

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
OPEN MINUTES
NOVEMBER 17, 2016
CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD, NJ
1:00 PM**

**MEETING OF THE FUND CALLED TO ORDER AT 1:00 PM BY CHAIRMAN
ANGILELLA**

OPEN PUBLIC MEETING ACT READ INTO RECORD

PLEDGE OF ALLEGIANCE – Chairman Angilella led Commissioners in the Pledge of Allegiance.

ROLL CALL BOARD OF FUND COMMISSIONERS

Ross Angilella, Commissioner	Camden County	Present
John Kelly, Commissioner	Ocean County	Present – <i>via teleconference</i>
Jeannette Kessler, Commissioner	Atlantic County	Present – <i>via teleconference</i>
Kendall Collins, Commissioner	Burlington County	Absent
Ken Mecouch, Commissioner	Cumberland County	Present – <i>via teleconference</i>
Gerald White, Commissioner	Gloucester County	Present
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference</i>
Jessica Foote Bishop, Commissioner	Salem County	Absent
Michael Yuska, Commissioner	Union County	Absent

ALTERNATE FUND COMMISSIONERS

Anna Marie Wright	Camden County	Present
Carl Block	Ocean County	Present – <i>via teleconference</i>
Katie Coleman	Salem County	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator PERMA Risk Management Services
James Kickham, Paul Laracy, Joe Hrubash
Nancy A. Ghani - *via teleconference*

Attorney **Laura Paffenroth, Esq.**

Treasurer **David McPeak**

Underwriting Manager Conner Strong & Buckelew
Edward Cooney, Alex DeLuccia

Claims Administrator AmeriHealth Services
Tom Watkins

Safety Director J.A. Montgomery
Glenn Prince - *via teleconference*

ALSO PRESENT:

Louis DiAngelo, Camden County
Gail White, Scirocco Group - *via teleconference*
Joe Porch, Conner Strong & Buckelew - *via teleconference*
Mary Ann Sander, Conner Strong & Buckelew - *via teleconference*
Robyn Walcoff, PERMA Risk Management Services - *via teleconference*
Brad Stokes, PERMA Risk Management Services- *via teleconference*
Cathy Dodd, PERMA Risk Management Services – *via teleconference*

MINUTES: Open Minutes of October 27, 2016; there was no Closed Minutes to present as there was no Closed Session.

MOTION TO APPROVE THE OPEN MINUTES FROM OCTOBER 27, 2016 AS PRESENTED:

Moved: Commissioner White
Second: Commissioner Kessler
Roll Call Vote: 6 Ayes – 0 Nays – 1 Abstain (Commissioner Kelly)

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR'S REPORT:

2017 BUDGET: Executive Director said the Fund introduced the proposed 2017 budget last month, which was advertised in the Fund's designated newspapers.

Executive Director said the fund office has obtained final confirmation on property and payroll figures submitted and the budget represents underwriting data as of 11/10/16. Enclosed in the agenda was the 2017 budget totaling \$20,977,357, as well as, the assessments by member.

Included in the agenda were the following budget highlights for reference:

Claims Loss Funds – lines 1-4

Actuary projected overall 3% increase to projected claims loss funding for Liability, Auto and Workers' Compensation; one county's workers' compensation self-insured retention (SIR) will increase from \$250,000 to \$300,000 for 2017.

Premiums – lines 8-13

Overall 3.1% decrease based on submitted underwriting data as applied against expiring 2016 rates.

The introduced budget contemplated a change in the property SIR from \$100,000 to \$250,000 for the underlying Commission and stand-alone County members. The Underwriting Manager was able to negotiate the renewal at the expiring SIR of \$100,000 and \$250,000 for Vacant Properties both at a flat rate renewal.

Expenses – lines 20-30

Overall 2.7% decrease with a 2% increase to professional and contractual fees. An additional line item *Underwriting Data Validation* was built into budget to reflect a progressive initiative to obtain consistent and ratable data through payroll audits, property appraisals and an underwriting data system.

Ancillary Coverages – lines 37-45

Flat renewal for these optional coverages purchased by members

MOTION TO OPEN THE PUBLIC HEARING ON THE 2017 BUDGET:

Moved: Commissioner White
Second: Chairman Angilella
Vote: Unanimous

MOTION TO CLOSE THE PUBLIC HEARING ON THE 2017 BUDGET:

Moved: Chairman Angilella

Second: Commissioner White
Vote: Unanimous

MOTION TO ADOPT THE 2017 BUDGET TOTALING \$20,977,357 AND CERTIFY THE 2017 ASSESSMENTS AS PRESENTED:

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

Executive Director said it would be appropriate to authorize the Underwriting Manager to bind and enter into the required agreements for the 2017 excess and ancillary coverages; a resolution formalizing the action will be included in the 2017 Reorganization agenda.

Executive Director said the workers' compensation carrier has indicated there may be potential retention limit changes at the NJCE level to consider for rate savings. Executive Director if presented with favorable options then these would be referred to the same sub-committee that reviewed the budget; however, given the timing Executive Director requested the Underwriting Manager be given authorization to review these retention limit changes and bind coverage. Discussion ensued and it was agreed that should any additional options at the NJCE level be available would be presented via a telephonic meeting to be scheduled before the end of the year if necessary.

MOTION TO AUTHORIZE THE UNDERWRITING MANAGER TO BIND AND ENTER INTO THE REQUIRED AGREEMENTS FOR THE 2017 EXCESS AND ANCILLARY COVERAGES:

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

PROFESSIONAL CONTRACTS – ACTUARY: Executive Director said as reported last month, the fund's contract with The Actuarial Advantage expired. The fund office issued a Request for Price Quotes and two firms responded: The Actuarial Advantage and SGRisk, LLC.

Executive Director said The Actuarial Advantage submitted a fee of \$21,648 and SGRisk LLC submitted a fee of \$18,900. Executive Director said a recommendation is being made to award a contract to The Actuarial Advantage based on services provided to this fund since inception and their experience with joint insurance funds around the State. Executive Director said SGRisk is a well qualified firm and has had a long relationship working with the South Bergen JIF. Executive Director said the price difference between the two firms is minimal, noted SGRisk referenced peer review in their submission and would suggest that whichever firm is awarded the contract that it include peer review which is an industry standard.

Chairman Angilella requested feedback from other commissioners. Commissioner White said he would agree with the recommendation made to award the contract to The Actuarial Advantage given the history the firm has with the fund since inception especially if the fund may review retention limit changes. Commissioner Kelly said he agreed with the recommendation made by the Executive Director. Commissioner Kessler said that SGRisk's proposal noted that only 20% of their business are municipal clients; Commissioner Mair agreed and said The Actuarial Advantage has a unique amount of experience with county joint insurance funds.

Following discussion, Chairman Angiella made a motion that The Actuarial Advantage be awarded the contract based on their submitted quote and that the resolution in the agenda be revised to cite the reasons noted at today's meeting.

MOTION TO AWARD A ONE-YEAR CONTRACT TO THE ACTUARIAL ADVANTAGE BASED ON THEIR SUBMITTED FEE:

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

FINANCIAL FAST TRACK: Enclosed in the agenda was the Financial Fast Track as of September 30, 2016 reflecting a total statutory surplus of \$7.6 million.

RETIREMENT: As previously announced, Executive Director said this meeting would be Jim Kickham's last attendance and thanked him for his guidance and service. Chairman Angiella thanked Mr. Kickham for his service said on behalf of all the fund commissioners and professionals.

UNDERWRITING MANAGER REPORT:

Included in the agenda was a report by the Underwriting Manager on the 2017 marketing update.

TREASURER REPORT:

Included in the agenda was November 2016 bills list as Resolution 40-16. Also included were the Treasurer's reports for August 2016.

VOUCHER PAYMENTS (BILL LIST) –

Resolution 40-16 November 2016 Bills Approval of Payments \$134,147.62

Resolution 41-16 November 2016 Supplemental Bills List Approval of Payments \$12,514.08

MOTION TO APPROVE PAYMENTS OF NOVEMBER 2016 BILLS RESOLUTION 40-16 AND NOVEMBER 2016 SUPPLEMENTAL BILLS LIST RESOLUTION 41-16 AS PRESENTED:

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

SAFETY DIRECTOR:

REPORT: Safety Director provided a verbal report on risk control activities and requested members contact J.A. Montgomery for any training needs.

FUND ATTORNEY:

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

CLAIMS ADMINISTRATOR:

REPORT: Claims Administrator said there was nothing to report for Open Session and there was no need for Closed Session.

RESOLUTIONS:

RESOLUTION 39-16: Appointment of an Actuary

CLOSED SESSION:

NONE

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Chairman Angilella
Second Commissioner Kessler
Vote: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Chairman Angilella
Second Commissioner White
Vote: Unanimous

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Chairman Angilella
Second: Commissioner Collins
Vote: Unanimous

MEETING ADJOURNED: 1:24PM

**NEXT MEETING: February 23, 2017
Camden County Emergency Training Center 1:00 PM**

Nancy A. Ghani, Assisting Secretary

for

JOHN KELLY, SECRETARY