

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND  
OPEN MINUTES  
FEBRUARY 27, 2014  
CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD, NJ  
1:00 PM**

**MEETING OF THE FUND CALLED TO ORDER AT 1:00 P.M.  
OPEN PUBLIC MEETING ACT READ INTO RECORD  
PLEDGE OF ALLEGIANCE**

**ROLL CALL BOARD OF FUND COMMISSIONERS**

Michael Smith, Chairman	Burlington County	Present
Ken Mecouch, Secretary	Cumberland County	Present - <i>via teleconference</i>
Norman Albert, Commissioner	Union County	Present - <i>via teleconference</i>
Gerald White, Commissioner	Gloucester County	Present
Ross Angilella, Commissioner	Camden County	Present
Robert Vanderslice, Commissioner	Salem County	Absent
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference</i>
Edmund Shea, Commissioner	Hudson County	Present

**SPECIAL FUND COMMISSIONERS**

Marc Krassan	Burlington County	Absent
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**ALTERNATE FUND COMMISSIONERS**

Ann Marie Wright	Camden County	Present
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**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services <b>James Kickham</b> <b>Nancy A. Ghani</b>
Attorney	<b>Laura Paffenroth, Esq.</b>
Safety Director	JA Montgomery Risk Control <b>Glenn Prince</b>
Underwriting Manager	Conner Strong & Buckelew <b>Tom Nolan</b>
Claims Administrator	CompServices <b>Tom Watkins</b>
Treasurer	<b>David McPeak - via teleconference</b>

**ALSO PRESENT:**

Louis DiAngelo, Camden County  
Joseph Hrubash, PERMA  
Cathy Dodd, PERMA  
Brad Stokes, PERMA  
Michelle Leighton, Conner Strong & Buckelew  
Bonnie Rick, Hardenbergh Insurance Group, Gloucester County Risk Manager- *via teleconference*  
Robin Racioppi, Acrisure, Hudson County Risk Manager  
Douglas Borden, Borden Perlman, Mercer County Risk Manager

**MINUTES:** Open Minutes of December 12, 2013

**APPROVAL OF MINUTES FROM DECEMBER 12, 2013 AS PRESENTED:**

Moved: Commissioner White  
Second: Commissioner Angilella  
Vote: 5 Ayes – 0 Nays – 2 Abstains  
(Commissioners Mair and Shea)

**2014 REORGANIZATION:** Fund Attorney said the meeting would be conducted as fund's 2014 reorganization. Executive Director said the NJCE Bylaws state that since the total number of members exceeds seven the fund can operate as an Executive Committee with a Chair, Secretary, five-member Executive Committee and up to four Alternate Commissioners. Executive Director asked for nominations of Chairman followed by Secretary.

**ELECTION OF 2014 CHAIRPERSON AND SECRETARY:**

**MOTION TO NOMINATE MICHAEL SMITH, BURLINGTON COUNTY, AS CHAIR:**

Moved: Commissioner White  
Second: Commissioner Angilella

Hearing no other nominations,

**MOTION TO CLOSE NOMINATIONS FOR CHAIR AND CAST UNANIMOUS BALLOT FOR MICHAEL SMITH AS 2014 CHAIR:**

Moved: Commissioner Mecouch  
Second: Commissioner White  
Vote: Unanimous

**MOTION TO NOMINATE ROSS ANGILELLA, CAMDEN COUNTY, AS SECRETARY:**

Moved: Commissioner White  
Second: Commissioner Smith

Hearing no other nominations,

**MOTION TO CLOSE NOMINATIONS FOR SECRETARY AND CAST UNANIMOUS BALLOT FOR ROSS ANGILELLA AS 2014 SECRETARY:**

Moved: Commissioner Smith  
Second: Commissioner White  
Vote: Unanimous

**MOTION TO NOMINATE COMMISSIONER WHITE-GLOUCESTER COUNTY, COMMISSIONER ALBERT-UNION COUNTY, COMMISSIONER VANDERSLICE-SALEM COUNTY, COMMISSIONER MECOUCH-CUMBERLAND COUNTY, COMMISSIONER MAIR-MERCER COUNTY AS FIVE MEMBER EXECUTIVE COMMITTEE AND COMMISSIONER SHEA-HUDSON COUNTY AS ALTERNATE #1:**

Moved: Commissioner Smith  
Second: Commissioner Angilella  
Vote: Unanimous

Hearing no other nominations,

**MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTIONS:**

Moved: Commissioner Smith  
Second: Commissioner Angilella  
Vote: Unanimous

Fund Attorney administered oath to Chairman Smith and Secretary Angilella.

**CORRESPONDENCE:**

NONE

**EXECUTIVE DIRECTOR'S REPORT:**

**2014 REORGANIZATION RESOLUTIONS:** Included in the agenda were the reorganization resolutions for Fund Year 2014. Executive Director read the titles of each for the record.

- Resolution 1-14, Certifying the Election of Chairman & Secretary
- Resolution 2-13, Appointing PERMA as Agent for the Fund for Process of Service
- Resolution 3-14, Designating Custodian of Fund Records
- Resolution 4-14, Designating Official Newspapers for the Fund
- Resolution 5-14, Designating Authorized Depositories for Fund Assets/Cash Mgmt plan
- Resolution 6-14, Designating Signatures for Fund Bank Accounts
- Resolution 7-14, Indemnifying NJCE Officials/Employees
- Resolution 8-14, Authorizing Fund Treasurer to Process Contracted Payments & Expenses
- Resolution 9-14, Appointing Fund Treasurer
- Resolution 10-14, Appointing Fund Attorney
- Resolution 11-14, 2014 Risk Management Plan

**MOTION TO ADOPT RESOLUTIONS 1-14 THROUGH 11-14:**

Moved: Commissioner Angilella  
Second: Commissioner Mecouch  
Roll Call: 7 Ayes – 0 Nays

**NJCE MEMBERSHIP:** We are pleased to announce that Hudson County and Mercer County Insurance Fund Commission have joined the Fund effective January 1, 2014. We welcome Commissioner Edmund Shea from Hudson and Commissioner Andrew Mair from Mercer.

Enclosed in the agenda was a report from Frank Proctor covering on-going marketing efforts. Mr. Proctor said efforts for 2014 will focus on Ocean, Atlantic, Cape May, Bergen and Essex Counties in that priority order. Mr. Proctor Ocean County renews a bulk of their program on June 1<sup>st</sup> and will be presented a quote within the next month or so in order to meet the renewal date. Mr. Proctor said his office continues to track entities currently not in the NJCE program to compare coverages in order to quote and increase fund membership.

**2014 FUND YEAR BUDGET:** At the Fund's December 12, 2013 meeting, the Board adopted the 2014 budget and certified assessments totaling \$13,833,776 for six members.

Executive Director said subsequent to the December meeting a number of changes occurred and the current 2014 Budget is \$17,902,582 due to the following:

- Addition of Hudson County – total assessment of \$1,833,745
- Addition of Mercer County Insurance Fund Commission – total assessment of \$2,164,952
- Reallocation of Excess Premium - \$157,500
- Additional entity to Cumberland County Insurance Commission - \$70,109

Executive Director recommended the 2014 budget be amended via a public hearing as it has increased by more than 5%. Executive Director suggested the public hearing coincide with a Commission meeting so that Commissioner schedules are not affected. Executive Committee discussed and agreed March 27, 2014 at 1:45PM would be suitable to amend the budget and requested that a teleconference option also be made available. The fund office will properly advertise the public hearing.

**MOTION TO INTRODUCE ON FIRST READING THE AMENDMENTS TO THE 2014 BUDGET AND TO SCHEDULE THE PUBLIC HEARING ON MARCH 27, 2014 AT 1:45PM CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD, NJ:**

Moved: Commissioner White  
Second: Commissioner Angilella  
Vote: Unanimous

**2014 MEETING SCHEDULE:** It would be appropriate for the board to review the below **proposed** meeting dates for 2014, which fall on the 4<sup>th</sup> Thursday of the month unless otherwise noted. Once agreed, the Fund office will advertise and distribute the appropriate meeting notices.

**March 27, 2014** – 2014 Budget Hearing

**April 24, 2014**

**June 26, 2014**

**September 25, 2014**

**December 11, 2014** – (4<sup>th</sup> Thursday is December 25<sup>th</sup>)

**February 26, 2015** – 2015 Reorganization Meeting

**MOTION TO ADOPT THE 2014 MEETING SCHEDULE INCLUDING THE 2015 REORGANIZATION:**

Moved: Commissioner Angilella  
Second: Commissioner White  
Vote: Unanimous

**NJCE WEBSITE:** The fund's website, [www.njce.org](http://www.njce.org), continues to be updated on an as-needed basis with fund information and will reflect the 2014 Reorganization changes.

**FINANCIALS:** Executive Director reviewed the Financial Fast Track as of December 31, 2013 and said the Fund's current surplus is \$3.7 million and the fund continues to operate at an excellent financial position.

**CLAIM REPORTING REQUIREMENTS:** Enclosed in Appendix II was a memorandum dated 1/27/14 distributed to all local Commission TPA's on the 2014 Claim Reporting Procedures. This is for information only and no action was required.

**UNDERWRITING MANAGER REPORT:**

**2014 ANCILLARY & EXCESS RENEWALS:** The Board previously approved authorization for the Underwriting Manager to bind coverage of the 2014 renewal program. The Extraordinary Unspecifiable Services (EUS) statements were included in the agenda as well as Resolution 14-14 memorializing the authorization of the purchase of insurances.

Included in the agenda was a report by the Underwriting Manager on the 2014 Renewal Program. Underwriting Manager stated there was success in negotiating 3 options for the Excess Liability (\$15,000,000 excess of the underlying Underwriters at Lloyds policy) with National Casualty Company/Markel Insurance Company, Underwriters at Lloyds and the incumbent carrier, Starr Indemnity Company. The combination of National Casualty Company and Markel Insurance Company provided the most aggressive terms, coverages, conditions, limits and cost for your 1/1/2014-2015 renewal. Coverage was bound with National Casualty Company & Markel Insurance Company for the Excess Liability Program, at a cost of approximately \$180,000 under the budgeted amount.

In addition to the existing coverages, several members elected to purchase Network Privacy & Security Liability coverage through National Union Fire Insurance Company (AIG) in 2014. A number of other members are still contemplating coverage and will likely bind coverage in 2014. The members who elected to bind coverage in 2014 so far are as follows:

1. Camden County (including Camden County Board of Social Services and Camden County Improvement Authority)
2. Camden County Municipal Utilities Authority
3. Gloucester County
4. Gloucester County Improvement Authority
5. Cumberland County
6. Burlington County
7. Burlington County Board of Social Services

**2014 RENEWAL POLICIES:** The renewal policies are made available to NJCE members electronically through the Conner Strong & Buckelew secure website at [sftp.connerstrong.com](http://sftp.connerstrong.com) for those authorized representatives designated by their respective member entity. We are in the process of reviewing the policies and will release an e-mail with instructions to access the website when the policies are available. The policies are expected to be available by April 2014. To be granted access to the secure site please contact Michelle Williamson at 267-702-1424.

Ms. Leighton said Conner Strong & Buckelew clients continue to request value added resources and said a “lunch & learn” session was scheduled for March 27, 2014 on strategies on defense of claims. Ms. Leighton asked that any commissioner wishing to attend to contact her for details.

**TREASURER REPORT:**

Included in the agenda was the confirmation of January bills list, the February bills list, Resolution 12-14 and the Treasurer’s reports for October thru December 2013.

**VOUCHER PAYMENTS (BILL LIST) –**

January Bills Confirmation of Payments	\$5,660,423.25
February Bills Resolution 12-14	\$ 522,781.30

**MOTION TO CONFIRM THE JANUARY 2014 PAYMENTS AND APPROVE THE FEBRUARY BILLS LIST RESOLUTION 12-14:**

Moved: Commissioner White  
Second: Commissioner Angilella  
Vote: 7 Ayes – 0 Nays

**SAFETY DIRECTOR:**

**REPORT:** Safety Director reviewed his report, which included a summary of activities for December 2013 - March 2014.

Safety Director said Commissioner Dean Sizemore of Gloucester County Insurance Commission submitted a request that the NJCE reimburse training of animal control employees at a cost of \$55 per employee for ten employees. Executive Director said the NJCE returns any uncollected premiums on the ancillary coverages back to Commission members and it would be appropriate to discuss these requests at the local Commission level and not NJCE. Chairman Smith agreed and said reimbursement should be addressed at local level and reimbursement may set a precedent.

**FUND ATTORNEY:**

**REPORT:** Fund Attorney said there was nothing to report for the month.

**CLAIMS ADMINISTRATOR:**

**REPORT:** CompServices Inc. prepared a summary report of any claims with large open reserves to be reviewed during Closed Session. Enclosed in the agenda was Resolution 13-14 authorizing the need for closed session.

**MOTION TO ADOPT RESOLUTION 13-14 AUTHORIZING THE NEED TO ENTER INTO CLOSED SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS EXCESS CARRIER NEGOTIATION AND REVIEW OF COVERAGES AND TO DISCUSS POTENTIAL LITIGATION ON CLAIM NUMBERS 640-112-0000016, 353000576 AND 64GL00004544:**

Moved: Commissioner White  
Second: Commissioner Angilella  
Vote: 7 Ayes – 0 Nays

**MOTION TO RETURN TO OPEN SESSION:**

Moved: Commissioner White  
Second: Commissioner Angilella  
Vote: 7 Ayes – 0 Nays

As per discussion held during Closed Session as permitted via Resolution 13-14, motion to approve the Payment Authority Request of \$250,000 for claim #640-112-0000016 to resolve and bring matter back for settlement discussion at a later date.

**MOTION TO APPROVE THE PAYMENT AUTHORITY REQUEST OF \$250,000 FOR CLAIM 640-112-0000016:**

Moved: Commissioner White  
Second: Commissioner Angilella  
Vote: 6Ayes – 0 Nays

**RESOLUTIONS:**

**RESOLUTION 14-14:** Resolution authorizing renewal and purchase of ancillary and excess insurances for the period January 1, 2014 to January 1, 2015.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT**

**MOTION TO OPEN MEETING TO PUBLIC**

Moved: Commissioner Angilella  
Second: Commissioner White  
Vote: Unanimous

**MOTION TO CLOSE MEETING TO PUBLIC**

Moved: Commissioner White  
Second: Commissioner Angilella  
Vote: Unanimous

**NON- AGENDA ITEMS**

NONE

**MOTION TO ADJOURN:**

Moved:	Commissioner Angilella
Second:	Commissioner White
Vote:	Unanimous

**MEETING ADJOURNED: 1:48PM**

**NEXT MEETING: March 27, 2013**

**Camden County Emergency Training Center 1:45 PM**

Nancy A. Ghani, Assisting Secretary

for

**ROSS ANGILELLA, SECRETARY**