

**UNION COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – July 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	Excused
Laura Scutari	Present

FUND PROFESSIONALS PRESENT:

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

ALSO PRESENT:

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

APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF JUNE 16, 2021

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

MOTION TO APPROVE THE OPEN MINUTES AND CLOSED MINUTES OF JUNE 16, 2021

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

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Worthington reported since the last meeting they conducted Confined Space Education Training as well as Evolution for the Public Works Team at the Rahway Pool. Mr. Worthington advised they also did some fit testing at the forensics labs for interns that were medically cleared. Mr. Worthington said there was a Labor Safety Committee Meeting where a number of fire drills were to start next week in coordination with the updates of the building emergency evacuation plans. Mr. Worthington said that concluded his report unless there were any questions. In response to the Chair's inquiry Mr. Worthington advised there were new fire drills scheduled, however one was a follow up to a previous drill. In addition, Mr. Worthington said they tried to do the fire drills in the warmer weather.

CLAIMS COMMITTEE: Ms. Conicella advised the Claims Committee did not meet prior to the meeting, however the payment authorization requests would be presented during closed session. Ms. Conicella concluded her report.

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

CERTIFICATE OF INSURANCE REPORT: Executive Director reported there were no certificates requested during the month of June.

CYBER INSURANCE COVERAGE: Executive Director reported Cyber Insurance Coverage was bound for the County with Ace American Insurance Company (Chubb) effective June 26, 2021 through the NJCE's ancillary program. Executive Director noted representatives from the County would be invited to join the NJCE JIF Cyber Task Force.

NJCE JIF CYBER TASK FORCE: Executive Director said there was Task Force Alert included in the agenda and asked Mr. Cooney to comment. Mr. Cooney reported they started the NJCE JIF Cyber Task Force just prior to COVID so it was a slow start. Mr. Cooney advised they prepared a draft Cyber Security Risk Management Program that all counties can uniformly utilize to better protect their networks. Mr. Cooney said the program should be finalized and ready for the fall. Mr. Cooney advised the Task Force would continue to issue alerts like the one included in the agenda. In response to the Chair's inquiry Mr. Cooney said Robin Racioppi and Diego Otero were

on the Task Force. Mr. Cooney noted if anyone else wanted to join from another department to let him know. Chair Wagner said Mr. Otero was the appropriate person to represent Union County.

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE met on June 24, 2021 and a written summary report of the meeting was included in the agenda. Executive Director advised the Board adopted an amended 2021 budget. Executive Director explained the Board agreed that the JIF would charge an additional assessment to the premium portion of the 2021 excess renewal delta, which totaled \$609,437. Executive Director said the Fund Auditor submitted a draft financial audit for the period ending December 31, 2020. Executive Director asked if anyone had any questions on the NJCE summary report.

UCIFC FINANCIAL FAST TRACK: Executive Director advised the April Financial Fast Track was included in the agenda. Executive Director reported the Commission had a surplus of \$4,338,369 as of April 30, 2021. Executive Director referred to Line 10 of the report, "Investment in Joint Venture" and indicated \$2,023,846 of the surplus was the UCIFC's share of the NJCE equity. Executive Director noted the cash amount was \$11,610,138.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the April Financial Fast Track was included in the agenda. As of April 30, 2021, the Fund had a surplus of \$13,810.24. 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 \$28,546,382.

Executive Director noted there was a reduction in the surplus in the 2016, 2020 and 2021 fund years. Executive Director pointed out the most significant change was a result of the projected \$10 million that COVID related workers' compensation claims would eventually cost the NJCE. Executive Director said the NJCE was strengthening its claim and IBNR reserves because of the uncertainty over the recovery from the excess insurer Safety National. Executive Director advised the strategy was to book \$4 million for COVID claims and IBNR at the NJCE level to relieve the members of this liability. Executive Director hoped the NJCE would be successful in making a full recovery from Safety National so that it could reverse this accrual. Lastly, Executive Director reported in addition the Actuary was further strengthening the case reserves and IBNR due to large claims activity in the 2016 fund year. Executive Director asked if anyone had any questions on the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director advised the Claim Tracking reports as of April 30, 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 performing exceptional well except for the 2021 year. However, it was still early in the year.

UNION COUNTY DEPARTMENT OF CORRECTIONS: Executive Director reported Commission Attorney confirmed the elimination of the Department of Corrections effective 7-1-21. He also confirmed the inmates were transferred to Essex County Jail and the operation of the "Hub" at the Union County Jail was now run by the Office of the Sheriff. Executive Director advised in preparation for this change in operations, he worked with Actuary to develop the cost savings associated with this change. Executive Director said the six month pro-rated workers compensation loss fund savings for the Insurance Commission was \$673,742 and the savings for the NJCE was \$122,217. Executive Director added a credit would appear on the County's final assessment billing for 2021. Executive Director noted he was still working with the Actuary on any potential savings on the liability loss funds.

2022 RENEWAL – UNDERWRITING DATA COLLECTION: Executive Director reported the Fund office was beginning the data collection process for the 2022 renewal in order to provide relevant information to underwriters. Executive Director said Members and/or risk managers would manage the renewal via Origami, the online platform where members’ exposure data (property, vehicles, etc.) could be accessed and edited, as well as, applications to download and complete for ancillary coverages. Executive Director added the payroll Auditor was conducting payroll audits which would be uploaded by the Fund office into Origami. Executive Director noted the 2022 renewal process was mid-July through mid-September, which would allow members to confirm underwriting data.

NJCE V COMMERCIAL MARKET WEBINAR: Executive Director reported PERMA Risk Management Services, Conner Strong & Buckelew and J.A. Montgomery presented a webinar to discuss the current state of the commercial market and the benefits of an insurance commission and joint insurance fund membership versus the commercial market. Executive Director said the webinar was scheduled for Friday, July 23, 2021, 12:30 PM – 1:30 PM. Executive Director noted an e-mail invite was sent out on 7-9-21. Executive Director added if you wish to join us you can register at: https://permainc.zoom.us/webinar/register/WN_H5BlezYzTYyOtEtrFv4vHg

2021 GOVERNMENT FINANCE OFFICERS ASSOCIATION OF NJ (GFOA OF NJ): Executive Director reported both PERMA and J.A. Montgomery were invited to provide separate presentations at the GFOA of NJ conference at the Golden Nugget in Atlantic City from September 21st to September 24th. Executive Director said the GFOA of NJ was a professional association of government finance officers working together to enhance and promote professionalism within the governmental community.

2021 NEW JERSEY ASSOCIATION OF COUNTIES CONFERENCE: Executive Director advised the 71st Annual Conference was scheduled to be held from October 11th – October 14th at Caesar’s in Atlantic City. Executive Director said NJAC was celebrating its 100-year anniversary. Executive Director reported the New Jersey Counties Excess Joint Insurance Fund and J.A. Montgomery would most likely be presenting at the NJAC conference in October.

2021 NJLM ANNUAL CONFERENCE: Executive Director reported the 106th Annual New Jersey State League of Municipalities Conference was scheduled for November 16 through November 18 at the Atlantic City Convention Center in Atlantic City.

2021 MEETING SCHEDULE: Executive Director reported the Commission was not scheduled to meet in August and the next scheduled meeting was on September 15, 2021.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Ms. Taylor advised she recommended approval of the July Bills List, Resolution 23-21 and noted the payments were for standard and routine bills. Ms. Taylor said she would be happy to answer any questions.

MOTION TO APPROVE RESOLUTION 23-21, JULY BILL LIST

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

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

ATTORNEY: Mr. Bergen advised he did not have anything to report.

CLAIMS ADMINISTRATOR: Ms. Guze reported for the period of June 1 through June 30 there were 22 worker compensation claims reported, 10 were report only, 11 were closed and 1 remained treating. Ms. Guze said there was 1 COVID claim reported and it was currently closed. Ms. Guze concluded her report.

MANAGED CARE: Ms. Hrubash advised her report was included in the agenda and reviewed the Case Management Monthly Activity Report for the month of June as noted below.

Month	Total Claims Reported	Medical Only	Loss Time	Total Case Managed	Present Open Claims
June	23	12	1	13	27

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

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
June	\$ 512,775	\$ 113,240	\$ 399,535	78%	277	272	98%

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

NJCE SAFETY DIRECTOR: Mr. Czarnecki reported the Safety Director's report for June through July was included in the agenda. Mr. Czarnecki noted all of the Safety Training through September 30 was listed in the agenda. Mr. Czarnecki said if anyone had any questions on the training to reach out to him or Mr. Prince. Mr. Czarnecki concluded his report unless there were any questions.

Correspondence Made Part of Minutes

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: There was no public in attendance.

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 4550, 3760, 5338 & 1497. 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 Scutari
Vote:	2 Yes, 0 Nays

MOTION TO APPROVE THE PARS AS DISCUSSED IN EXECUTIVE SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:35 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary