closed Commission year(s) shall be allocated by member. Accounting records for loss fund contingency or excess loss contingency shall also be allocated by member.
3. The Commission shall also establish an administrative account which shall be utilized for payment of the Commission's general operating expenses, loss prevention activities, data processing services, and general legal expenses. The Commission shall maintain accounting records for the administrative account per 2(b) above.

Investments:

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Commission's cash management plan and consistent with the statutes and rules governing the investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.

2. ~~2.~~ The investment and interest income earned by the investment of the assets of

 each claim or loss retention account shall be credited to each account.

3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

Disbursements

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Commission's assets shall certify as to the availability of sufficient unencumbered funds to fully pay all charges or commitments to be accepted.

2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Commissioners.

3. Notwithstanding numbers 1 and 2 above, the Commission may provide for the expedient resolution of certain claims by designating the Commission's Administrator or service organization as a "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Commission may authorize the certifying and approving officer to approve for payment any specified claims in an amount not to exceed an amount approved by the Commissioner in the Plan of Risk Management. The Commission shall establish such other procedures and restrictions on the exercise of this authority as the Commission deems appropriate.

4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Commission's assets, directing that a check for payment be prepared.

5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Commissioners at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.

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6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and shall be certified by an officer or duly designated agent or employee of the Commission having knowledge of the facts that the goods have been received by, or the services rendered to the Commission. In the case of claims or losses to be charged against any loss fund, the Commission's claims administrator shall certify as to the claims correctness and validity.

7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the Commissioners. Payment of claims may be made by wire transfer.

8. All claims or other disbursements approved for payment by the Commission shall be recorded in a claims register maintained by the custodian of the Commission's assets.

ARTICLE X - CONFLICT OF INTEREST

A. All officials or employees of a member local unit or any members of the family of such officials or employees shall comply with N.J.S.A. 40A: 22.1 et. seq. (The "Local Government Ethics Law").

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ARTICLE XI - VOLUNTARY DISSOLUTION OF THE COMMISSION

A1. If the Commissioners deem it in the best interest of the members to dissolve the Commission, they shall by majority vote direct that a written Plan of Dissolution be prepared.

B2. The Plan of Dissolution must provide for the payment of all unexpired losses of the Commission and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Commission or the trust fund accounts may be used for any other purpose.

C3. Upon completion of the plan, the Chairperson shall call a general meeting of all Commissioners who shall review the plan and make any appropriate amendments. By majority vote, the Commissioners may recommend to the County that the Commission be dissolved in accordance with the Plan of Dissolution.

D4. The Union County Board of Freeholders must by resolution vote to accept the Plan of Dissolution in order to dissolve the Commission.

- ~~E~~5. Such Plan of Dissolution shall contain a statement of the Commission's current financial condition computed both on a statutory basis and according to generally accepted accounting principles as attested to by an independent certified accountant.

ARTICLE XII - CLAIMS HANDLING PROCEDURE

~~CLAIMS HANDLING PROCEDURE (HEALTH INSURANCE)~~

Claims Handling (Health Insurance)

- ~~A~~ 1. Compliance: The Commission shall comply with the requirements of N.J.S.A. 17B:30-13.1 and 13.2 and N.J.A.C. 11:2-17 and N.J.A.C. 11:15-3.22.

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- ~~B~~2. Registration of Claims: Covered individuals shall submit claims to the Third Party Claims Administrator (TPA) retained by the Commission. Each covered employee shall have an identification card, which contains the name and telephone number of the TPA. Claim reporting forms shall be made available to each participant.

- ~~C~~3. Claims Response: Upon receipt of the initial notice of claim, the TPA shall process the information in the following manner:

- ~~1~~a. Validate that the person has coverage.
- ~~2~~b. Determine if claim is eligible.
- ~~3~~c. Calculate the amount payable based upon the plan or benefits deductible, coinsurance, any cost containment features in the plan, and coordination of benefits (COB) factors.
- ~~4~~d. Pay valid claims or issue notice of rejection.
- ~~5~~e. If a notice of rejection is issued, the reason for said rejection shall be stated thereon.

- ~~D~~4. Periodic Review of Pending Claims: All pending claims will be reviewed not less than monthly. The TPA shall submit a report to the Commission not less than quarterly.

- ~~E~~5. Approval of Payments: The Commission shall specify in the contract the TPA's claims payment authority.

- ~~F~~6. Confidentiality:

- ~~1~~a. The complaint handling procedure shall provide for the confidentiality of the claimant's identity as required by N.J.A.C. 11:15-3.22. All Employee claims information is privileged and confidential and shall not be included as a part of any open public record.

2b. Commissioners and the officials of the member local unit shall not have access to any employee claim information which reveals the identity of any individual plan participant.

3c. All claims are to be filed, and all inquiries are to be handled, directly with the Third Party Administrator. All employees of the Third Party Administrator shall execute a non-disclosure statement to protect the identity of the plan participants.

4d. Only Commissioners members and necessary Commission professionals shall participate in any closed session discussion of claims. These claims discussions, whether general or specific to a coverage dispute, shall at all times be confidential and anonymous so t hat the identity of the local unit and/or claimant cannot be ascertained. When necessary, as in a specific claim dispute, the
anonymity of the claimant shall be accomplished by assigning a blind claim number and deleting all references to the individual's name and place of employment. The claimant may demand that the matter be handled with disclosure of his identity by so indicating in writing to the Commission.

5e. Documents identifying the employee, or from which the employee's identity might be deduced, shall not be accessible to any persons other than the Third Party Administrator, Program Manager, Commission Attorney, or duly appointed claim auditors when such records are needed to verify the accuracy of claim data as part of an audit.

6f. Any person having access to claim information must sign a written non-disclosure statement.

67. Disputed Claims Appeal Procedures

1a. If the plan participant is dissatisfied with the determination of the claim processor, the plan participant may appeal in writing the processor's determination to the TPA's Services Management Review Team, who shall notify the plan participant in writing of their determination. The plan participant shall, at that time, be advised that the determination may be appealed to the Commission's Executive Committee and that, at the plan participant's written request, the appeal may be made with the identity of the plan participant revealed. The plan participant's identify shall be revealed only upon the written request of the participant. A copy of this communication with the plan participant's name shall be sent to the Program Manager.

2b. The plan participant may appeal an adverse determination concerning a claim to the Executive Committee by forwarding a copy of the determination letter issued by TPA to the Program Manager, who shall place it on the agenda for a closed session discussion at the next regularly scheduled meeting of the

Commission, unless the appeal is received seven (7) business days or fewer prior to the next meeting, in which case it shall be placed on the ensuing meeting agenda. Prior to distribution of any writing concerning this appeal, all reference to the plan participant or the Town shall be stricken. The Program Manager shall review the claim and make a written recommendation to the Executive Committee prior to their deliberation regarding same. Whenever practical, the Executive Committee shall render its decision upon conclusion of the discussion at the appeal meeting, and if the plan participant is not present, advise the plan participant in writing of the determination and the reasons therefore within five (5) days.

b. 3. If the plan participant is dissatisfied with the Executive Committee's determination, the plan participant may appeal this determination to the

independent appeal organization designated by the Commission annually for a non-binding determination pursuant to fair, informal procedures adopted from time to time.

4d. If the plan participant is dissatisfied with the determination of the independent appeal agency, the plan participant may exercise any remedies provided by law.

~~CLAIMS HANDLING (OTHER THAN HEALTH CLAIMS)~~

Claims Handling (Non-health Claims)

Claims Reporting:

Upon receipt of the initial notice of a claim, the member shall immediately forward the notice of claim and any other information available to the claims administrator and, where appropriate, to the Commission's attorney for initial contact, investigation, court actions or other appropriate response.

Registration ~~Of~~ Claims:

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the claims administrator shall cause each claim to be numbered, and to be included on a monthly report to the Executive Director. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, and an approximate estimate of the magnitude of the potential loss. This report shall be considered confidential.

Notice ~~Of~~ Request for Settlement Authority:

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, and such settlement exceeds the authority of the claims administrator, the claims administrator shall submit to the Commission

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administrator for review at a Commissioners meeting, a request for settlement authority. This notice shall be on forms approved by the Commissioners and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Commission, a summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement authority.

Approval ~~Of~~ Payments ~~And~~ Settlements:

Whenever the Commission shall make any payment or settlement of any claim, a notation thereof identifying the claim, and the amount paid shall be entered upon a ledger of claims paid.

ARTICLE XIV - COMPLAINT HANDLING PROCEDURE

- A1.** Whenever any interested party shall submit a complaint in writing to the Commission, the executive director/administrator, or any member of the Commission, a copy thereof shall be forthwith communicated to the Commissioners for consideration at its next regularly scheduled meeting.
- B2.** At said meeting the Commissioners shall consider the complaint, and by recorded vote take such action as might be appropriate.
- C3.** The complaining party, and the Commissioner from the local unit shall receive written notice of the Commissioners findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning his/her complaint before the Commissioners.
- D4.** They shall keep a separate record of all complaints received and the disposition of same.
- E5.** If the complaining party is dissatisfied with the Commissioners decision, the complaining party may appeal this determination to the independent appeal organization or arbitrator designated by the Commission annually.
- F6.** If the complaining party is dissatisfied with the determination of the independent appeal agency or arbitrator, the complaining party may exercise any remedies provided by law.

ARTICLE XV - OTHER CONDITIONS

Inspection ~~And~~ Audit:

The Commission shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this agreement. Neither the

right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others, to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Commission shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

Notice ~~Of~~ Injury:

When an injury occurs, written notice shall be given by or on behalf of the member to the Commission or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the member and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

Notice ~~Of~~ Claim ~~Or~~ Suit:

If claim is made or formal petition or a suit or other proceedings are brought against the member, it shall immediately forward to the Commission every demand, notice, summons or other process received by the member or its representative.

Assistance ~~And~~ Cooperation ~~Of The~~ of the Participant:

The member shall cooperate with the Commission and upon the Commission's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

Action Against Commission:

No action shall lie against the Commission unless, as a condition precedent thereto, the Member shall have fully complied with all the terms of this agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial or by written agreement of the member, the claimant and the Commission. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection

afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Commission as a co-defendant in any action against the member to determine the member's liability.

Bankruptcy or insolvency of the member shall not relieve the Commission of any of its obligations.

Subrogation:

In the event of any payment under the agreement, the Commission shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits of this agreement against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

Conformance With Statute:

In the event any portion of these rules and regulations conflict with any statute or administrative regulation, the provision of any such statute or administrative regulation shall control to the extent it conflicts.

~~THUS DONE, READ AND PASSED in my office in Union County, State of New Jersey.~~

~~ADOPTED by the UNION COUNTY OF UNION, INSURANCE
FUND COMMISSION at a properly noticed meeting on June 16, 2021.~~

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~~BY: _____
_____, CHAIRMAN~~

~~ATTEST: _____
_____,
SECRETARY ADOPTED:~~

~~_____, CHAIRMAN~~

ATTEST:

|

. SECRETARY

APPENDIX III

Benefits of the NJCE Insurance Program



NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive - Suite 216

Parsippany, NJ 07054-4412

Telephone (201) 881-7632 Fax (201) 881-7633

Date: June 9, 2021

To: NJCE Finance Committee

From: Executive Director
Perma Risk Management Services

Re: Benefits of the New Jersey Counties Excess Joint Insurance (NJCE) Program

This will provide an overview of the benefits of membership in the New Jersey Counties Excess Joint Insurance Fund.

Introduction

Article 3 of NJSA 40A:10-1 et seq. permits a County to establish an Insurance Fund Commission so that the County and its' affiliated entities associated with the County can achieve cost savings through the combination of joint purchase and self-funding of the property & casualty insurance. The County is also a member of the NJCE JIF. N.J.S.A. 40:10-36 allows municipalities, counties and authorities to establish a Joint Insurance Fund to also share risk via self-insurance against liability, property damage and workers compensation. The NJCE JIF membership includes 10 counties and seventeen of their affiliated entities. Please attached membership chart.

Overview

The Insurance Fund Commission's Board of Commissioners is made up of three (3) County employees including a Chairperson and Vice Chairperson. The NJCE JIF has a Board of Commissioners made up of representatives of each of its ten (10) member counties. Please see attached Organization Chart. **The Board of Commissioners are the final decision makers.** Insurance Fund Commissions and Joint Insurance Funds are a public entity but operate similar to an Insurance Company providing a number of unbundled services. They contract with certain professionals including Executive Director, Treasurer, Attorney, Auditor, Actuary, Claims Administrator, Managed Care Provider and Litigation Management (including defense panel law firms). The member Insurance Fund Commission funds and retains the first \$300,000 in coverage for workers compensation and liability claims. The New Jersey Counties Excess Joint Insurance Fund retains the first layer of excess coverage shared with other members of New Jersey Counties Joint Insurance Fund on a joint and several basis through self-funding and risk sharing. The NJCE purchases coverage in the commercial market to provide catastrophic excess insurance and specialty coverage such as POL/EPL and Cyber Liability. Please see attached schematic depicting limits and coverage provided.

Benefits of the Insurance Commission/Joint Insurance Program

There are a **number of benefits** derived from membership in an Insurance Commission and/or Joint Insurance Fund. They include the following:

- The NJCE JIF Model has enabled member Counties and their affiliated entities to **effectively take control of their total cost of risk**. It provides a modernized approach to managing risk that includes an efficient method of insurance procurement that **emphasizes improved buying power and better insulates membership from adverse insurance market conditions** like the current marketplace and also **insulates membership from adverse loss experience**.
- The Insurance Commission and NJCE concept was based on a proven model used by municipal JIFs. This is one of the most **successful shared services arrangement** in New Jersey that includes Inter-County, County to County and shared purchases of miscellaneous ancillary coverage. It allows for **consolidation of insurance coverage and services** resulting in savings to all participating members.
- A **comprehensive claims management program**. This includes an established claims committee to review and provide authorization to pay claims. Each member has a representative that serves on this committee. This differs from purchasing insurance in the commercial market in that you pay a premium and do not have a say on how your claims are handled. The only update is via insurer loss runs. In this program you would have an **intimate involvement in all claims** on a monthly basis via the claims committee who review claim payment authorization requests made by the claims administrator. The claims management program also includes dedicated claim resources, oversight of claims administrator, litigation management, management of the claims (including nurse case management for workers compensation claims), coordinated claim strategy meetings, use of a risk management information system for data analytics and claim adjuster reviews and audits.
- A **comprehensive risk control program**. This includes an established safety committee to review accidents and address training needs. Each member has a representative that serves on this committee. This program focuses on **customized safety training and education** to supplement and compliment your in house risk management program. This will help reduce the number of accidents and minimize their financial impact. Training includes webinar interactive programs, safety video streaming service, instructor led programs. It utilizes a learning management system to keep a record of who trains and for what training programs. The NJCE excess insurer also offers a grant program for certain safety initiatives.
- The **retention of underwriting profit**. This program allows for premium savings of up to 10% to 15%. It allows for retention of underwriting profit generating surplus and allows for dividends back to the membership. With a commercial insurer you pay premium with no chance to receive dividends regardless of your loss experience.
- **Improved communication between insurer and the insured member** via monthly executive committee meetings, claim committee meetings, safety committee meetings, the plan of risk management and monthly monitoring reports which tracks the financials, as well as, expected loss ratio report that measures claim performance against actuarial projections and the surplus generated.
- Provides for **all audit, actuarial and litigation management services**.

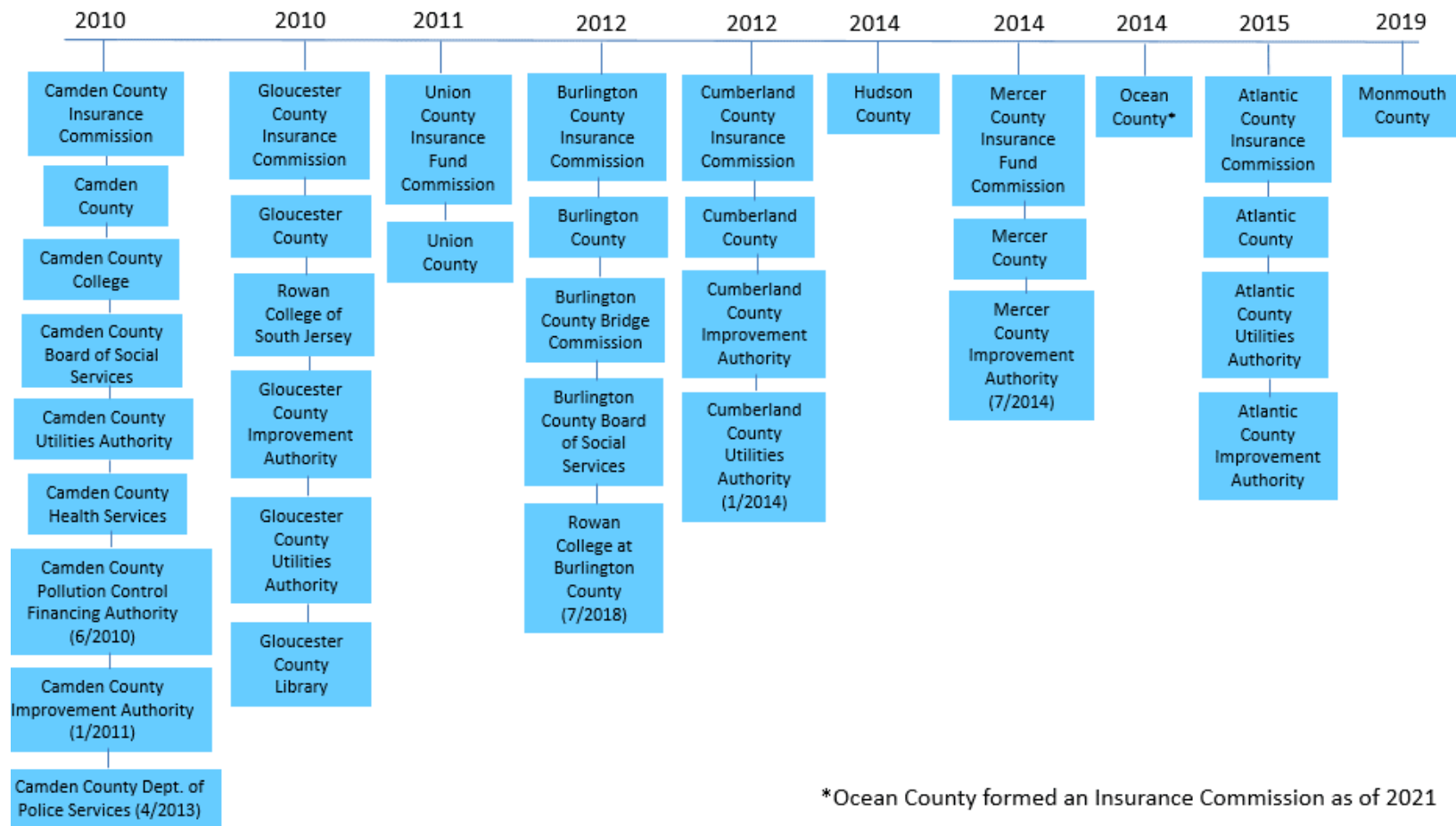
Financial Performance

The NJCE and its member Insurance Commissions are very strong financially. NJCE has a statutory “surplus” of \$13.6 million. Its member Insurance Commissions have a statutory “surplus” of \$55.3 million. The statutory “surplus” on a program wide basis is \$68.9 million. The total dividends returned to the membership is \$12.9 million. The total estimated savings to taxpayers since 2010 is \$110.6 million.

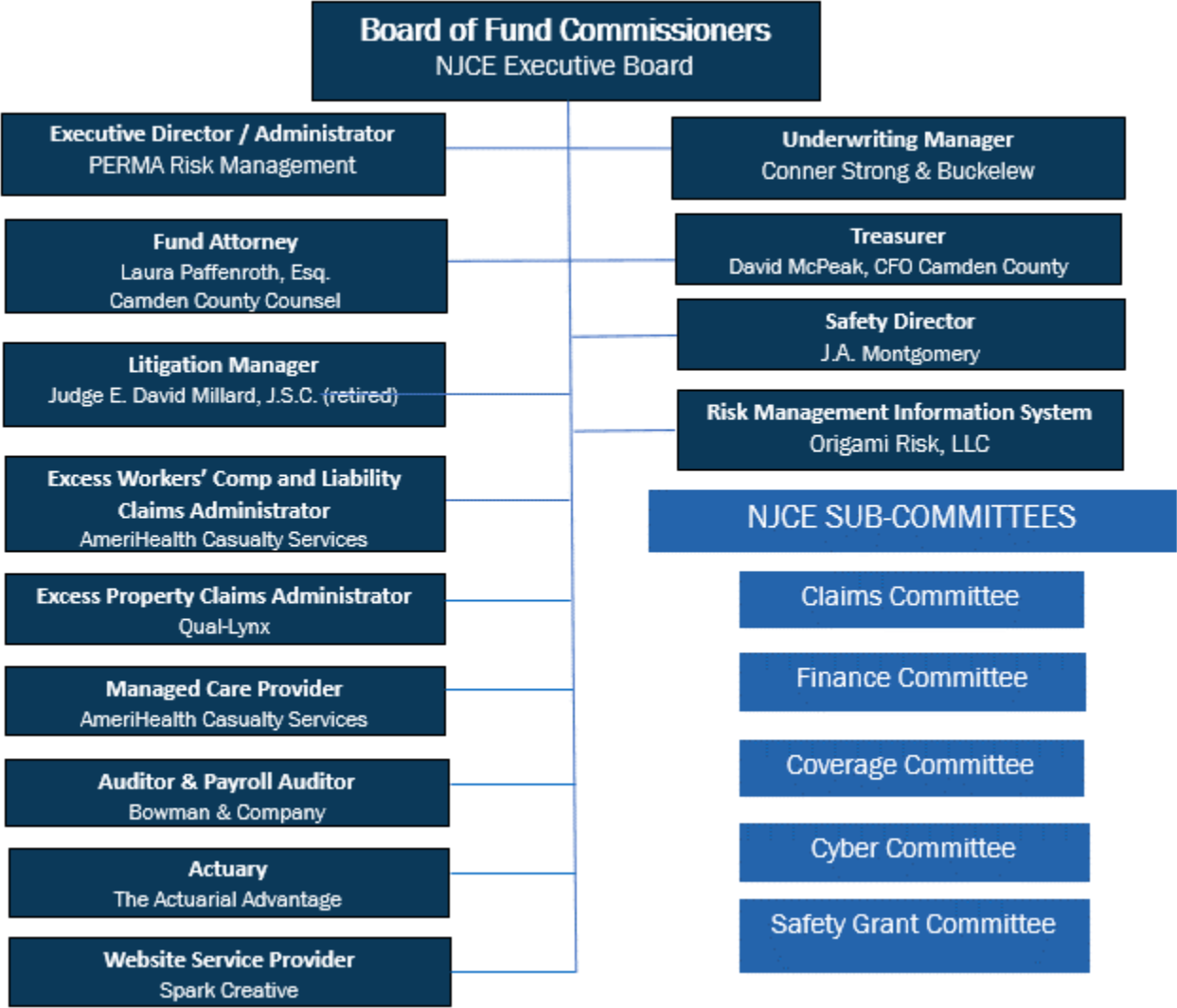
Also attached is a presentation that provides more detail on the benefits of the Insurance Fund Commission and the NJCE JIF.

NJCE Membership Chart

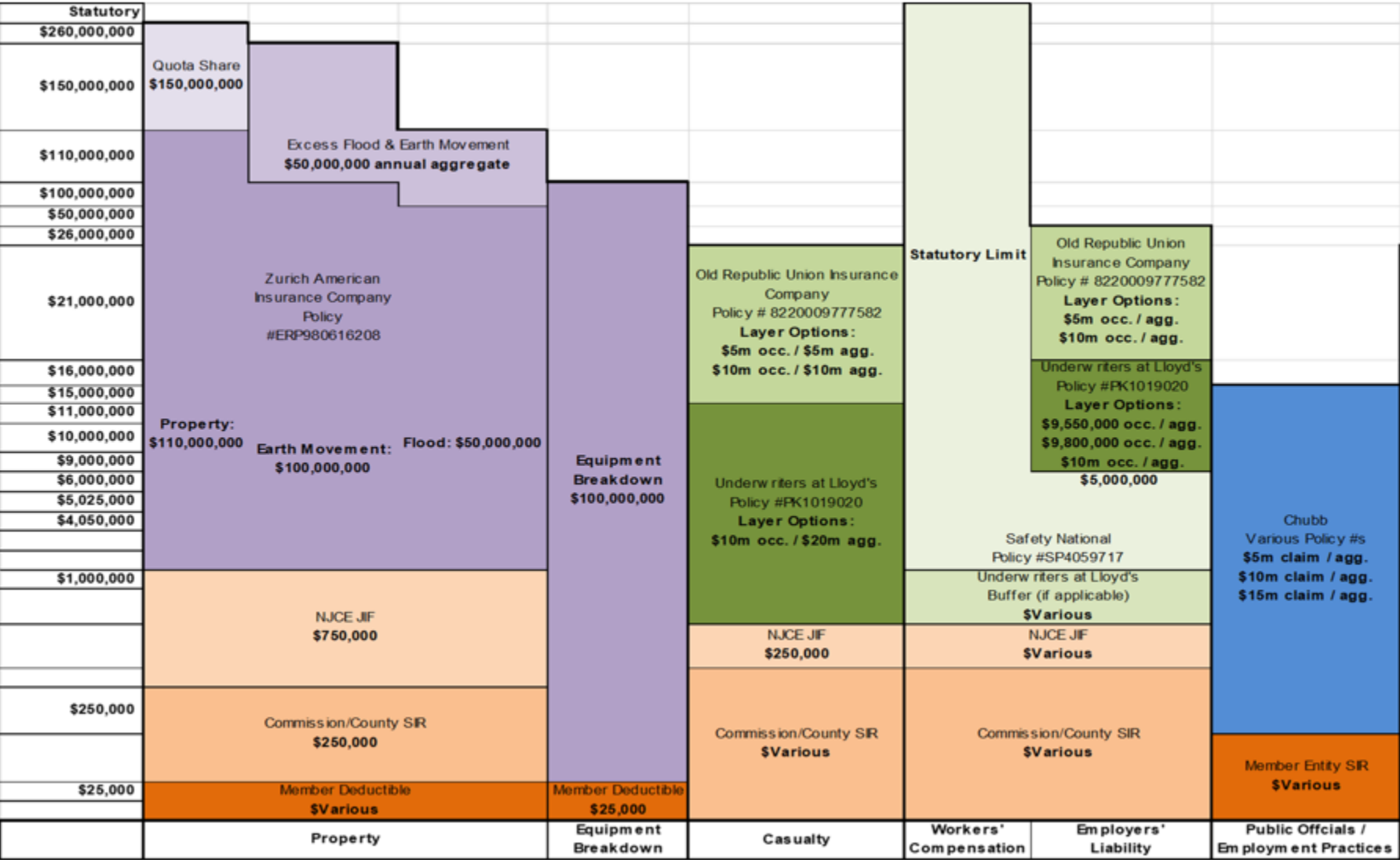
New Jersey Counties Excess Joint Insurance Fund



NJCE Organization Chart



NJCE Limit Schematic



CONNER
STRONG &
BUCKELEW

Marketplace Presentation

NJCE JIF vs. the Market



Overview

Looking at a sample set of NJCE members (three counties), we estimate nearly \$7,000,000 of savings over three years versus the standard insurance marketplace.

This would translate into \$15,000,000 to \$20,000,000 of savings for the entire NJCE program, if not more.

We present next an update on the insurance marketplace, including development over the many years and decades, and also laying out the cause of the trends. The marketplace review is followed by a Total Cost of Risk comparison between the market and the NJCE.

This is all of course just estimates based upon our experience, as well as the marketplace trends. Actual results may vary and depend upon specific circumstances,

NJCE Performance *(12/31/2020)*

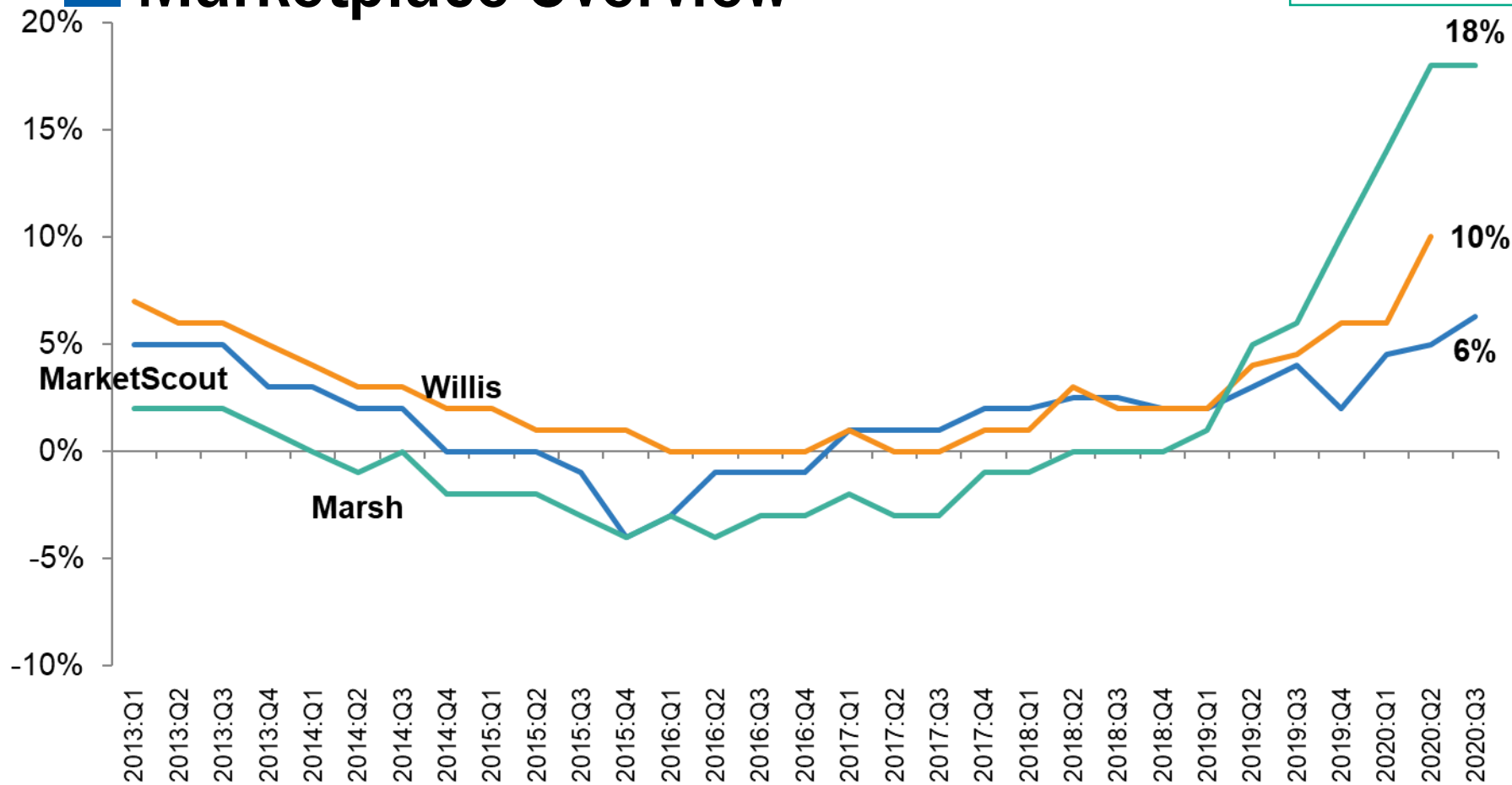
Member	Total Savings	Time in Program
Camden Commission	\$36,713,587	130 Months
Gloucester Commission	\$10,102,816	130 Months
Union Commission	\$16,084,952	118 Months
Burlington Commission	\$21,711,882	108 Months
Cumberland Commission	\$4,090,603	99 Months
Mercer Commission	\$11,737,661	84 Months
Hudson County	\$2,355,726	84 Months
Ocean Commission	\$1,145,451	79 Months
Atlantic Commission	\$6,462,424	72 Months
Monmouth County	\$201,318	21 Months
	\$110,606,419	130 Months

*** Total savings includes Surplus (Deficit), Portion of NJCE Surplus, Dividends Paid, and Compounded Premium Savings*



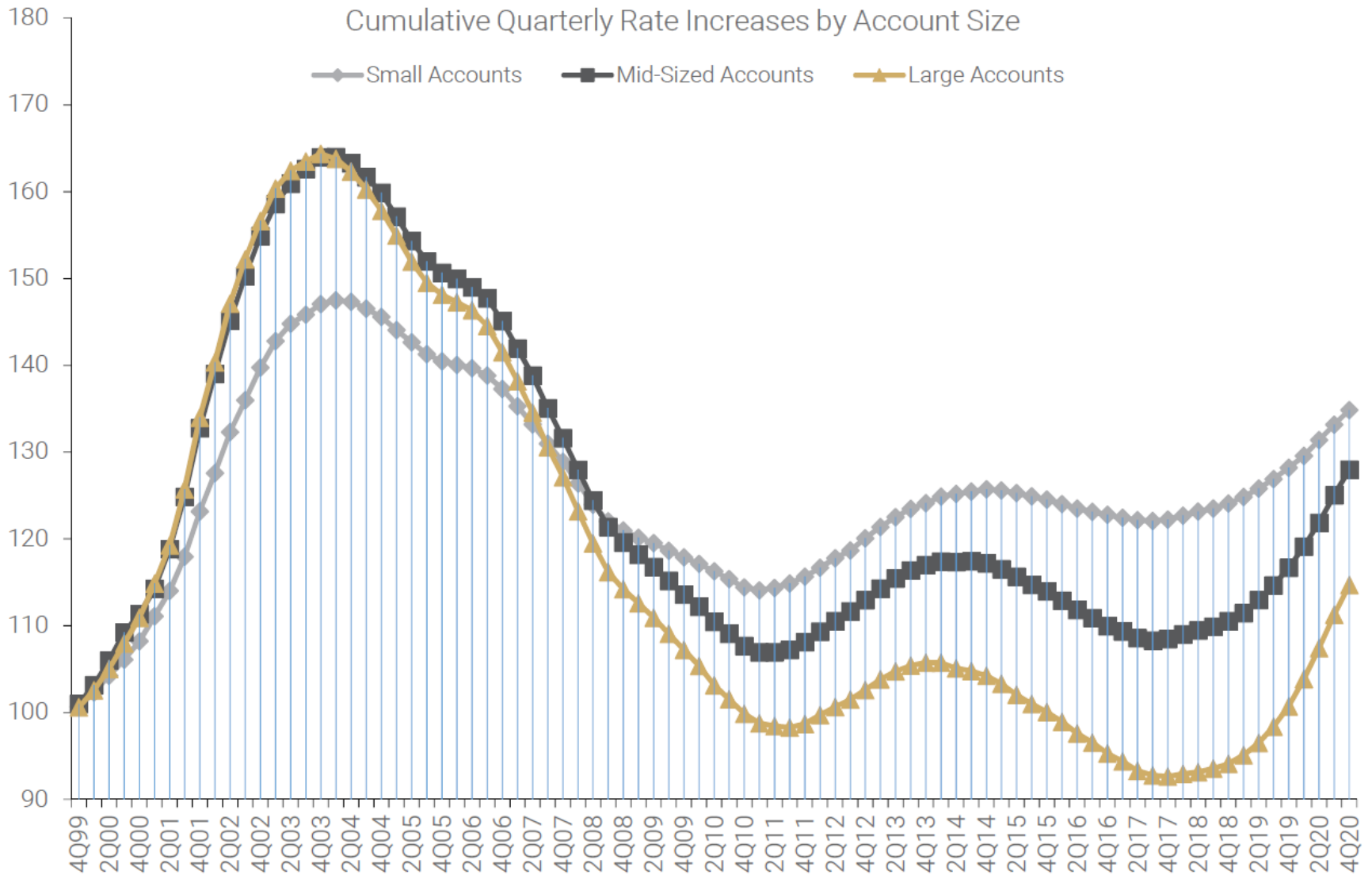
Marketplace Overview

Marketplace Overview



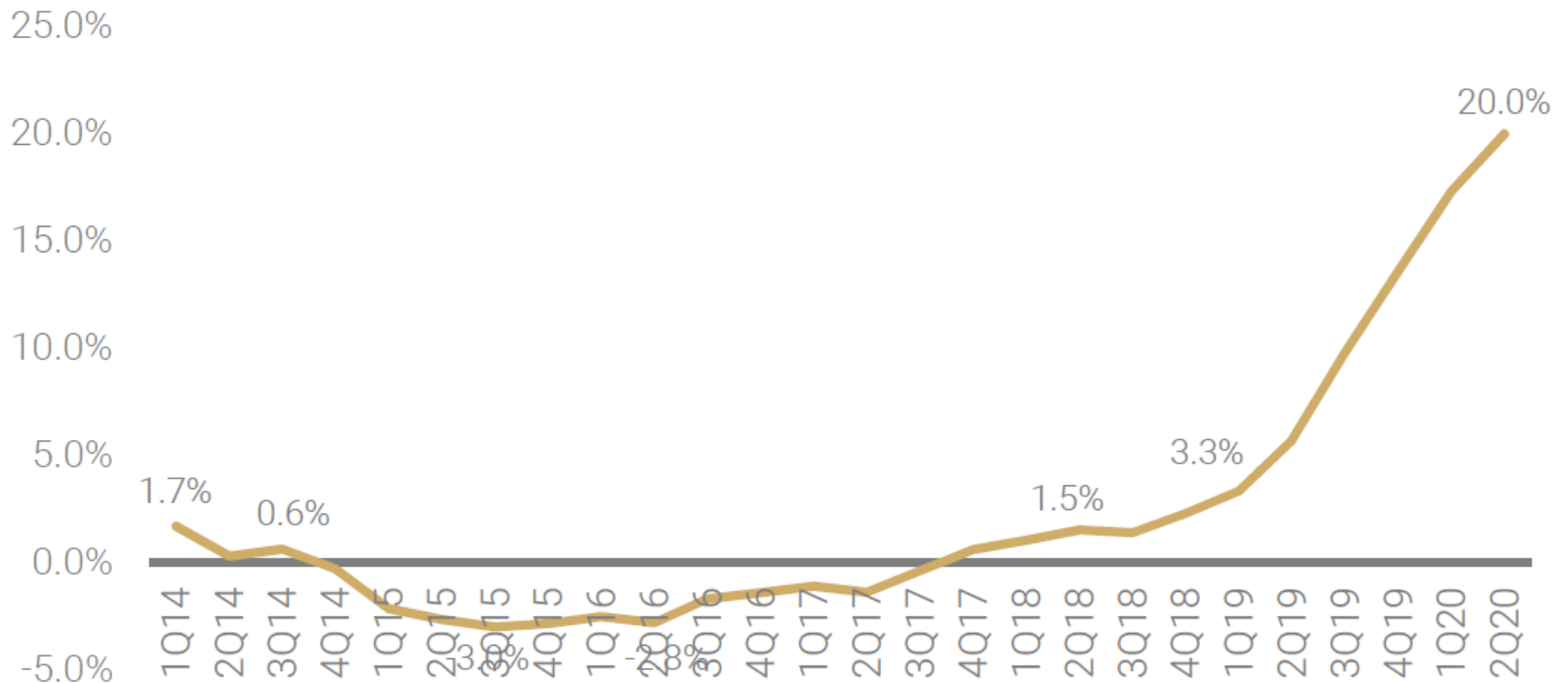
Fastest rate increases in almost 20 years.

Marketplace Overview

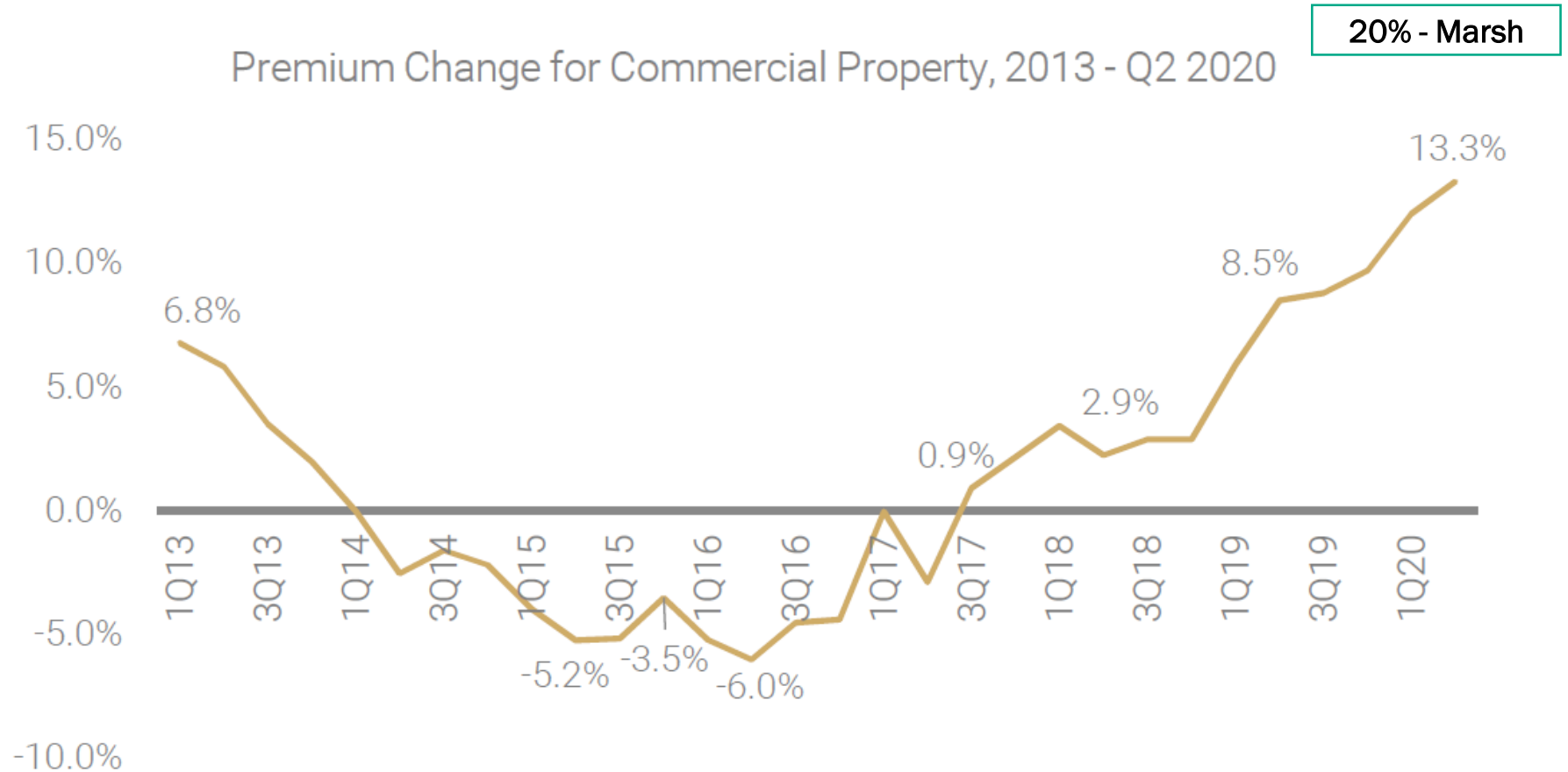


Marketplace Overview

Premium Change for Umbrella, 2014 - Q2 2020



Marketplace Overview



■ Marketplace Overview

Rate Projections

Line	2021 Forecast
Property	Up 15 to 25%
GL	Up 7.5% to 15%
Umbrella/XS	Up 30% to 150%
WC	Flat
Comm Auto	Up 8% to 15%
D&O	Up to 70%
Cyber	Up 10% to 30%

Market Influences

Line	Trend
Property	Cats, COVID
GL	Social inflation
Umbrella/XS	Social inflation
WC	COVID
Comm Auto	Social inflation
D&O	COVID, IE&D
Cyber	COVID

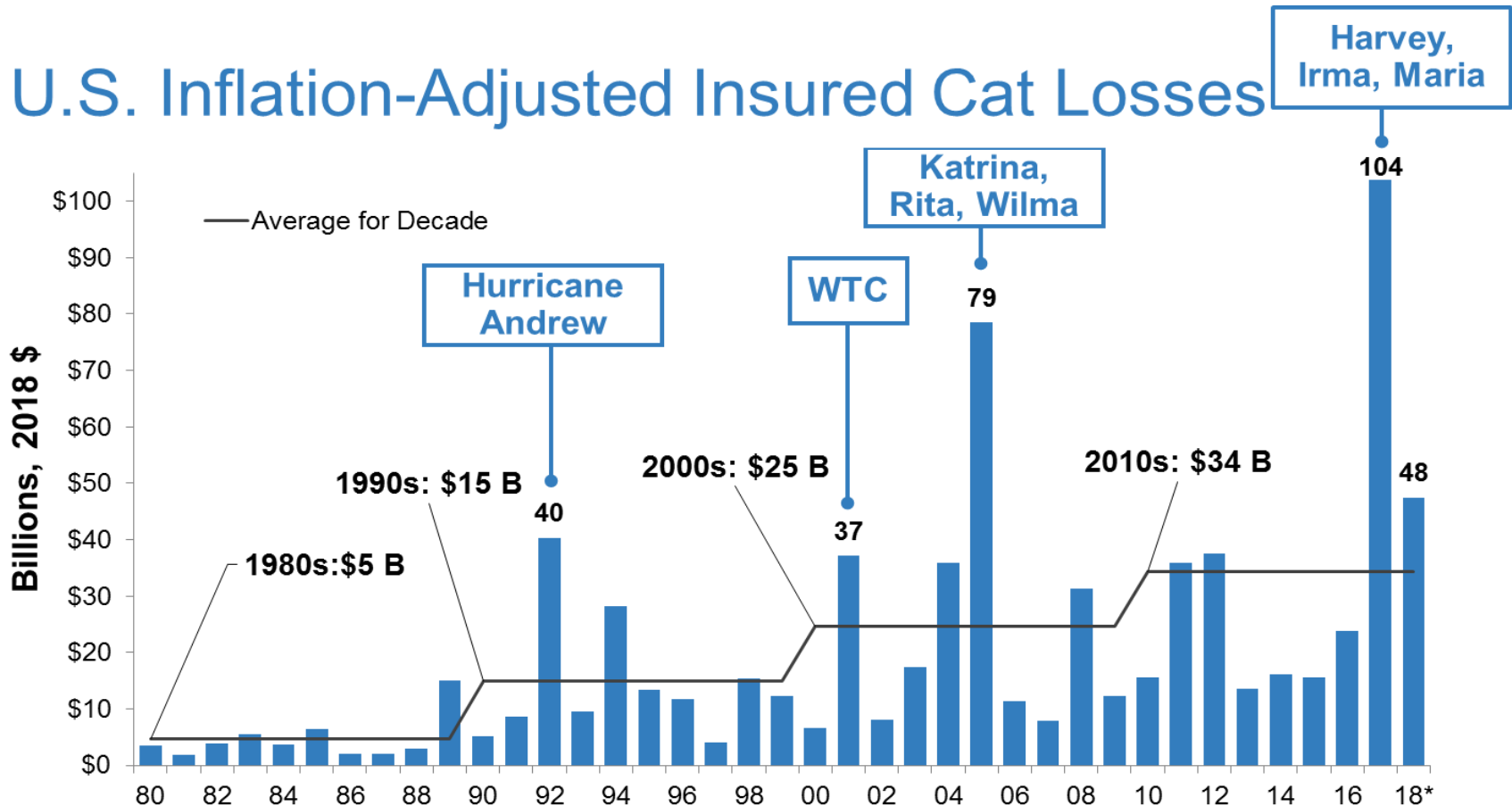
These are all higher than spring projections.

■ Marketplace Overview

Why?

Marketplace Overview

U.S. Inflation-Adjusted Insured Cat Losses



**2018 – Third worst year for U.S. Insured Catastrophe Losses.
Average Insured Loss per Year for 1980-2018 is \$19.3 B.**

■ Marketplace Overview

Social Inflation

A Good Definition

- ▲ “a fancy term to describe rising litigation costs and their impact on insurers’ claim payouts, loss ratios, and, ultimately, how much policyholders pay for coverage.”

Actuarial Interpretation

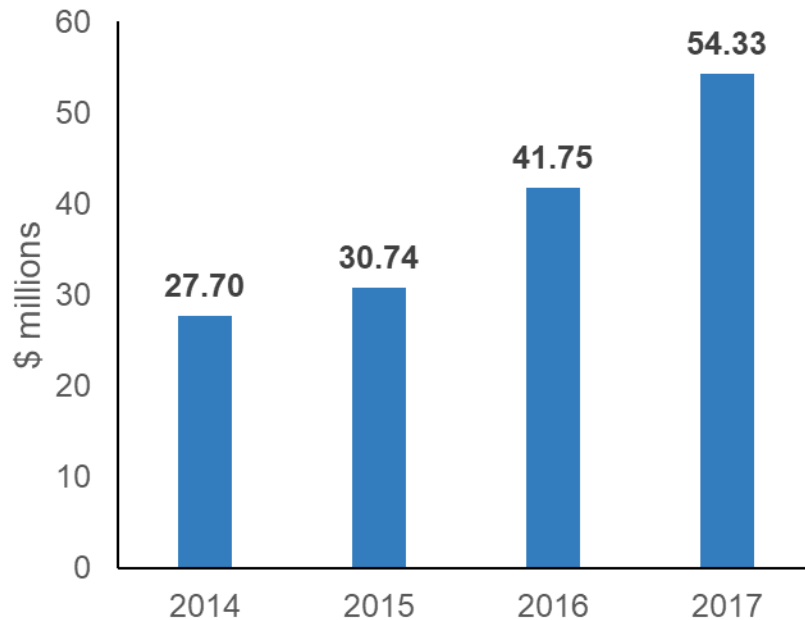
- ▲ “Excessive inflation in claims.”
 - ◆ Occurs when development defies key assumption: Loss Development is RV about stable mean

Marketplace Overview

Social Inflation

“Jackpot Justice”

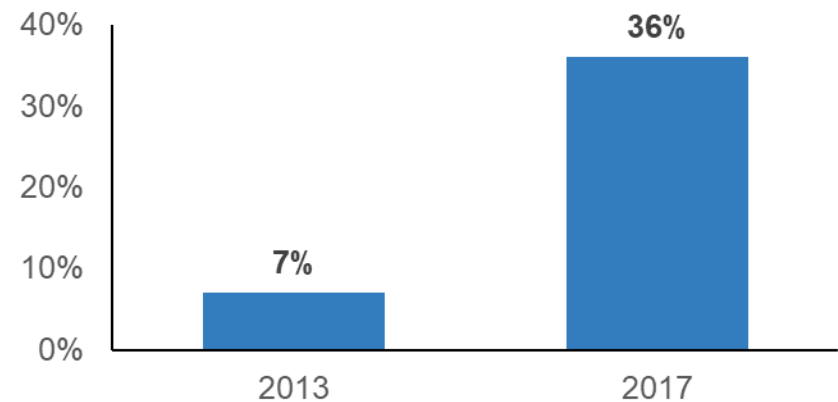
Median, 50 Largest Jury Verdicts



Litigation Financing

Litigation is a financeable asset.
- 68% of US Law Firms

% of US Law Firms Using Litigation Financing



Marketplace Overview

Social Inflation

Upward Creep in Loss Development

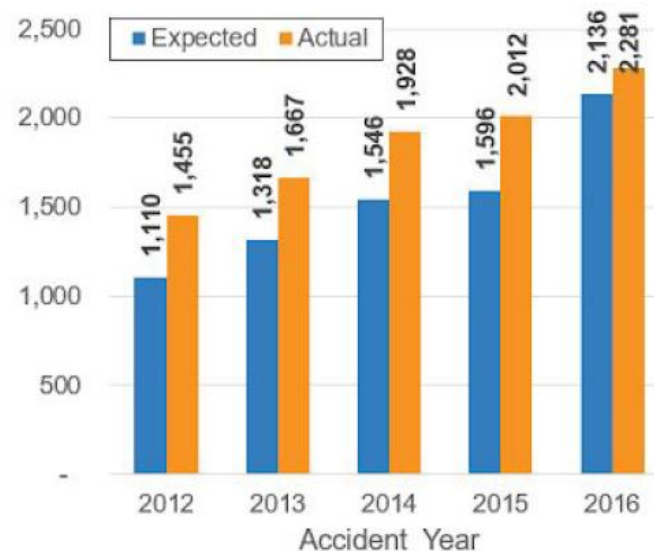
Key Assumption: LDF is RV about mean + inflation

Comm Auto LDFs

	12	24	36	48
2009	1.34	1.14	1.08	1.03
2010	1.36	1.16	1.08	1.04
2011	1.40	1.16	1.08	1.04
2012	1.40	1.16	1.09	1.04
2013	1.41	1.18	1.10	1.04
2014	1.42	1.19	1.10	1.05
2015	1.45	1.18	1.11	
2016	1.43	1.20		
2017	1.44			

2-Year Expected vs. Actual

12-36 Development (\$ Millions)

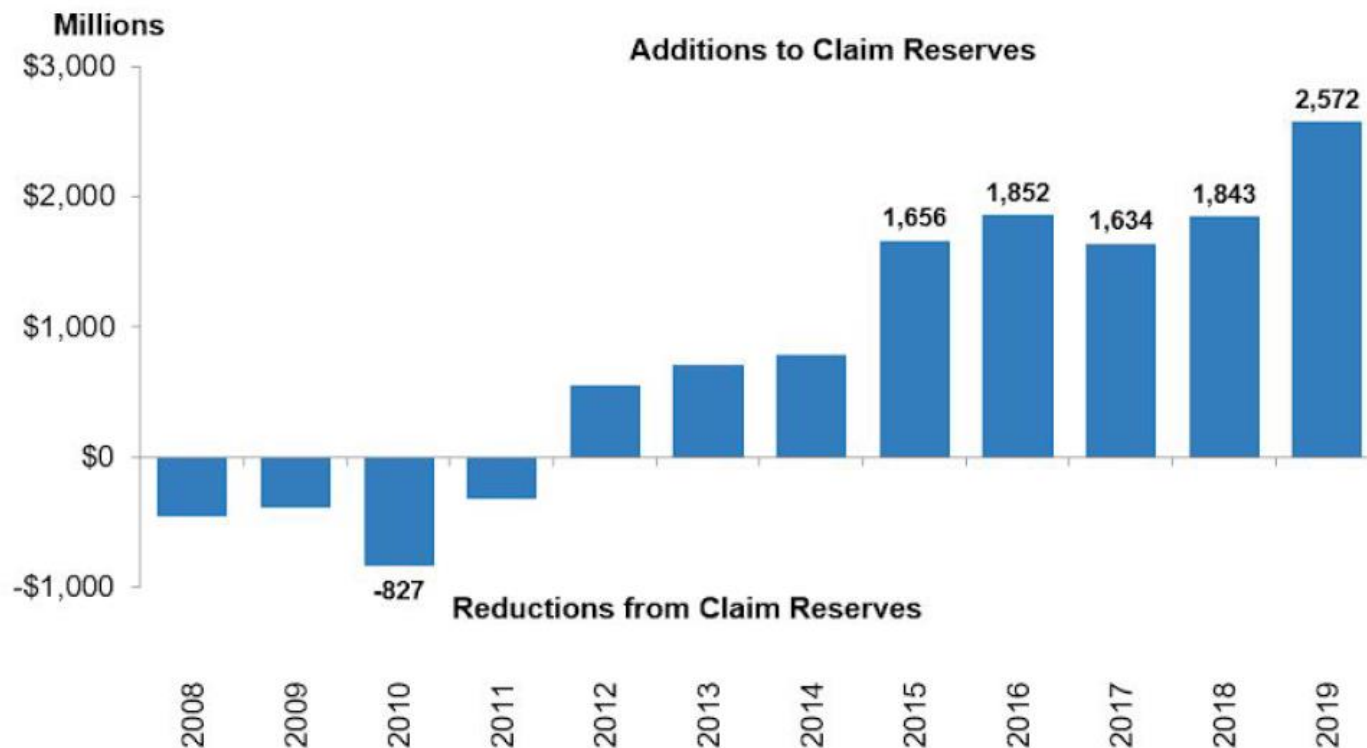


Marketplace Overview

Social Inflation

Social Inflation: The Toll

Reserve Development, Commercial Auto Liability

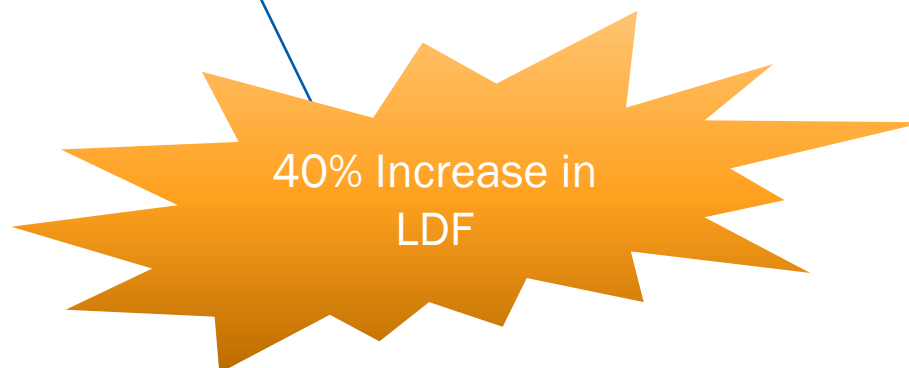


Sources: NAIC data sourced from S&P Market Intelligence; Insurance Information Institute.

■ Loss Triangle – Casualty (GL, LEL, AL)

Social Inflation – NJ Public Entities

Incurring Total LDF					
Periods	12 Months	24 Months	36 Months	48 Months	60 Months
1/1/2010 - 12/31/2010	0.00000	1.13780	1.11219	1.02746	0.91319
1/1/2011 - 12/31/2011	0.00000	1.36123	1.25182	1.14434	1.03126
1/1/2012 - 12/31/2012	0.00000	1.44473	1.43415	1.13501	1.24090
1/1/2013 - 12/31/2013	0.00000	1.34765	1.40192	1.22095	1.28895
1/1/2014 - 12/31/2014	0.00000	1.84575	1.66130	1.43813	1.06501
1/1/2015 - 12/31/2015	0.00000	1.64865	1.64527	1.35753	1.09476
1/1/2016 - 12/31/2016	0.00000	2.42395	1.51306	1.12617	
1/1/2017 - 12/31/2017	0.00000	1.73054	1.56209		
1/1/2018 - 12/31/2018	0.00000	1.74066			



Public Entity

PRICING

Property, Auto and Excess Liability pricing has experienced the largest overall increase in recent months, increases unseen in three decades. For Excess Liability, many markets are imposing renewal increases between 30% and 500%. Carriers are focusing on underwriting discipline, including sexual abuse, social inflation and increased litigation costs. Executive risk lines such as Public Officials / Employment Practices Liability and Cyber are also experiencing pressure due to heightened loss experience nationwide.

COVERAGE

From a coverage standpoint, the market is relatively stable, but some hardening is occurring. Existing programs are experiencing minimal contraction of coverage or terms. Exception to this is found in the property arena, where certain insurers may seek to contract limits in CAT exposed locations (i.e. Flood, Named Storm). Carriers continue to introduce new policy forms and endorsements in an effort to stay current with the marketplace, and gain a competitive advantage against competitors.

DEDUCTIBLES

Many insureds are maintaining their existing program structures, however there has been push for increases on clients with adverse loss development on Property, Excess Liability, Workers' Compensation and Cyber. Overall, retentions and deductibles on other lines of coverage remain per expiring.

CAPACITY

The final months of 2019 witnessed certain insurers leave the Casualty market, including some reinsurers getting out of the United States altogether. Almost all insurers remaining in the space refuse to offer more than \$5m in limits; this is primarily due to restrictions to reinsurance treaties and adverse loss experience. Capacity has contracted in most other lines. The majority of market share is still placed with a few Carriers that maintain a keen focus on the Public Entity Industry.

CHALLENGES

Sexual Abuse / Molestation legislation, Cancer Presumption legislation, Medical Marijuana, Cyber incidents and the effects of the COVID-19 pandemic continue to pose challenges for public entities across the state of New Jersey.



Emerging Risks

- Social Inflation
- Pandemic Risk
- Sexual Abuse and Molestation Claims
- Statutory Presumption Acts
- Post Covid-19
- Aging Infrastructure
- Non CAT Property Loss
- Climate & Weather
 - Storm Surge Risk;
 - Shortening and Intensifying Winters
 - Increased Precipitation and Resulting Inland Flooding
 - Intensifying Droughts
- Internet of Things (IoT)
 - Telematics and Connected Vehicles
 - Connected Buildings/Cities
 - Cybersecurity
 - Cyber-attacks are now seen as one of the most serious economic and national security challenges now facing governments around the world.
- Autonomous Vehicles
- Nanotechnology
- Marijuana Legalization & Workers Compensation



Analysis

An iceberg floating in a blue ocean. The small tip of the iceberg is above the water, while the much larger body of the iceberg is submerged below the surface. A red arrow points from the text 'those costs' to the tip of the iceberg. A green arrow points from the text 'these costs' to the submerged part of the iceberg.

INSURANCE PREMIUMS

Why focus on just reducing **those** costs.....

.....when **these** costs are 3Xs larger?

**SELF-INSURED
LOSSES**

TOTAL BUSINESS COST

■ Benefits of NJCE's Approach

PERMA has over **30 years** of success with the MEL & NJCE JIFs

Loss Rate Reduction

65%

Total Taxpayer Savings

\$3.1BB



Full financial **transparency** and **control**

Significant **economies of scale** and **buying power**



Risk sharing with fellow county members in NJCE community



Challenging exposures are easily addressed



Long-Term Stability & Predictability

■ Total Cost of Risk Analysis

Methodology

- Analyzed three of our county members over past three years (2018 to present)
- Included the combination of premium savings and rate delta versus the marketplace
 - Premium savings are based on premium savings members found upon joining the NJCE
 - Rate changes are based upon the previously displayed marketplace data

Results

- On the low end, we saw 5% savings versus the marketplace, which represented about \$1.4m
- On the high end, we saw 36% savings versus the marketplace, which represented about \$4.4m
- Combining all three counties, we saw 15% to 23% savings, representing \$4.0m - \$6.7m

Savings	Low	High	Low	High
Per County	\$1.4m	\$4.4m	5%	36%
Combined	\$4.0m	\$6.7m	15%	23%

■ Total Cost of Risk Analysis

What Was Not Contemplated in the Analysis?

The analysis was very conservative, therefore it does not include many important items, which could significantly increase the savings.

- Surplus and dividends were not included
 - Surplus and dividends are generated out of our self-insured retentions (Insurance Commissions and NJCE JIF) via risk control efforts reducing our loss profile, beating expected losses
- The market rates are general across the entire insurance marketplace, so there was no direct contemplation for the public entity space
 - Since 2019, public entities saw 15% - 20% increases in Property premiums and 30% - 300% increases in Liability premiums
 - Since 2019, public entities saw their retentions increase over 100%, which come at additional self-insured costs
- The NJCE provides significant risk control and claims services within its assessment, which would come at significant additional cost outside the JIF

All of these additional costs and savings could inflate the NJCE's savings presented on the previous slide by another \$6m - \$19m.



Public Sector Risk Control Program



NEW JERSEY COUNTIES
EXCESS JOINT INSURANCE FUND

J.A. Montgomery
CONSULTING

Result-Oriented Comprehensive Risk Control Program

- All of the following are part of the risk control program for New Jersey Counties Excess Joint Insurance Fund (NJCE JIF) public sector clients, of J. A. Montgomery Consulting:
 - Risk Control Consultation Visits
 - Training Programs
 - Safety Director Bulletins
 - Claims Review and Follow Up
 - Leadership Training for Supervisors
 - Law Enforcement Risk Control
 - Customized Training
 - Safety Committee Attendance

Result-Oriented Comprehensive Risk Control Program

- Risk Control Consultation Visits
 - One on one, on-site consultation including a review of facilities and current conditions
 - Includes job site observations
 - A report is generated with findings and recommendations for each visit
 - J. A. Montgomery conducts over 1,300 risk control visits for public sector clients each year.
 - Assistance with PEOSH compliance inspections, customized training and citation abatement.

Training and Education

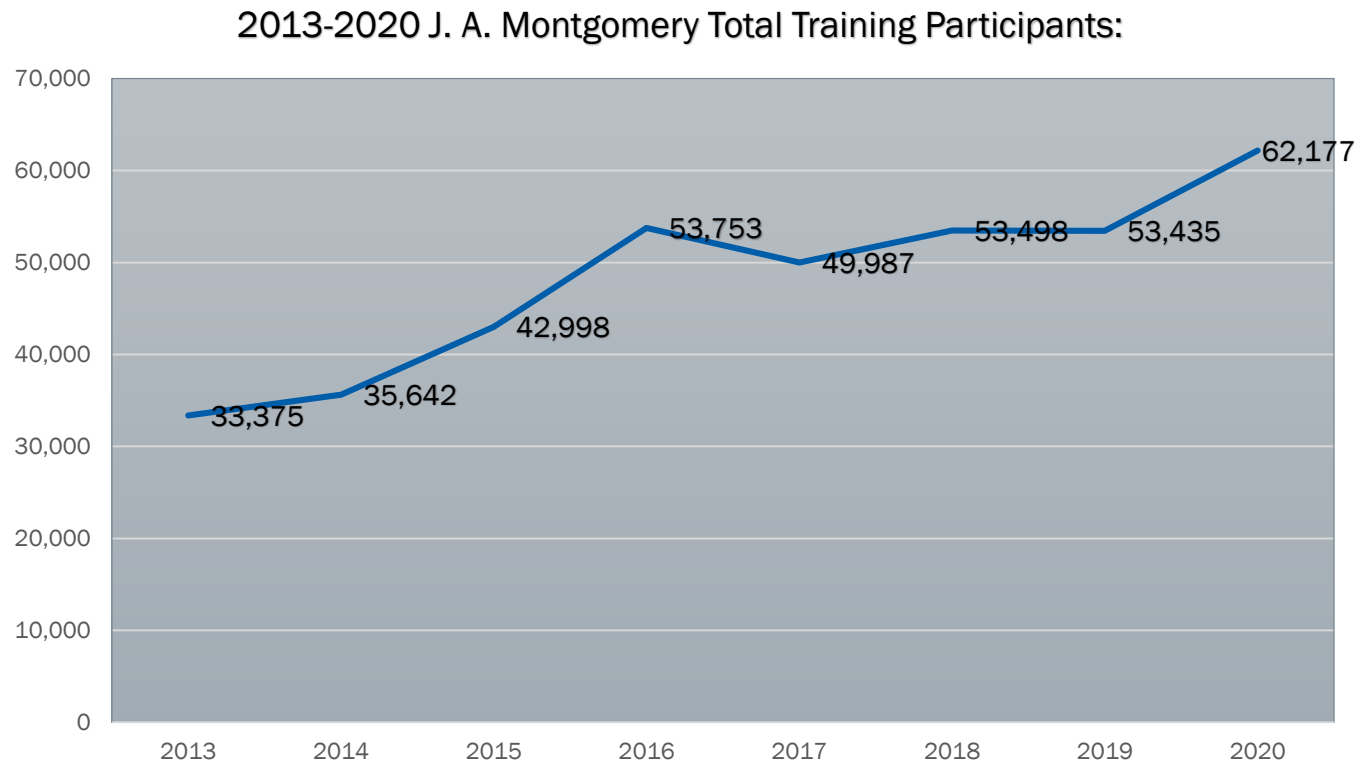
■ Training and Education

□ Training Formats (All training course material is written by J.A. Montgomery):

- As a result of the Pandemic Live, Instructor-Led Webinars were created and conducted to provide essential safety training to employees each month (40+ courses)
 - CEU credits available
 - All webinars are “interactive”
- In-Classroom training for small groups
- Online Digital Streaming Safety Library with over 170 titles, available 24/7 for all public sector clients
- Online Video Briefings (15-20 minute) on safety topics requested by public sector entities available 24/7, produced “in-house.”

Training and Education

- Training Program (All training attendance is tracked through a Learning Management System (LMS) administered by J.A. Montgomery)



Claims Review and Follow-Up

- J. A. Montgomery risk control consultants actively participate in all monthly claims review meetings with public sector clients. Through this process, we are able to identify safety and administrative issues that need to be addressed. We follow up on specific claims as requested and provide recommendations as needed.

Safety Committees

- J. A. Montgomery risk control consultants actively participate in all Safety and Accident Review Committee meetings with public sector clients. Through this process, we are able to identify safety, operations and training issues that need to be addressed. Agendas and minutes are prepared and distributed by J.A. Montgomery Consulting staff members

Law Enforcement Risk Control Program

- Training:
 - In-Person or Instructor Led Webinar Training for the following courses:
 - Preparing for the Unspeakable
 - Risk Management for Police and Fire Command Staffs
 - Risk Management for First-Line Supervisors
 - Below 100 "Train and Trainer" Program
 - Below 100 Training Seminars for Police Personnel
 - Practical Leadership Strategies/21 Irrefutable Laws of Leadership
 - Preparing for 1st Amendment Audits
 - Implicit Bias
 - Building Trust and a Constitutionally Sound Police Agency

Claims Management



Claims Management

- Serve as Claims Resource and Provide Technical Claims Support on all lines of coverage, including General Liability, Workers' Compensation, Property, Public Officials, Medical Malpractice and Cyber claims
 - Coordination with Excess Carriers and Litigation Manager for litigation strategy and settlement
- COVID-19
 - Coordination and management of COVID-19 claims throughout the NJCE
 - Engaged expert defense counsel to assist with management of claims
 - Distributed guidelines and resources for COVID-19 claims reporting and management
- TPA Summit – March 6, 2020
 - Brought all TPAs together to share information and foster uniformity throughout the NJCE counties/commissions

Claims Management – Past Successes

- Consolidation of Claims Oversight – PERMA Claims
- Origami Risk– Implementation of State of the Art Risk Management Information System
- Active Litigation Management working with Claims Committee, Excess Carriers, Commissioners and Judge Millard
- Managed Care Provider Network Strength Analysis
- Emergency Claims Response Protocols
- Formation of NJCE Claims Committee
- Property Claims Management – introduction of a TPA to handle all property claims.
- Coordination with Risk Control Services
- Aggressive Claims Advocacy
- Review & Analysis of Insurer Reserving Practices
- Claims Charter
- Coordinate Claims Audits and Reviews
- Assistance with Claim Reporting
- Coordination and Collaboration with the Municipal Excess Liability Joint Insurance Fund (MEL)
- Coordination between Commission TPAs and NJCE
- Utilization of NJCE Managed Care Network for improved Medical Cost Savings
- Partnership with Commissions' Risk Managers
- Strategies to Maintain Effective Relationships with Medical Providers
- Loss Summaries/Trending Analysis
- Cyber Claims Reporting/ Coordination of Resources