

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
OPEN MINUTES

JUNE 26, 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
Ross Angilella, Secretary	Camden County	Absent
Gerald White, Commissioner	Gloucester County	Present
Norman Albert, Commissioner	Union County	Present - <i>via teleconference</i>
Robert Vanderslice, Commissioner	Salem County	Absent
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference</i>
Ken Mecouch, Commissioner	Cumberland County	Absent
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
John Kelly, Commissioner	Ocean County	Present - <i>via teleconference</i>

SPECIAL FUND COMMISSIONERS

Marc Krassan	Burlington County	Absent
--------------	-------------------	--------

ALTERNATE FUND COMMISSIONERS

Ann Marie Wright	Camden County	Present
Carl Block	Ocean County	Present - <i>via teleconference</i>

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services James Kickham Nancy A. Ghani - <i>via teleconference</i>
----------------------------------	---

Attorney	Laura Paffenroth, Esq.
----------	-------------------------------

Safety Director	JA Montgomery Risk Control Glenn Prince, Dave McHale
-----------------	--

Claims Administrator	CompServices Tom Watkins
----------------------	------------------------------------

Underwriting Manager	Conner Strong & Buckelew Tom Nolan
----------------------	--

Auditor	Bowman & Company Dennis Skalkowski
---------	--

ALSO PRESENT:

Louis DiAngelo, Camden Ins Commission Fund Commissioner
Robin Racioppi, Acrisure, Union County Risk Manager
Carol Mack, Conner Strong & Buckelew
Joe Porch, Conner Strong & Buckelew
Mary Lou Doner, PERMA
Joseph Hrubash, PERMA
Brad Stokes, PERMA
Cathy Dodd, PERMA

MINUTES: Open Minutes of April 24, 2014

APPROVAL OF MINUTES FROM APRIL 24, 2014 AS PRESENTED:

Moved:	Commissioner White
Second:	Commissioner Wright
Vote:	Unanimous – 1 Abstain (Commissioner Kelly)

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR'S REPORT:

NJCE MEMBERSHIP – OCEAN COUNTY: We are pleased to announce that Ocean County joined the Fund effective June 1, 2014 as the NJCE's 9th member. We welcome Ocean County to the Fund, Freeholder John P. Kelly has been appointed as Commissioner and County Administrator Carl Block as Alternate Commissioner.

2014 BUDGET AMENDMENT: Enclosed in the agenda was a copy of the current overall budget and by member. Executive Director said the addition of Ocean County to the program represents a 5.19% increase to the budget. In accordance with the local regulations, it would be appropriate to amend the budget via a public hearing utilizing the teleconference system based on Commissioner's availability and/or in conjunction with the Camden Insurance Commission July 24, 2014 meeting. The Board discussed and agreed to schedule a public meeting on July 24, 2014 at 1:30PM to amend the budget.

MOTION TO INTRODUCE ON FIRST READING THE AMENDMENTS TO THE 2014 BUDGET AND TO SCHEDULE THE PUBLIC HEARING ON JULY 24, 2014 AT 1:30PM AT THE CAMDEN COUNTY REGIONAL EMERGENCY TRAINING CENTER:

Moved:	Commissioner White
Second:	Chairman Smith
Vote:	Unanimous

The fund office will advertise the public hearing with the fund's official newspapers, as well as, post it on the NJCE website.

DECEMBER 31, 2013 AUDIT: Copies of the draft financial audit for the period ending December 31, 2013 and the Actuarial Valuation as of December 31, 2013 were distributed for review. Fund Auditor said the audit is almost complete, but there are a few items to complete to produce a final report. Fund Auditor reviewed the statements of the NJCE JIF Audit as of December 31, 2013 and said there were no comments or recommendations. Fund Auditor said he does not expect any changes to be made to the final report. Executive Director said it would be appropriate for the Board to direct the fund office to file the draft audit and seek an extension from the Department of Community Affairs. Enclosed in the agenda was Resolution 20-14 authorizing this action.

MARKETING REPORT: Enclosed in the agenda was a report from Frank Proctor updating the new business activities for the CELJIF. The report indicated that the underwriting data for Atlantic County is currently being obtained and reviewed to provide quotes for a 1/1/15 membership date. Executive Director reported that initial meetings are being set up with Bergen and Monmouth counties, as well as other southern counties that have expressed interest in the fund.

PROPERTY PROGRAM – CATASTROPHE MODELING: Executive Director said with the growth in the membership, our property insurance limits, particularly the \$135 million per occurrence named storm limit, is spread over a larger insured value/risk than in earlier years. The insurance industry has developed modeling programs to estimate the amount of loss to a particular peril such as wind, fire or earthquake. This so called “CAT Model” is based on the actual location data from each insured together with construction and exposure information. The output is a series of estimates called Probable Maximum Loss (PML) for the peril being measured.

Executive Director said there are a limited number of firms offering this analysis and it is in the range of \$15,000 to \$20,000 depending on the size of the database being analyzed. We ask for a motion authorizing PERMA to prepare and release an RFP with the assistance of the Fund Attorney. Members of the Board did not object to a study/CAT Model and agreed with the recommendation to prepare an RFP for these services.

MOTION TO AUTHORIZE THE FUND OFFICE TO PREPARE AN RFP FOR A CAT MODELING STUDY BASED ON JIF STANDARD CRITERIA AND RELEASE FOR ADVERTISEMENT:

Moved: Commissioner White
Second: Chairman Smith
Vote: 7 Ayes – 0 Nays

THIRD PARTY CLAIMS (TPA) ADMINISTRATOR

NAME CHANGE: Enclosed in the agenda was a notice from CompServices who will now be doing business as AmeriHealth Casualty Services as of May 19th. Enclosed was Resolution 22-14 amending the contract to reflect the name change.

RFP: As previously reported, the fund’s contract with CompServices will expire on 8/1/14. The fund office advertised the RFP for a TPA Claims Administrator and received responses from two vendors, Amerihealth Casualty Services and Inservco Insurance Services, Inc. Executive Director said it would be appropriate to discuss the responses during Closed Session. Enclosed in the agenda was Resolution 24-14 authorizing the need for Closed Session.

ACTUARY: As previously reported, the fund’s contract with The Actuarial Advantage will expire on 6/30/14. The fund office issued a Request for Price Quotes was advertised and was sent to three firms to provide a response. The Actuarial Advantage was the only firm to respond and their complete response was included in Appendix II of the agenda. In response to the Fund Attorney’s inquiry, Ms. Ghani Fund Assistant Secretary confirmed that the price quote request was sent to three different vendors for a response and only one firm, The Actuarial Advantage, responded. In addition, the price quote was advertised in all of the fund’s official newspapers.

Enclosed in the agenda was Resolution 23-14 appointing The Actuarial Advantage as Fund Actuary based on their submitted quote.

FINANCIAL DISCLOSURES: The fund office has provided all Fund Commissioners with the PIN they need to complete their Financial Disclosure filing for the NJCE JIF. The deadline for filing was June 13th. All but five commissioners have filed their disclosure forms and reminders have been sent to file.

CLAIMS STATUS SUMMARY: AmeriHealth Casualty Services prepared a summary report of any claims with large open reserves to be reviewed during Closed Session. Enclosed in the agenda was Resolution 25-14 authorizing the need for closed session.

NJCE WEBSITE: The fund's website, www.njce.org, continues to be updated on an as-needed basis with fund information.

FINANCIALS: Executive Director referred to the Financial Fast Track as of May 31, 2014 and said the Fund's current surplus of \$4.1 million.

UNDERWRITING MANAGER:

2014 RISK MANAGEMENT PLAN: Included in the agenda as part of the Underwriting Manager's report was a revised Risk Management Plan reflecting the addition of Ocean County to the program, the change to a three insurer quota for the excess property and a name change for the Gloucester County College. The Risk Management Plan was included in the agenda as Resolution 26-14.

2014 EXCESS COVERAGE OCEAN COUNTY: The Extraordinary Unspecifiable Services (EUS) statements for Ocean County were included in the agenda as part of the Underwriting Manager's report and enclosed was Resolution 21-14 memorializing the purchase of insurances.

TREASURER REPORT:

Included in the agenda was a confirmation of payments for May 2014, Resolution 24-14 bills list for June 2014, as well as the Treasurer's reports for March and April. In addition, Resolution 27-14 supplemental June 2014 bills list was distributed.

VOUCHER PAYMENTS (BILL LIST) –

May 2014 Confirmation of Payments	\$2,045,192.41
June 2014 Resolution 24-14	\$ 975,767.25
June 2014 Supplemental 27-14	\$ 10,499.15

MOTION TO CONFIRM THE MAY 2014 PAYMENTS, APPROVE THE JUNE 2014 BILLS LIST RESOLUTION 24-14 AND THE JUNE 2014 SUPPLEMENTAL BILLS LIST RESOLUTION 27-14 AS PRESENTED:

Moved: Commissioner White
Second: Chairman Smith
Vote: 6 Ayes – 1 Abstain (Commissioner Kelly)

FUND ATTORNEY:

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

SAFETY DIRECTOR'S REPORT:

REPORT: Safety Director reviewed his report, which included a summary of activities for April through July 2014.

RESOLUTIONS:

RESOLUTION 20-14: Resolution authorizing the Executive Director to file the draft audit for the year ending December 31, 2013 and to request an extension to file the final audit.

RESOLUTION 21-14: Resolution authorizing the renewal and purchase of ancillary and excess insurance for Ocean County for the period of June 1, 2014 through January 1, 2015.

RESOLUTION 22-14: Resolution authorizing an amended agreement, pursuant to a publicly advertised request for proposals by and between the New Jersey Counties Excess Joint Insurance Fund and CompServices Inc., to reflect name change to AmeriHealth Casualty Services.

RESOLUTION 23-14: Resolution authorizing a professional services agreement, pursuant to a solicitation of quotations, by and between the New Jersey Counties Excess Joint Insurance Fund and The Actuarial Advantage.

RESOLUTION 26-14: Resolution amending the 2014 Risk Management Plan to reflect the addition of Ocean County to the program.

MOTION TO ADOPT RESOLUTIONS 20-14, 21-14, 22-14, 23-14 AND 26-14 AS PRESENTED:

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

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 25-14 authorizing the need for closed session.

MOTION TO ADOPT RESOLUTION 17-14 AUTHORIZING THE NEED TO ENTER INTO CLOSED SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO 1) DISCUSS CONTRACT NEGOTIATIONS WITH RESPECT TO THE CLAIMS ADMINISTRATION RFQ AND 2) DISCUSS POTENTIAL LITIGATION ON CLAIM NUMBERS 640-112-0000016, 6401102, 353000576 AND 64GLO01823:

Moved: Commissioner White
Second: Commissioner Wright
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner White
Second: Commissioner Wright
Vote: Unanimous

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Wright
Second: Commissioner White
Vote: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner White
Second: Commissioner Wright
Vote: Unanimous

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved:	Commissioner Wright
Second:	Commissioner White
Vote:	Unanimous

MEETING ADJOURNED: 1:42PM

NEXT MEETING: July 24, 2014

Camden County Emergency Training Center 1:30 PM

Nancy A. Ghani, Assisting Secretary

for

ROSS ANGILELLA, SECRETARY