

**CENTRAL JERSEY JOINT INSURANCE FUND
MEETING MINUTES
January 20, 2021
ZOOM CONFERENCE CALL**

**MEETING OF THE EXECUTIVE COMMITTEE CALLED TO ORDER AT 2:00 P.M.
OPEN PUBLIC MEETING STATEMENT READ INTO RECORD**

ROLL CALL OF THE 2020 EXECUTIVE COMMITTEE

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| William Northgrave, Township of Edison | Present |
| Daniel Frankel, Borough of Sayreville | Present |
| Nancy Costa, Township of Hillsborough | Present |
| Timothy Dacey, Piscataway | Present |
| Robert Vornlocker, Township of Franklin | Present |
| Michael Gross, City of South Amboy | Present |
| Marcia Karrow, Borough of Middlesex | Present |
| Joseph Criscuolo, Township of East Brunswick | Present |
| Casey Wagner, Township of Woodbridge | Present (2:20 pm) |
| William Robins, Borough of Dunellen | Present |
| Melissa Perilstein, Borough of Metuchen | Absent |
| Edward Kirschenbaum, Borough of Belmar | Absent |

ALSO PRESENT:

Jeremy Solomon, Bob Smith & Associates
Richard Lorentzen, Treasurer
Raven Williams, Township of Franklin
Charles Van Der Linde, Borough of Belmar
Donna Setzer, Qual Lynx
Kathy Kissane, Qual Lynx
Cathy Lambe, Qual Lynx
Jay McManus, North American Insurance Management
Robin Racioppi, North American Insurance Management
Amy Pieroni, North American Insurance Management
Patti Fahy, North American Insurance Management
Lindsay Travali, North American Insurance Management
Dominick Cinelli, Brown & Brown
Shakirah Sanford, Brown & Brown
Don Ruprecht, JA Montgomery Risk Control
Michael Brosnan, JA Montgomery Risk Control
Paul Shives, JA Montgomery Risk Control
Michael Avalone, Conner Strong & Buckelew
Ilene Laursen, Conner Strong & Buckelew
Edward Cooney, Conner Strong & Buckelew
Jennifer Conicella, Perma

Robyn Walcoff, Perma
Joseph Hrubash, Perma
Brad Stokes, Perma
Rachel Chwastek, Perma

MINUTES: December 18, 2020 Open Minutes

MOTION TO APPROVE MINUTES FOR DECEMBER 18, 2020

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| Moved: | Commissioner Dacey |
| Second: | Commissioner Karrow |
| Vote: | Unanimous |

CORRESPONDENCE: None

MOTION TO ADJOURN SINE DIE MEETING

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| Moved: | Commissioner Gross |
| Second: | Commissioner Karrow |
| Vote: | Unanimous |

The Chairman turned the meeting over to the Executive Director. The Executive Director called for a roll call.

REORGANIZATION

ROLL CALL OF THE 2021 EXECUTIVE COMMITTEE

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| William Northgrave, Township of Edison | Present |
| Daniel Frankel, Borough of Sayreville | Present |
| Nancy Costa, Township of Hillsborough | Present |
| Timothy Dacey, Piscataway | Present |
| Robert Vornlocker, Township of Franklin | Present |
| Michael Gross, City of South Amboy | Present |
| Marcia Karrow, Borough of Middlesex | Present |
| Joseph Criscuolo, Township of East Brunswick | Present |
| Casey Wagner, Township of Woodbridge | Present (2:20pm) |
| William Robins, Borough of Dunellen | Present |
| Melissa Perilstein, Borough of Metuchen | Absent |
| Bernard Hvozdovic, Township of South Brunswick | Present |
| Edward Kirschenbaum, Borough of Belmar | Absent |

ELECTION OF CHAIRPERSON, VICE CHAIR, SECRETARY AND EXECUTIVE COMMITTEE

The Executive Director advised the proposed nominations for the 2021 Board of Commissioners, Executive Committee and Alternates was included in the agenda. He asked if there were any other nominations. There were no other nominations.

The Executive Director reported that also included in the agenda was the list of Central standing committees. The Executive Director advised the new commissioner, Commissioner Hvozdovic had volunteered to join the Claims and Safety Committees, and would be added.

MOTION TO CLOSE NOMINATIONS AND NOMINATE THE RECOMENDATIONS FROM THE NOMINATING COMMITTEE FOR FUND YEAR 2021:

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| Moved: | Commissioner Dacey |
| Second: | Commissioner Karrow |
| Vote: | Unanimous |

The Fund Attorney then advised all the Commissioners to complete their Oaths of Office and send them to the Fund Office.

EXECUTIVE DIRECTOR'S REPORT

REORGANIZATION RESOLUTIONS – Included in the Agenda Packet were the Resolutions necessary to undertake the 2021 Reorganization of the Fund. Resolutions were reviewed by the Executive Director and approved as a Consent Motion.

MOTION TO APPROVE RESOLUTIONS 1-21 THRU 13-21

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| Moved: | Commissioner Karrow |
| Second: | Commissioner Dacey |
| Vote: | 10 Ayes, 0 Nays |

WELCOME NEW MEMBER – The Executive Director welcomed Fund Commissioner Bernard Hvozdovic and the Township of South Brunswick as a member of the Fund.

COMMITTEE APPOINTMENTS – The Fund has six standing committees, the list of committees and its members were included in the agenda.

AMENDING THE 2021 BUDGET – The Executive Director reported with the addition of the South Brunswick to the Central JIF, there is a need to amend the 2021 Budget. The revised budget in the amount of \$16,746,322 was included in the agenda. Since the budget amendment increase exceeds 5%, the Fund will need to schedule a public hearing for our February meeting.

MOTION TO SCHEDULE A PUBLIC HEARING FOR THE PURPOSE OF AMENDING THE 2021 BUDGET

Moved: Commissioner Karrow
Second: Commissioner Gross
Vote: 10 Ayes, 0 Nays

Residual Claims Fund 2021 Reorganization Meeting: The Residual Claims Fund's Reorganization meeting was January 6, 2021 via Zoom. Enclosed in the agenda was a copy of Commissioner Northgrave's report on the meeting.

E-JIF 2021 Reorganization Meeting: The E-JIF's Reorganization meeting was January 6, 2021 via Zoom. Enclosed in the agenda was a copy of Commissioner Northgrave's report on the meeting.

MEL 2021 Reorganization Meeting: The MEL's Reorganization meeting was January 6, 2021 via Zoom. Enclosed in the agenda was a copy of Commissioner Northgrave's report on the meeting.

The Executive Director advised the MEL spent some time discussing the excess renewal and requested that Mr. Cooney review that during his report.

2021 Assessments – 1st Installment Billings: The first installment billings were mailed out last month and were due back to the Fund Treasurer Richard Lorentzen by January 15th.

CDL Testing Reimbursement – The Executive Director reported members are eligible for reimbursement for their 2020 CDL Testing expenses through the Central JIF. Please submit copies of your invoices and/or vouchers to the Fund Office for reimbursement.

Cybersecurity Awareness Program – With the appointment of D2/CYBERSECURITY as the JIF's cybersecurity vendor, we are about to kick off training for all of our employees. The Fund office has requested that members provide employee counts and email addresses for anyone with network access. We still need that information from several members, a reminder was sent out earlier this month.

Commissioner Criscuolo added this is a welcome step in the ongoing journey to ensure cyber security and this is very important topic. He added he was very impressed with their presentation and Commissioner Vornlocker's review, having used them this past year. Commissioner Vornlocker agreed with Commissioner Criscuolo and advised they've seen an improvement in their staff based on this training.

The Executive Director advised eight of the members have returned the requested information and asked the remaining members to get that in as soon as possible.

2021 Safety Incentive Program Resolution: The Executive Director reminded the membership to pass the applicable resolution adopting the 2021 Safety Incentive Program and to provide a copy of the Resolution to the Fund Office.

Inclement Weather Procedure: As a reminder, PERMA has instituted a procedure for Commissioners to confirm whether or not a meeting has been canceled. The Executive Director will discuss with the Fund Chairman if the meeting should be canceled. In the event of an early morning or evening meeting(s), PERMA will provide a recorded message indicating the status of the meeting. The recorded message can be obtained by calling the Fund's main number (201) 881-7632 at any time of the day or night. For meetings that occur during the course of normal business hours, meeting status can be obtained by utilizing the same number.

Pro-Forma Monitoring Reports: Monthly report submitted to Fund Commissioners including Monthly Fast-Track Accident Frequency, Fast-Track Financial report, Claim Activity Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and the Monthly and Annual Regulatory Checklist. The Executive Director reported the fund currently has a surplus of \$9.6 million, even after issuing a \$1 million dollar dividend. All fund years are running in the positive, except for 2020, but it still needs some time to mature. He also reminded the Commissioners that 2020 will include Covid-19 claims and that will have some effect. The fund LTAF is 1.23, in the middle of the pack, but at an all-time low. The three year average is 1.42. This measures how well the safety program is working.

The Executive Director then thanked the Central JIF for their reappointment, asked if there were any questions and concluded his report.

Commissioner Dacey stated the loss time numbers are unbelievable. Mr. Hrubash agreed they are incredible and to put it in perspective, he reported the JIF average was 5.71 when it was first measured in 1991.

Reports Made Part of Minutes.

TREASURER: The Treasurer, Mr. Richard Lorentzen, presented the Bill's List. He reported also included were the bank statements for the new venture in the JCMI. The Treasurer then asked anyone who has not paid their assessment to submit it as soon as possible.

RESOLUTION 14-21 JANUARY 2021 VOUCHER PAYMENTS

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|------|-----------------|
| 2020 | \$ 17,074.21 |
| 2021 | \$ 1,529,696.72 |

MOTION TO ADOPT RESOLUTIONS 14-21, APPROVING THE JANUARY VOUCHER PAYMENT LIST, AS SUBMITTED:

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| Moved: | Commissioner Dacey |
| Second: | Commissioner Karrow |
| Roll Call Vote: | 10 Ayes, 0 Nays |

Voucher Lists, Treasurer Report & Investment Portfolio Reports Made Part of Minutes.

CLAIMS/ MANAGED CARE:

CLAIMS – Claims Manager, Kathy Kissane, first thanked the Fund for their reappointment. Ms. Kissane advised 2020 has been a challenging year for everyone. They are receiving a lot of Covid claims, and appreciate continuing to be the partner to help Central JIF get through the pandemic. Included in the agenda was the list of the Qual Lynx adjusting and nursing team, so all the members have their contact information. Ms. Kissane reminded the fund her team continues to work remotely, and they have not experienced any issues with that and are available at any time to off any assistance they can. Ms. Kissane reviewed the workers compensation ratio report that shows in December there were 5% indemnity claims, 95% medical only. Not reflected on the report are the record only claims. For those claims, they still reach out to the employees to confirm their exposure and ask them a litany of questions so that we can document their claims file in the event of a future claim petition. The subrogation recovery report shows a little over \$19,000 recovered for the month of December, and almost \$416,000 for the year. The Claims Committee reviewed the 8 PARs, prior to the JIF meeting, for January.

PAYMENT AUTHORIZATION REQUESTS: Executive Committee reviewed payment authorization requests presented by Claims Service in January. Claims Review Committee reviewed and recommended as submitted.

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS FOR JANUARY CLAIMS PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:

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| Moved: | Commissioner Costa |
| Second: | Commissioner Karrow |
| Roll Call Vote: | 10 Ayes, 0 Nays |

MANAGED CARE:

MANAGED CARE – Donna Setzer thanked the Central JIF for the reappointment of Qual Care and reported, for the year, a total of 3,645 bills totaling \$4,772,595.79 came in, \$1,499,400.93 was paid yielding a savings of \$3,273,194.86 or 69% with a network penetration of 98%. Ms. Setzer asked if there were any questions and then concluded her report.

The Executive Director advised the network utilization is the highest of all their JIFs statewide and thanked Ms. Setzer for doing a great job.

The Chairman thanked both Ms. Setzer and Ms. Kissane and advised they are doing a great job and the JIF really appreciates it.

UNDERWRITING MANAGER

INSURANCE RENEWAL – The Underwriting Manger advised he would go through the renewal update and then the Risk Management Plan. Overall, the MEL was provided an update on the insurance renewal at the last meeting and a PowerPoint will be available to everybody. For many months now, the marketplace is in a very tumultuous position. Luckily, the MEL was built for this marketplace, which probably hasn't occurred to this extent since the JIFs were formed. The underwriting team was very creative with the renewal and the MEL is in a strong position going in to 2021. There are some changes which are highlighted in the Risk Management Plan to bring to everyone's attention.

Notably, due to Covid-19, for workers compensation, when employees suffer a work related disease, each employee will be their own occurrence and therefore a separate retention would apply for employee claim. However, historically we have negotiated a special communicable disease endorsement that made such a situation such as COVID one occurrence and therefore one retention applies. Due to the losses sustained in the COVID pandemic for 2021 insurers have eliminated this endorsement from the excess workers compensation policies. Still currently unresolved is the excess insurers' commitment to honor the special communicable disease endorsement's intent. CSB and Perma are working on getting this resolved in our favor.

The only other significant change is for Cyber insurance. The retention was increased to \$200,000, but the MEL is going to provide the difference between the JIF's \$25,000 deductible and the new \$200,000 retention. Mr. Cooney also advised there would be more information coming about this year's claims process for Cyber. Each JIF has their own policy with a \$3 million each claim and \$6 million aggregate limit. Previously, each JIF has their own individual excess cyber policy, but over the past 3-6 months there are now almost no insurers for public entity cyber insurance. Therefore the MEL has purchased excess cyber limits and shares it amongst all member JIFs of the MEL. The new excess limits are \$6 million each claim and a \$9 million aggregate. In total, the coverage limit is \$9 million for each claim and \$15 aggregate, which far exceeds the claims that underwriting has seen over the past few years in the entire MEL system.

The Underwriting Manager also reported the MEL increased their property retention from \$500,000 to \$1,000,000, but that won't affect the local JIF. Also in the casualty program, the MEL historically purchased \$3 million in excess of \$2 million layer, but this year the MEL decided to self-insure this layer of coverage. Both of these changes provided good savings while being very prudent in the approach for the coming years.

The Executive Director added this marketplace is the hardest marketplace since the mid '80s. He advised what is different in this marketplace is that every line of coverage was a struggle as opposed to just property or liability being the issue. He stated Mr. Cooney and his team did a great job.

LIST OF CERTIFICATES ISSUED – There were 6 certificates issued from 10/22/2020 to 11/22/2020.

List of Certificates made part of the minutes.

SAFETY DIRECTOR: - Paul Shives thanked the Fund for their reappointment and advised the Safety Director's report was included in the agenda. The report included a list of 17 loss control visits for the month of November and December and a list of all the bulletins that went out during that time. Also included in the agenda in the section labeled MSI Live there is a link that will take members to the schedule of upcoming webinars, which are scheduled through March. He encouraged all the members to visit the site and register for those available webinars. Mr. Shives asked if there were any questions and then concluded his report.

MARKETING MANAGER: The Marketing Manager welcomed the new member South Brunswick, thanked the Fund for the reappointment and advised they would start looking for new members.

The Executive Director and Chairman agreed they marketing manager is doing a great job.

RISK MANAGERS: NONE

OLD BUSINESS: NONE

NEW BUSINESS: Commissioner Wagner apologized for being late, but advised he was on the call.

PUBLIC COMMENT: NONE

MOTION TO ADJOURN

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| Moved: | Commissioner Criscuolo |
| Second: | Commissioner Dacey |
| Vote: | Unanimous |

Meeting adjournment at 2:33 p.m.

Prepared by Rachel Chwastek, Assisting Secretary for

Nancy Costa, Secretary