

**SALEM COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
APRIL 2, 2015 – 9 AM**

**COUNTY OLD COURTHOUSE
104 MARKET STREET – 2ND FLOOR
SALEM, NJ 08079**

**To attend the meeting via teleconference please dial 1-866-921-5493
and enter passcode 7269691#**

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I. Advertising the notice in the South Jersey News and the Elmer Times**
- II. Filing advance written notice of this meeting with the Commissioners of the SALEM COUNTY INSURANCE FUND COMMISSION; and**
- III. Posting notice on the Public Bulletin Board in the Salem County Courthouse and the Salem County Administration Building and filing it with the County Clerk**

**SALEM COUNTY INSURANCE FUND COMMISSION
AGENDA -OPEN PUBLIC MEETING
APRIL 2, 2015 – 9:00 AM
104 MARKET STREET
SALEM, NJ 08079**

- MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
 - FLAG SALUTE**
 - ROLL CALL OF COMMISSIONERS**
 - APPROVAL OF MINUTES: February 5, 2015 Open Minutes.....Appendix I
February 5, 2015 Closed Minutes.....To be Distributed**

 - CORRESPONDENCE - None**

 - EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMA.....Page 1**

 - COMMITTEE REPORTS**
 - Safety Committee Report.....Verbal**
 - Claims Committee Report.....Verbal**

 - TREASURER – Katie Coleman**
 - Resolution 15-15 Bills List..... Page 11**

 - CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report Page 12**

 - CLAIMS SERVICE – Inservco Insurance Services**
 - Monthly Savings Report Page 14**
 - Liability Claim Payments – 1/1/15 to 2/28/15..... Page 16**
 - Resolution 16-15 Authorizing Disclosure of Claims Check Register.....Page 17**

 - Motion for Executive Session for Certain Specified Purposes for Personnel, Safety, Public Property or Litigation in accordance with the Open Public Meeting Act - PAYMENT AUTHORIZATION REQUEST**

 - Motion to Return to Open Session**
 - Motion to Approve PARS as presented in Closed Session**
-
- OLD BUSINESS**
 - NEW BUSINESS**
 - PUBLIC COMMENT**
-
- MEETING ADJOURNMENT**
 - NEXT SCHEDULED MEETING: June 4, 2015**

SALEM COUNTY INSURANCE FUND COMMISSION

9 Campus Drive, Suite 16
Parsippany, NJ 07054
Telephone (201) 881-7632
Fax (201) 881-7633

Date: April 2, 2015
Memo to: Commissioners of the Salem County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: Executive Director's Report

❑ Establishing the 2015 Plan of Risk Management - The Risk Management Plan is an overview of the Commission's coverage, risks retained by the Commission, reserving philosophy, method of assessing member contributions, claim payment authority, etc. **(Appendix II)**

❑ Motion to Adopt Resolution 14-15 Approving the Risk Management Plan

❑ NJ Excess Counties Insurance Fund (CELJIF) – The CEL held their Reorganization meeting and adopted the respective resolutions to conduct business on February 25, 2015. Commissioner Smith was re-elected as the Chairman of the CEL. A summary report of that meeting is included in the agenda on pages 4-6. The next NJCE Fund meeting is scheduled for April 23, 2015 at 1:00 PM.

❑ Financial Fast Track – Included on **Page 7 & 8** of the agenda are the Financial Fast Tracks for the Salem County Insurance Fund Commission for December and January. As of January 31, 2015 the Commission has a deficit of \$337,603.

❑ NJ CEL Property and Casualty Financial Fast Track - Included in the agenda on **Page 9** is the NJ CEL Financial Fast Track Report as of December 31, 2014. The CEL has a surplus of **\$5,322,956**.

❑ Certificate of Insurance Issuance Report: Attached on **page 10** is the Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of January 30, 2015 to March 25, 2015. There were 2 certificate of insurance issued during this period.

❑ Motion to approve the certificate of insurance report.

❑ Commission's Website – The Commission's website has been updated, visit www.salemcountyinsurancefund.org

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive – Suite 16
Parsippany, NJ 07054-4412
Telephone (201) 881-7632 Fax (201) 881-7633

Date: February 26, 2015
To: Executive Committee
Salem County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: New Jersey Counties Excess Meeting Report

2015 Reorganization: The NJCE conducted its 2015 Reorganization and adopted the respective resolutions to conduct the business of the Fund. As per the NJCE Bylaws, the total number of commissioners exceeds seven and can meet as an Executive Committee with a Chair, Secretary, five-member Executive Committee and up to four Alternate Commissioners. Below is a listing of the 2015 Executive Committee and alternates; however, the NJCE meets as a Board of Fund Commissioners.

2015 Officers & Executive Committee

Chairman	Michael Smith	Burlington County Insurance Commission
Secretary	Ross Angilella	Camden County Insurance Commission
Executive Committee	Gerald White	Gloucester County Insurance Commission
	Norman Albert	Union County
	Ken Mecouch	Cumberland County Insurance Commission
	Andrew Mair	Mercer County Insurance Fund Commission
	Kevin Crouch	Salem County Insurance Commission
Alternate #1	John Kelly	Ocean County
Alternate #2	Janette Kessler	Atlantic County Insurance Commission
Alternate #3	Edmund Shea	Hudson County

2015 Meeting Schedule

April 23, 2015	Camden County Emergency Training Center	1:00PM
June 25, 2015	Camden County Emergency Training Center	1:00PM
September 24, 2015	Camden County Emergency Training Center	1:00PM
October 22, 2015	Camden County Emergency Training Center	1:00PM
November 19, 2015	9 Campus Drive – Parsippany, NJ (Fund Office) Via Teleconference	1:00PM
February 25, 2016	2016 Reorganization Camden County Emergency Training Center	1:00PM

Claims Committee: Executive Director addressed the need to schedule separate NJCE claims meeting to meet at least monthly in conjunction with the fund’s meeting dates. Further discussion and review of dates is required before finalizing a claims committee.

2015 Risk Management Plan: Included as part of the Reorganization was the 2015 Risk Management Plan with changes highlighted from the prior year.

NJCE Membership/Marketing Report: Atlantic County Insurance Commission has joined the Fund effective January 1, 2015 for a total of ten members. Mr. Proctor of Conner Strong & Buckelew provided a marketing report noting that efforts for 2015 will focus on Essex, Monmouth, Bergen, Cape May and Middlesex Counties.

Professional Contracts: Executive Director, Underwriting Manager and Safety Director original contracts have fee provisions based upon a percentage of the budget with a “not to exceed amount” ceiling for the 3-year contract period. The subsequent years of the fee amounts adjust to the corresponding membership and a percentage over the previous year of no more than 2% on the annualized budgeted amount. The Board authorized contract amendments for the Executive Director, Underwriting Manager and Safety Director to adjust original percentages down to equal the actual budgeted amounts.

Auditor Quotations: The Fund office will obtain quotes for auditing services; the results will be prepared by the next meeting for the board to review and make the necessary appointment so work can begin on the audit ending December 31, 2014.

2015 Excess & Ancillary Renewals: The Board previously approved authorization for the Underwriting Manager to bind coverage of the 2015 renewal program. The Extraordinary Unspecifiable Services (EUS) statements were included in the agenda and the Board of Fund Commissioners adopted Resolution 13-15 memorializing the authorization of the purchase of insurances.

Underwriting Manager provided a report on the 2015 Renewal Program and said negotiations were successful for an alternative for the Excess Liability (\$15,000,000 excess of the underlying Underwriters at Lloyds policy) program with National Casualty Company. Underwriting Manager secured additional aggregate Flood limits, above those offered by the Primary Property carrier, Zurich American Insurance Company. The additional limits were negotiated through Axis Surplus (33.34%) / RSUI Indemnity (33.33%) / Westchester Surplus which provides a \$15,000,000 aggregate limit above the aggregate limits provided by Zurich American Insurance Company (\$25,000,000 for all locations in a Special Flood Hazard Area and \$50,000,000 for all other locations). Lastly, there were 15 entities that elected to purchase Network Privacy & Security Liability coverage through National Union Fire Insurance Company (AIG) in 2015.

2015 Renewal Policies: The renewal policies are made available to NJCE members electronically through the Conner Strong & Buckelew secure website at 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 2015. To be granted access to the secure site please contact Missy Williamson at 267-702-1424.

BRIT acquisition: Enclosed in the agenda was a notice on the acquisition of BRIT by Fairfax. Underwriting Manager reported once BRIT is owned by Fairfax Financials Holdings, LTD, BRIT will continue to operate on a decentralized basis, which means there will be no significant changes to their day-to-day underwriting and management.

Claim Reporting Requirements: Included in the agenda was a memorandum dated 1/26/15 distributed to all local Commission TPA's on the 2015 Claim Reporting Procedures.

Claims Status Summary: AmeriHealth Casualty Services prepared a summary report of any claims with large open reserves which were reviewed during Closed Session.

Catastrophe losses (CAT): The majority of the insurance industry has adopted a standard definition of a CAT loss, which is a multiple loss claim as a result of a single cause. CAT losses are typically assigned and numbered by Property Claims Services (PCS). Executive Director reported that the most recent CAT63 loss was on 2/14/15-2/15/15 and impacted some NJCE members and as such would be treated as one occurrence subject to one shared deductible.

NJCE Financials: The Financial Fast Track as of December 31, 2014 showed the fund's statutory surplus of \$5.3 million.

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

Risk Control: Safety Director's report included a report reflecting the risk control activities from November 2014 thru March 2015.

Next Meeting: The next meeting of the NJCE fund is scheduled for April 23, 2015 at 1:00PM at the Camden County Emergency Training Center.

SALEM COUNTY INSURANCE COMMISSION					
FINANCIAL FAST TRACK REPORT					
AS OF December 31, 2014					
ALL YEARS COMBINED					
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME	116,162	1,593,938	1,628,692	3,222,630
2.	CLAIM EXPENSES				
	Paid Claims	49,815	603,784	440,783	1,044,566
	Case Reserves	3,682	81,251	362,700	443,951
	IBNR	27,029	85,654	201,035	286,689
	Discounted Claim Value	1,308	(6,862)	(40,089)	(46,951)
	TOTAL CLAIMS	81,834	763,827	964,429	1,728,255
3.	EXPENSES				
	Excess Premiums	66,130	779,133	910,013	1,689,146
	Administrative	6,024	72,992	87,939	160,931
	TOTAL EXPENSES	72,153	852,126	997,952	1,850,078
4.	UNDERWRITING PROFIT (1-2-3)	(37,826)	(22,015)	(333,688)	(355,703)
5.	INVESTMENT INCOME	0	2	0	2
6.	PROFIT (4 + 5)	(37,825)	(22,012)	(333,688)	(355,701)
7.	CEL APPROPRIATION CANCELLATION	0	0	1,259	1,259
8.	INVESTMENT IN JOINT VENTURE	(1,707)	(39,456)	89,440	49,984
9.	SURPLUS (6 + 7 + 8)	(39,532)	(61,468)	(242,989)	(304,458)
SURPLUS (DEFICITS) BY FUND YEAR					
	2012	(2,332)	(94,580)	(15,715)	(110,295)
	2013	29,116	150,420	(227,274)	(76,854)
	2014	(66,317)	(117,308)		(117,308)
	TOTAL SURPLUS (DEFICITS)	(39,532)	(61,468)	(242,989)	(304,457)
	TOTAL CASH				203,414
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2012					
	Paid Claims	14,059	71,014	102,574	173,588
	Case Reserves	(12,385)	20,981	24,284	45,265
	IBNR	(104)	(1,995)	10,643	8,648
	Discounted Claim Value	317	(1,604)	(2,333)	(3,937)
	TOTAL FY 2012 CLAIMS	1,888	88,396	135,168	223,564
FUND YEAR 2013					
	Paid Claims	888	198,083	338,209	536,291
	Case Reserves	4,761	(122,926)	338,416	215,490
	IBNR	(40,690)	(89,468)	190,392	100,924
	Discounted Claim Value	3,631	17,634	(37,756)	(20,122)
	TOTAL FY 2013 CLAIMS	(31,409)	3,323	829,261	832,583
FUND YEAR 2014					
	Paid Claims	34,867	334,687		334,687
	Case Reserves	11,306	183,195		183,195
	IBNR	67,823	177,117		177,117
	Discounted Claim Value	(2,640)	(22,891)		(22,891)
	TOTAL FY 2014 CLAIMS	111,356	672,108	0	672,108
	COMBINED TOTAL CLAIMS	81,834	763,827	964,429	1,728,255

SALEM COUNTY INSURANCE COMMISSION					
FINANCIAL FAST TRACK REPORT					
AS OF January 31, 2015					
ALL YEARS COMBINED					
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME	121,433	121,433	3,222,630	3,344,063
2.	CLAIM EXPENSES				
	Paid Claims	22,022	22,022	1,044,566	1,066,588
	Case Reserves	(45,285)	(45,285)	443,951	398,665
	IBNR	108,165	108,165	286,689	394,854
	Discounted Claim Value	(1,754)	(1,754)	(46,951)	(48,704)
	TOTAL CLAIMS	83,147	83,147	1,728,255	1,811,402
3.	EXPENSES				
	Excess Premiums	65,397	65,397	1,689,146	1,754,543
	Administrative	6,035	6,035	160,931	166,966
	TOTAL EXPENSES	71,433	71,433	1,850,077	1,921,510
4.	UNDERWRITING PROFIT (1-2-3)	(33,147)	(33,147)	(355,702)	(388,849)
5.	INVESTMENT INCOME	1	1	2	3
6.	PROFIT (4 + 5)	(33,146)	(33,146)	(355,700)	(388,846)
7.	CEL APPROPRIATION CANCELLATION	0	0	1,259	1,259
8.	INVESTMENT IN JOINT VENTURE	0	0	49,984	49,984
9.	SURPLUS (6 + 7 + 8)	(33,146)	(33,146)	(304,457)	(337,603)
SURPLUS (DEFICITS) BY FUND YEAR					
	2012	(225)	(225)	(110,295)	(110,520)
	2013	(478)	(478)	(76,854)	(77,332)
	2014	2,018	2,018	(117,308)	(115,290)
	2015	(34,462)	(34,462)		(34,462)
	TOTAL SURPLUS (DEFICITS)	(33,146)	(33,146)	(304,457)	(337,603)
	TOTAL CASH				181,393
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2012					
	Paid Claims	2,956	2,956	173,588	176,544
	Case Reserves	(7,083)	(7,083)	45,265	38,182
	IBNR	4,127	4,127	8,648	12,775
	Discounted Claim Value	225	225	(3,937)	(3,712)
	TOTAL FY 2012 CLAIMS	225	225	223,564	223,789
FUND YEAR 2013					
	Paid Claims	7,443	7,443	536,291	543,734
	Case Reserves	(30,894)	(30,894)	215,490	184,596
	IBNR	23,452	23,452	100,924	124,376
	Discounted Claim Value	477	477	(20,122)	(19,645)
	TOTAL FY 2013 CLAIMS	478	478	832,583	833,061
FUND YEAR 2014					
	Paid Claims	11,623	11,623	334,687	346,310
	Case Reserves	(10,609)	(10,609)	183,195	172,586
	IBNR	(3,721)	(3,721)	177,117	173,396
	Discounted Claim Value	688	688	(22,891)	(22,203)
	TOTAL FY 2014 CLAIMS	(2,018)	(2,018)	672,108	670,090
FUND YEAR 2015					
	Paid Claims	0	0		0
	Case Reserves	3,300	3,300		3,300
	IBNR	84,307	84,307		84,307
	Discounted Claim Value	(3,144)	(3,144)		(3,144)
	TOTAL FY 2015 CLAIMS	84,463	84,463	0	84,463
	COMBINED TOTAL CLAIMS	83,147	83,147	1,728,255	1,811,402

NEW JERSEY COUNTIES EXCESS JIF FINANCIAL FAST TRACK REPORT					
		AS OF	December 31, 2014		
ALL YEARS COMBINED					
	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
1.	UNDERWRITING INCOME	1,560,185	18,722,320	36,221,905	54,944,225
2.	CLAIM EXPENSES				
	Paid Claims	107,150	175,433	236,073	411,506
	Case Reserves	(152,578)	(76,460)	759,995	683,535
	IBNR	179,314	2,516,027	5,913,932	8,429,959
	Discounted Claim Value	313,855	(74,514)	(1,115,267)	(1,189,781)
	TOTAL CLAIMS	447,741	2,540,486	5,794,733	8,335,219
3.	EXPENSES				
	Excess Premiums	1,070,764	13,307,318	23,442,850	36,750,168
	Administrative	104,042	1,365,683	2,715,194	4,080,877
	TOTAL EXPENSES	1,174,806	14,673,001	26,158,044	40,831,045
4.	UNDERWRITING PROFIT (1-2-3)	(62,363)	1,508,834	4,269,128	5,777,962
5.	INVESTMENT INCOME	2,628	27,743	124,802	152,545
6.	STATUTORY PROFIT (4+5)	(59,735)	1,536,577	4,393,930	5,930,506
7.	Cancelled Appropriations	0	0	607,551	607,551
8.	STATUTORY SURPLUS (6-7)	(59,735)	1,536,577	3,786,379	5,322,955
SURPLUS (DEFICITS) BY FUND YEAR					
	2010	(7,446)	(61,480)	741,645	680,166
	2011	(18,923)	25,942	968,813	994,756
	2012	(76,709)	106,970	715,685	822,655
	2013	(89,730)	(49,529)	1,360,235	1,310,706
	2014	133,073	1,514,673		1,514,673
	TOTAL SURPLUS (DEFICITS)	(59,735)	1,536,577	3,786,379	5,322,956
	TOTAL CASH				13,038,229
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2010					
	Paid Claims	106,500	142,195	0	142,195
	Case Reserves	(159,838)	24,079	6	24,085
	IBNR	18,337	(136,275)	599,994	463,719
	Discounted Claim Value	42,721	34,716	(76,200)	(41,484)
	TOTAL FY 2010 CLAIMS	7,720	64,715	523,800	588,515
FUND YEAR 2011					
	Paid Claims	0	4,344	139,753	144,097
	Case Reserves	0	(107,592)	110,263	2,671
	IBNR	(30,000)	13,248	1,099,984	1,113,232
	Discounted Claim Value	49,367	69,253	(190,876)	(121,623)
	TOTAL FY 2011 CLAIMS	19,367	(20,747)	1,159,124	1,138,377
FUND YEAR 2012					
	Paid Claims	650	28,893	96,320	125,213
	Case Reserves	4,351	3,991	649,704	653,695
	IBNR	(5,001)	(282,885)	1,803,976	1,521,091
	Discounted Claim Value	77,323	150,253	(390,771)	(240,518)
	TOTAL FY 2012 CLAIMS	77,323	(99,748)	2,159,229	2,059,481
FUND YEAR 2013					
	Paid Claims	0	0	0	0
	Case Reserves	2,001	2,003	22	2,025
	IBNR	(2,002)	(87,003)	2,409,978	2,322,975
	Discounted Claim Value	97,451	145,795	(457,420)	(311,625)
	TOTAL FY 2013 CLAIMS	97,450	60,795	1,952,580	2,013,375
FUND YEAR 2014					
	Paid Claims	0	0		0
	Case Reserves	908	1,058		1,058
	IBNR	197,980	3,008,942		3,008,942
	Discounted Claim Value	46,993	(474,530)		(474,530)
	TOTAL FY 2014 CLAIMS	245,881	2,535,470	0	2,535,470
	COMBINED TOTAL CLAIMS	447,741	2,540,486	5,794,733	8,335,219

Salem County Insurance Commission Certificate Of Insurance Monthly Report

Thursday, March 26, 2015

From 1/30/2015 To 3/25/2015

Holder (H) / Insured Name (I)	Holder / Insured Address	Holder Code	Description of Operations	Issue Date	Coverage
SCIC					
H- Division on Aging I- Salem County	Building 12D, Quaker Bridge Plaza PO Box 807 Trenton, NJ 08625 94 Market Street Salem, NJ 08079	885	Evidence of insurance. All operations usual to County Governmental Entity as respects the Senior Health Insurance Program (SHIP). (see page 2) Company E: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/15 to 1/1/16 Policy # SP4052392	3/13/2015	GL EX AU WC
H- Division on Aging Services/ NJ Dept. of Human Services I- Salem County	12B Quaker Bridge Plaza PO Box 715 Mercerville, NJ 1476 08625-0715 94 Market Street Salem, NJ 08079		Evidence of insurance. All operations usual to County Governmental Entity as respects the Area Plan Grant 2015. (see page 2) Company E: XS Worker Compensation Statutory x \$1,000,000 XS Employers Liability \$5,000,000 x \$1,000,000 Policy Term 1/1/15 to 1/1/16 Policy # SP4052392	2/12/2015	GL EX AU WC

Total # of Holders = 2

RESOLUTION NO. 15 -15

**SALEM COUNTY INSURANCE FUND COMMISSION
APRIL 2015 BILLS LIST**

WHEREAS, the Treasurer has certified that funding is available to pay the following bills::

BE IT RESOLVED that the Salem County Insurance Fund Commission, hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission.

FUND YEAR 2013

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000123			
000123	BOWMAN & COMPANY LLP	AUDITOR FEE - 2013 - 1/27/15	4,000.00
			4,000.00
		TOTAL PAYMENTS FY 2013	4,000.00

FUND YEAR 2014

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000124			
000124	BOWMAN & COMPANY LLP	AUDITOR FEE 2014 - 2/18/15	3,000.00
			3,000.00
		TOTAL PAYMENTS FY 2014	3,000.00

FUND YEAR 2015

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000125			
000125	DHS MARKETING SOLUTIONS	DOMAIN RENEWAL WEBSITE H&M - 03/26/15	576.00
			576.00
000126			
000126	AJM INSURANCE MANAGEMENT	RMC FEE 1ST QTR 2015	2,500.00
			2,500.00
		TOTAL PAYMENTS FY 2015	3,076.00

TOTAL PAYMENTS ALL FUND YEARS \$ 10,076.00

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**SALEM COUNTY INSURANCE COMMISSION
SAFETY DIRECTOR'S REPORT**

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: March 26, 2015

**February – April 2015
RISK CONTROL ACTIVITIES**

MEETINGS ATTENDED / LOSS CONTROL VISITS CONDUCTED

- **February 5:** Attended the SCIC meeting in Salem.
- **February 6:** One session of LOTO and one session of Chain Saw Chipper were conducted for SCIC.
- **February 13:** Conducted a loss control survey of the SCIC Clerks Office.
- **February 19:** Attended the SCIC Claims Committee meeting in Salem.
- **March 17:** Attended the SCIC Claims Committee meeting via conference call.

UPCOMING MEETINGS / LOSS CONTROL VISITS PLANNED

- **March 30:** Plan to attend a meeting with Human Resources and the County Training Coordinator to discuss training needs.
- **April 2:** Plan to attend the SCIC meeting in Salem.

SAFETY DIRECTOR'S BULLETINS & SAFETY ANNOUNCEMENTS

- Police Safety In and Around Patrol Vehicle – March 12

CEL VIDEO LIBRARY

No videos were utilized by SCIC during 2014 & 2015.

TAKE CHARGE OF YOUR SAFETY IN AND AROUND YOUR PATROL VEHICLE

Motor vehicle events, including crashes and being struck by vehicles while outside your patrol car, are the leading cause of death among law enforcement officers. There are five simple things you can do to take control of your safety inside and outside of the patrol car. Encourage your fellow officers to do the same so that everyone goes home at the end of the shift.



1 Wear Your Seat Belt

Seat belts save 13,000 lives every year. Buckle up on every drive, every time. Encourage other officers to do the same.



2 Avoid Distracted Driving

While you can't eliminate all distractions in your patrol car, consider eliminating cell phone and mobile data terminal use during lights and siren responses.



3 Wear Your Reflective Gear

Wear a reflective vest or jacket when working around traffic while outside your patrol car. This makes you more visible to motorists. Keep your vest in your gear bag for easy access.

4 Attend Motor Vehicle Training

Update your motor vehicle training regularly. If not provided by your agency, request training funds to attend outside training or look for free training through various organizations.



5 Know Your Agency's Policy

Review your agency's motor-vehicle G.O. or S.O.P. Talk to your leadership about updating these policies to include speed caps, cell phone and mobile data terminal restrictions, as well as seat belt requirements.

Department of Health and Human Services
Centers for Disease Control and Prevention
National Institute for Occupational Safety and Health



DHHS (NIOSH) Publication No. 2015-109

F I R S T
MCO

First Managed Care Option

119 Littleton Road, Parsippany, NJ 07054
Tel: (973)257-5200 Fax: (973)257-2288

March 02, 2015

Terry Sheerin

Inservco
3150 Brunswick Pike

LAWRENCEVILLE, NJ 08648

Re: Monthly Reports

Dear Terry Sheerin:

Enclosed please find the monthly reports for **SALEM COUNTY INS FUND**, which include the following:

- Savings Report for February, 2015

There were no appeals processed during the month of February

If you have any questions, or if I can be of additional assistance, please contact me at 973-257-5220.

Sincerely,

Anchulee Carranza
Client Services Coordinator

Enclosure

CC: Veronica George, Inservco
Roby Walcoff, SALEM COUNTY INS FUND
Nancy Fowlkes, Inservco
Karen Read, SALEM COUNTY INS FUND



First Managed Care Option, Inc.

**First MCO Bill Review Services
SALEM COUNTY INS FUND**

Medical Savings by Month

NJ

Month of Reprice Service	Provider Billed Amount	First MCO Repriced	U & C / Fee Schedule	Savings	% of Savings	# of Bills	In Network	Out Of Network	% PPO Penetration	# of Appeals	FMCO Fee
Total 2013	\$358,432	\$148,272	\$244,402	\$210,160	59%	238	188	50	79%	0	\$42,032
Total 2014	\$559,839	\$242,972	\$459,691	\$316,867	57%	279	226	53	81%	0	\$62,318
Jan-15	\$4,039	\$2,323	\$3,613	\$1,716	42%	7	5	2	71%	0	\$343
Feb-15	\$30,023	\$20,738	\$25,426	\$9,285	31%	19	15	4	79%	0	\$1,857
Total 2015	\$34,062	\$23,061	\$29,040	\$11,001	32%	26	20	6	77%	0	\$2,200
Total to Date	\$952,333	\$414,305	\$733,133	\$538,027	56%	543	434	109	80%	0	\$106,550

Report Run Date:03/02/2015

SCI



SCIFC - 378
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
02/01/2015 Thru 02/28/2015

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Coverage: General Liability										
C	2019	3780000176	001 MAYE, KAREN	08/31/2014	08/31/2014	KAREN M MAYE	02/13/2015	Full Final Settlement Comp Deductible	100.00	100.00
Total for Coverage: General Liability								Number of entries: 1	100.00	100.00
Total for SCIFC - 378								Number of entries: 1	100.00	100.00

RESOLUTION NO. 16 -15

**SALEM COUNTY INSURANCE FUND COMMISSION
AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

WHEREAS, the SALEM COUNTY INSURANCE FUND COMMISSION (hereinafter "SCIFC") is a duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the SCIFC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality, and

WHEREAS, it is necessary and appropriate for the SCIFC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

WHEREAS, the SCIC is a public agency which must comply with the Open Public Records Act (OPRA) N.J.S.A. 47: 1A-1 to -13; and

WHEREAS, the SCIFC must comply with OPRA and reported New Jersey Case Law interpreting same; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said Salem County Insurance Fund Commission pursuant to both the Open Public Meetings Act and the Open Public Records Act as follows:

The attached financial transaction logs generated by third party administrator Inservco Insurances Inc. for the periods 1/1/15 to 2/28/15, and related to all non-workers compensation payments are hereby approved for distribution to the listed claimants and for disclosure to the general public

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on April 2, 2015.

ROBERT VANDERSLICE, CHAIRMAN

ATTEST:

KEVIN CROUCH, VICE CHAIRMAN

APPENDIX I – MEETING MINUTES

**SALEM COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES MEETING – FEBRUARY 5, 2015
104 MARKET STREET
SALEM, NJ 9:00 AM**

- Meeting called to order by Kevin Crouch. Open Public Meetings notice read into record.

ROLL CALL OF COMMISSIONERS:

Robert Vanderslice	Absent
Kevin Crouch	Present
Katie Coleman	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Bradford Stokes Karen A. Read
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ALSO PRESENT:

Jessica Foote, Salem County
Thomas Narolewski, AJM Insurance Management
Lorraine Cannon, AJM Insurance Management – *telephonically*
Pat Halligan, AJM Insurance Management – *telephonically*
Gina Smith, AJM Insurance Management - *telephonically*
Veronica George, Inservco
Ashley Nelms, Inservco
Glenn Prince, JA Montgomery
Robyn Walcoff, Conner Strong & Buckelew
Joseph Hrubash, PERMA - telephonically

APPROVAL OF MINUTES: OPEN SESSION OF DECEMBER 11, 2014

MOTION TO APPROVE THE OPEN MINUTES OF DECEMBER 11, 2014

Moved:	Commissioner Coleman
Second:	Commissioner Crouch
Vote:	Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Reorganization Resolutions (Pages 3-16): Listed below are the necessary reorganizational Resolutions for the Salem County Insurance Fund Commission.

Resolution 1-15 Certifying the Election of Chairperson and Vice Chairperson

MOTION TO APPOINT ROBERT VANDERSLICE AS CHAIRMAN

Moved: Commissioner Crouch
Second: Commissioner Coleman

MOTION TO APPOINT KEVIN CROUCH AS VICE CHAIRMAN

Moved: Commissioner Crouch
Second: Commissioner Coleman

MOTION TO CLOSE NOMINATIONS

Moved: Commissioner Crouch
Second: Commissioner Coleman

Resolution 2-15 Appointing Commissioner to the New Jersey Counties Excess Joint Insurance Fund for Fund Year 2015 – Executive Director said this resolution will appoint a Commissioner to the New Jersey Counties Excess Joint Insurance Fund for Fund Year 2015.

MOTION TO APPOINT KEVIN CROUCH AS DESIGNATED COMMISSIONER TO THE NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

Moved: Commissioner Coleman
Second: Commissioner Crouch

MOTION TO CLOSE NOMINATIONS

Moved: Commissioner Crouch
Second: Commissioner Coleman

Resolution 3-15 Appointing a Commission Treasurer- Executive Director said this resolution will appoint Katie B. Coleman as Treasurer for the Salem County Insurance Fund Commission.

Resolution 4-15 Appointing a Commission Attorney – Executive Director said this resolution will appoint Michael M. Mulligan as attorney for the Salem County Insurance Fund Commission.

Resolution 5-15 Appointing a Commission Secretary – Executive Director said this resolution would appoint Carey Bergholz as the Commission Secretary.

Resolution 6-15 Designating Authorized Depositories for Commission Assets and Establishing a Cash Management Plan for Fund Year 2014 – Executive Director said this resolution would appoint Fulton Bank as the designated depository for the commission and the 2015 Cash Management and Investment Policy. Executive Director noted on page 10 there were two other investments added. They have been long been accepted in this plan but they were not listed. Those plans are the government market mutual funds and local government investment pools.

Resolution 7-15 Designating Authorized Signatures for Commission Bank Accounts Executive Director said this would appoint Robert Vanderslice, Kevin Crouch and Katie Coleman as authorized signatures for the Commission bank accounts.

Resolution 8-15 Appointing Agent for Service of Process and Designating Custodian of Commission Records - Executive Director said this would appoint PERMA Risk Management Services as the Agent of Service of Process and Custodian of Records for Fund Year 2015 at no charge to the Commission.

Resolution 9-15 Designating Official Newspapers – Executive Director said this resolution will appoint the Elmer Times and the South Jersey News as the official newspapers for the Salem County Insurance Fund Commission.

Resolution 10-15 Establishing Public Meeting Procedures – Executive Director said this resolution will formally establish meeting dates and procedures for the 2015 Fund Year. The dates were amended as follows:

9:00 AM April 2, 2015 Salem County Old Courthouse Regular Meeting

104 Market Street
Salem, NJ 08079

9:00 AM	June 4, 2015	“	Regular Meeting
9:00 AM	August 6, 2015	“	Regular Meeting
9:00 AM	October 1, 2015	“	Regular Meeting
9:00 AM	December 10, 2015	“	Regular Meeting
9:00 AM	February 4, 2016	“	Reorganization Meeting

MOTION TO APPROVE RESOLUTIONS 1-15 THOUGH 10-15

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Roll Call Vote:	2 Ayes, 0 Nays

2015 Property & Casualty Budget Adoption: Executive Director said at the December 11, 2014 meeting of the Fund, the 2015 Property & Casualty Budget was introduced. In accordance with State regulations, the budget has been advertised in the Commission’s official newspaper and posted at the Clerk’s office. The Public Hearing for the budget will be held at this meeting. A copy of the proposed 2015 budget appears on **page 17**.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2015 BUDGET

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	Unanimous

DISCUSSION: A brief discussion was held on the proposed budget. The Executive Director reported that the overall Budget for Fund Year 2015 is \$1,444,422. Risk Manager Tom Narolewski said they were looking to add cyber liability insurance. Executive Director said we will revisit and add the coverage.

MOTION TO CLOSE THE PUBLIC HEARING

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	Unanimous

MOTION TO ADOPT RESOLUTION 11-15 ADOPTING THE BUDGET FOR THE SALEM COUNTY INSURANCE FUND COMMISSION IN THE AMOUNT OF \$1,444,422. AS PRESENTED FOR THE COMMISSION YEAR 2015 AND CERTIFYING ASSESSMENTS

Moved: Commissioner Coleman
Second: Commissioner Crouch
Roll Call Vote: 2 Ayes, 0 Nays

2015 PROPERTY & CASUALTY ASSESSMENTS - Executive Director reported in accordance with the Commission's By Laws, the assessment bills for 2015 for property and casualty will be mailed to member entities now that the budget has been adopted. Assessments will be due as follows: The first payment of 40% will be due on March 15, 2015. The second assessment of 30% is due on June 15, 2015 and the third assessment of 30% is due on September 15, 2015.

NJ Excess Counties Insurance fund (CELJIF) - The CEL did not meet in December or January. The next meeting will be on February 26, 2015 via conference call. Executive Director said we will send the information to Commissioner Crouch and they are typically on the 4th Thursday.

Financial Fast Track – Included on Page 19 & 20 of the agenda are the Financial Fast Tracks for the Salem County Insurance fund Commission for October and November. As of November 30, 2014 the Commission has a deficit of \$264,925. This is an improvement over the prior month by \$50,000. We did struggle in 2012 and 2013 with some lingering claims. In 2014 we did see an improvement and hopefully some of those claims will clear out. We will continue to monitor this and will report back going forward.

NJ CEL Property & Casualty Financial Fast Track – Executive Director said included in the agenda on Page 21 was the NJ CEL Financial Fast Track Report as of October 31, 2014. The CEL has a surplus of \$5,204,827.

Certificate of Insurance Issuance Report: Executive Director reported the Certificate of Insurance Issuance Report was included in the agenda from the CEL listing those certificates issued for the period of November 21, 2014 to January 24, 2015. There were 30 certificates of insurance issued during this period.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Coleman
Second: Commissioner Vanderslice
Vote: Unanimous

SAFETY COMMITTEE REPORT

Glenn Prince reported the Safety Committee met on December 17, 2014 where a review was held of the lock down exercise that was held here in September. There were a lot of positive feedback that came out of the lock down procedure. Salem County did an excellent job the Sherriff's Department and the kids from the Woodstown School District did a phenomenal job which allowed up to view the entire procedure and we applaud there efforts.

Safety Director said the Committee will be meeting quarterly in 2015 and we are waiting for a confirmation of next month's meeting which will be in March.

CLAIM COMMITTEE REPORT

Claims Manager Robyn Walcoff reported there was an in depth Claims Review session in November. We are currently planning to do a similar exercise for an in depth review of general liability claims on January 19, 2015.

Claims Mangers said on page 28 of the agenda packet we have the 2015 Claims Committee schedule. We did not have a claims committee meeting in January because there have not been any PARs to review.

TREASURER

REPORT: Executive Director said the bills list Resolution 12-15 was distributed. A motion would be in order to approve the bills list.

MOTION TO APPROVE RESOLUTION 12-15 PAYMENT OF BILLS IN THE AMOUNT OF \$479,563.06.

Moved:	Commissioner Coleman
Second:	Commissioner Crouch
Vote:	2 Ayes, 0 Nays

CEL SAFETY DIRECTOR REPORT

Safety Director reviewed the report included in the agenda. Mr. Prince noted two safety bulletins that were distributed during the month of January one on MVR checks. Mr. Prince reminded all members to check the drivers' licenses of all employees that are operating county vehicles to insure the status of their drivers' license. Safety Director's other report was the OSHA Summary Log reminder to remind all our members of the new OSHA reporting requirements for injuries to employees. Mr. Prince said a matrix was distributed with that report to make it a little easier to understand. In addition to that tomorrow Mr. Prince will be provided two classed to your DPW Department. The first is lock out tag out and the other will be a chainsaw chipper class.

CLAIMS SERVICE:

Veronica George of Inservco Insurance Services introduced Ashley Nelms that handles the liability claims. Ms. George reviewed the MCO Report and Stewardship Report that was included in Appendix II of the agenda. A discussion ensued regarding the PPO Penetration rate and what we can do to make it a better percentage and possibly including some of the local urgent care centers in network which may be a useful tool in some cases rather than the hospital.

Executive Director said included in the agenda is Resolution 13-15 Authorizing Disclosure of Claims Check Register. The Liability Claim Payments report is included in the agenda for the time period of 11/1/14 through 12/31/2014.

MOTION TO APPROVE RESOLUTION 13-15 AUTHORIZING DISCLOUSE OF CLAIM CHECK REGISTER

Moved: Commissioner Coleman
Second: Commissioner Crouch
Vote: Unanimous

OLD BUSINESS: None

NEW BUSINESS: Tom Narolewski said AJM Insurance Management is implementing a new certificate of liability insurance program and hope to have it implemented by March 1st. Any certificates of insurance will be run through this system and it is web based so that the solicitor and so forth can look at the certificates. It will be a great way to manage and streamline the process.

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Motion: Commissioner Coleman
Second: Commissioner Crouch
Vote: Unanimous

MEETING ADJOURNED: 9:35 AM

NEXT MEETING WILL BE THURSDAY, April 2, 2015 at 9:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary

APPENDIX II – RISK MANAGEMENT PLAN

RESOLUTION NO. 14-15
2015 Risk Management Plan

Salem County Insurance Fund Commission
(hereinafter the "Insurance Commission")

April 1, 2015

BE IT RESOLVED by the Insurance Commission's governing body that effective 1/1/15 the 2015 Plan of Risk Management shall be:

- 1.) The perils or liability to be insured against.
 - a.) The Insurance Commission insures the following perils or liability:
 - Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
 - General Liability including Law Enforcement Liability and Employee Benefits Liability.
 - Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
 - Property, Auto Physical Damage and Boiler & Machinery.
 - b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJCF).
 - Excess Workers' Compensation
 - Excess General Liability
 - Excess Auto Liability
 - Excess Property including Boiler and Machinery
 - Public Officials Liability/School Board Legal/Employment Practices Liability
 - Crime
 - Pollution Liability NOT PURCHASED

- Medical Professional and General Liability
- Employed Lawyers Liability NOT PURCHASED
- Cyber Liability

2.) The limits of coverage.

a.) Workers' Compensation limits.

- The Insurance Commission covers \$250,000 per occurrence including:
 - Employer's Liability - \$250,000 per occurrence.
 - USL&H – \$250,000 per occurrence.
 - Harbor Marine/Jones Act - \$250,000 per occurrence.
- The NJC covers excess workers compensation claims to the following limits.
 - Workers' Compensation – statutory excess of the Insurance Commission's \$250,000.
 - Employer's Liability - at a sub-limit of \$30,750,000 excess of the Insurance Commission's \$250,000.
 - USL&H – \$250,000 less NJ State benefits excess of member's SIR of \$250,000.
 - Harbor Marine/Jones Act - \$250,000 less NJ State benefits excess of member's SIR of \$250,000.

NJC retains limits of \$250,000 excess \$250,000 for Workers Compensation and Employers Liability. NJC purchases from Wesco Insurance Company \$500,000 excess \$500,000 each occurrence/employee and purchases from Safety National Casualty Company 'Statutory' Workers Compensation limits excess of \$1,000,000 and \$5,000,000 excess of \$1,000,000 for Employers Liability. Additional Employers Liability limits of \$10,000,000 excess of \$6,000,000 are purchased from Underwriters at Lloyds, \$15,000,000 excess \$16,000,000 from National Casualty

b.) General Liability limits.

- The Insurance Commission covers \$250,000 per occurrence.
 - Law Enforcement - included in the General Liability limits.
 - Employee Benefits Liability - included in the General Liability limits.
 - Subsidence - \$250,000 per occurrence
 - Owned Watercraft 35' in length or less - \$250,000.
 - Garagekeepers Legal Liability - \$250,000
- The NJC covers excess liability claims as follows:
 - General Liability - \$25,250,000 excess the Insurance Commission's \$250,000. The \$10,000,000 excess \$500,000 commercial excess layer is subject to a \$20,000,000 aggregate limit for the policy period 1/1/15-16 ; The \$15,000,000 excess \$10,500,000 commercial excess layer is subject to a \$15,000,000 annual aggregate limit (1/1/15-1/1/16).
 - Law Enforcement - included in the NJC's excess General Liability limits.
 - Employee Benefits Liability - included in the NJC's excess General Liability limits.
 - Subsidence - \$750,000 per occurrence excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member's retention.
 - Owned Watercraft 35' in length or less - \$750,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member's retention.
 - Garagekeepers Legal Liability - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member's retention.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$10,000,000 per occurrence and a \$20,000,000 aggregate for the policy period of 1/1/15-16 excess over and above \$500,000. NJC also purchases from National Casualty limits of \$15,000,000

per occurrence and a \$15,000,000 annual aggregate (1/1/15-1/1/16) excess over and above the \$10,000,000/\$20,000,000 with Underwriters at Lloyds.

c.) Automobile Liability limits.

- The Insurance Commission covers automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of \$250,000.
 - The Insurance Commission covers \$250,000 for Personal Injury Protection (PIP) per Addendum I of this Plan.
 - The Insurance Commission covers \$15,000/\$30,000/5,000 for Underinsured/Uninsured Motorists Liability per Addendum II of this Plan.
- The NJC covers excess automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims excess of the Insurance Commission's \$250,000 CSL limit. Included in the NJC's excess General Liability limits as shown above.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$10,000,000 per occurrence and a \$20,000,000 aggregate for the policy period of 1/1/15-16 excess over and above \$500,000. NJC also purchases from National Casualty limits of \$15,000,000 per occurrence and a \$15,000,000 annual aggregate (1/1/15-1/1/16) excess over and above the \$10,000,000/\$20,000,000 with Underwriters at Lloyds.

The NJC does not provide excess PIP OR Uninsured/Underinsured Motorist Coverage.

The excess general liability, auto liability, law enforcement liability and employers liability limits with Underwriters at Lloyds, National Casualty are per member Commission and are shared limits amongst GCIC member entities.

d.) Public Officials Liability/School Board Legal/Employment Practices Liability

- The NJC via the commercial market covers public officials liability, school board legal liability (where applicable) and employment practices liability as follows:

- \$10,000,000 each claim and in the annual aggregate on a claims made basis per member Insurance Commission subject to the deductibles as outlined below:
 - Salem County - \$50,000 POL/\$75,000 EPL

e.) Excess Public Officials Liability/Employment Practices Liability/School Board Legal Liability:

- The NJC does not purchase an additional excess public officials liability/school board legal liability/employment practices liability program.

f.) Property/Equipment Breakdown

Property Limits/Sub-limits

- The Insurance Commission covers \$100,000 per occurrence less applicable member entity per occurrence deductibles.
- The NJC provides excess property coverage and Equipment Breakdown coverage via the commercial market with Zurich and excess property coverage with Mitsui Sumitomo Insurance Company of America (33.33%); Scottsdale Insurance Company (33.33%); Starr Companies (33.33%) quota share basis with the following limits excess of the member retention and member entity per occurrence deductible (*SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES*)

Property Per Occurrence Limits:

- A. \$110,000,000 Per Occurrence with Zurich
- B. \$150,000,000 Per Occurrence with Mitsui Sumitomo Insurance Company of America (33.33%); Scottsdale Insurance Company (33.33%); Starr Companies (33.33%)
- C. \$260,000,000 per Occurrence Total Program Limit

Property Sub-Limits:

- Named Storm Wind and Hail - \$160,000,000 per occurrence for covered property east of GSP for Atlantic, Ocean, Monmouth and Burlington counties and all of cape May County
- Earthquake - \$100,000,000 (Annual Aggregate) + Excess Earthquake - \$100,000,000
- Flood - \$50,000,000 (Annual Aggregate) Except;
 - Flood Inside Special Flood Hazard Area (SFHA) - \$25,000,000
 - Excess Flood Add \$15,000,000 (Annual Aggregate)

- Asbestos Cleanup - \$50,000 per occurrence
- Valuable Paper And Records - \$10,000,000
- Accounts Receivable - \$10,000,000
- Demolition & Increased Cost of Construction -\$25,000,000
- Business Interruption -Included in \$110,000,000 blanket limit (Business Income On Revenue Producing Property Only)
- Extra Expense – \$10,000,000
- Transit- \$1,000,000 Per Conveyance/\$1,000,000 Per Occurrence
- Fine Arts - \$2,500,000 (Owned And Non Owned)
- Pollution And Contamination Cleanup (Limited) - \$250,000 (Annual Aggregate)
- Miscellaneous Unnamed Locations - \$10,000,000
- **New Construction and Additions** - \$25,000,000 (the lesser of \$1,000,000 sublimit or 60 days for soft costs, subject to applicable deductible per cause of loss and 24 hour qualifying period)
- Newly Acquired Locations – \$25,000,000 per location (90 day reporting period)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage Including Overhead Transmission Lines within 1 mile of insured premises, 24 hour qualifying period)
- Ingress/Egress – **30 Day Period for Property with a 5 mile radius not to exceed a \$5,000,000 limit.**
- Debris Removal -\$25,000,000
- Civil Government Authority – Lesser of \$5,000,000 or 30 day period, within 5 mile radius
- Leasehold Interest - \$15,000,000
- Loss Of Rents - \$15,000,000
- Professional Fees - \$1,250,000
- Extended Period of Liability – 365 Days
- Auto Physical Damage - \$15,000,000
- Underground Piping - \$5,000,000 (only if within 5 MILES of a pump station, process plant, metering pit, wells or similar operational locations which are owned, leased, used occupied or intended for use by the member entity). There is no coverage for the perils of Earthquake, Flood or named Storm
- EDP Equipment – Subject to a 24 hour qualifying period. No sub-limit for equipment. \$1,000,000 sublimit for data and software
- Outdoor Property - \$10,000,000
- Equipment Breakdown - \$100,000,000
 - Ammonia Contamination - \$5,000,000
 - Spoilage - \$5,000,000
 - Extended Period Of Indemnity - 365 Days

- **Note: There is an Excess Property Policy with Mitsui Sumitomo Insurance Company of America (33.33%); Scottsdale Insurance**

Company (33.33%); Starr Companies (33.33%) on a quota share basis which extends the Per Occurrence Policy Limits by \$150,000,000 to a total of \$260,000,000. The excess policy provides a sub-limit of \$25,000,000 excess of the underlying \$110,000,000 per occurrence for Named Storm Wind and Hail for Atlantic, Cape May, Ocean, Monmouth and Cumberland counties. Coverage sub-limits on the Primary policy are excluded by the Excess Property policy, including Equipment Breakdown. The primary limit is \$110,000,000.

- There is an Excess Flood/Earthquake policy placed with AXIS Surplus (33.34%)/RSUI Indemnity (33.33%)/Westchester Surplus (33.33%) which provides:
 - \$15,000,000 aggregate policy limit for Flood coverage excess of the aggregate policy limits provided by Zurich (\$25,000,000 for locations inside the 100-Year Flood Zone, \$50,000,000 for all other locations, as noted above); and
 - \$100,000,000 aggregate policy limit for Earthquake coverage excess of the \$100,000,000 aggregate policy limit provided by Zurich (noted above).

Property Deductibles

- The standard member insurance commission retention is \$100,000 per occurrence less member entity per occurrence deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).Property/Boiler & Machinery
 - Salem County - \$5,000 Property & Auto Physical Damage
- The Equipment Breakdown deductible is \$25,000 member entity deductible per occurrence.
- The Earthquake Member Insurance Commission retention is \$100,000 per occurrence less member entity deductibles.
- The Flood Member Insurance Commission retention is \$100,000 per occurrence (combined property damage and time element) less member entity per occurrence deductibles.
- Flood loss for property within the Special Flood Hazard Area (SFHA) is subject to a deductible of \$500,000 each building for municipality buildings, and \$500,000 each building for building contents member entity deductible per occurrence; and \$100,000 for each building for loss of income or the National Flood Insurance Plan's (NFIP) maximum

available limits for public entities, whichever is greater, regardless of whether National Flood Insurance program coverage is purchased or not. Losses shall also be adjusted subject to a \$100,000 per occurrence Insurance Commission deductible for pumping stations, pistol ranges, vehicles and mobile equipment less the applicable member entity deductible.

- “Named Storm as respects to covered property in Atlantic, Ocean, Monmouth and Burlington Counties located east of the Garden State Parkway and any covered property in Cape May County” For Property Damage: subject to a deductible of 1% of the value, per the Valuation clause of the General Conditions section, of the property insured as of the date of loss, for the Location where the direct physical loss or damage occurred, per occurrence; For Time Element: 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence. Combined PD and TE deductible subject to a minimum deductible of \$250,000 per Location and a maximum deductible of \$1,000,000 per occurrence. The “Named Storm” deductible is a per member entity deductible.
-
- Note: Where there is an underlying Insurance Commission such as exist in Salem. The Salem County Insurance Commission provides coverage for the difference in deductible for “insured property” resulting from “insured perils” (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA less the member entity deductible. The Salem County Insurance Commission will not provide coverage for the difference in deductible for time element loss.

Named Storm is defined as any storm or weather disturbance that is named by the U.S. National Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center or any comparable worldwide equivalent.. Location is defined as a building(s) bounded on all sides by public streets, clear land space or open waterways, each not less than 50 feet wide, a site or tract of land occupied or available for occupancy with tangible property. If the Named Storm involves covered property within the 100-year flood zone, the 100-year flood zone deductible above applies.

- Underground Piping \$100,000 per occurrence less the member entity deductibles as stated above. There is no coverage for the perils of earthquake, Flood or named Storm
- Golf Carts - \$25,000

NJC does not retain any risk as it is fully insured in the commercial market.

g.) Crime

The NJC via the commercial market provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):

Limit per occurrence:

- Salem County – \$500,000

Deductible per occurrence:

- Salem County – \$10,000

NJC does not retain any risk as it is fully insured in the commercial market.

h.) Pollution Liability

The NJC via the commercial market offers an pollution liability program that SCIC does not participate in.

i.) Medical Professional General Liability/Excess Medical Professional

The NJC via the commercial market provides medical professional general liability/excess medical professional coverage at the following limits and deductibles (the Insurance Commission retains no risk for medical professional general liability):

- Limit per claim/annual aggregate: \$1,000,000/\$3,000,000
 - This primary aggregate limit is shared by each member entity of each NJC member Commission.
- Excess Limit annual aggregate: \$20,000,000/\$20,000,000
 - Excess Limit is a Shared limit with CCIC, BCIC, GCIC and CUIC.
- Member Entity Deductibles GL and PL:
 - Salem County Health Clinic – \$5,000
 - Department of Corrections (prison Infirmary) - \$25,000
 - GCIC Scheduled Physicians - \$5,000
 - G.Feigin -SC

NJC does not retain any risk as it is fully insured in the commercial market.

j.) Employed Lawyers Professional Liability

The NJC via the commercial market offers an employed lawyers professional liability program that SCIC does not participate in.

k.) Cyber Liability

The NJC via the commercial market offers an employed lawyers professional liability program that SCIC does not participate in.

NOTICE: The above description is a general overview of the coverage and limits provided by the Insurance Commission. The actual terms and conditions are defined in the individual policy documents and this Risk Management Plan. All issues and/or conflicts shall be decided upon by the individual policy documents.

3.) The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage).

- a.) Workers' Compensation (all coverages) - \$250,000 CSL
- b.) General Liability (all coverages) - \$250,000 CSL
- c.) Law Enforcement Liability – Included in General Liability
- d.) Automobile Liability
 - Property Damage & Bodily Injury - \$250,000 CSL
 - Underinsured/Uninsured - \$15,000/\$30,000/\$5,000 CSL
 - Personal Injury Protection - \$250,000 CSL

d.) Public Officials Liability/School Board Legal/Employment Practices

Liability - None

- e.) Property/APD - \$100,000 per occurrence less member deductibles.
- f.) Crime – None
- g.) Pollution Liability – None
- h.) Medical Professional General Liability – None
- i.) Employed Lawyers Liability – None
- j.) Cyber Liability - None

4.) The amount of unpaid claims to be established.

a.) The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office,

as well as the claims department of the NJC's five major excess insurers (i.e. Underwriters at Lloyds, National Casualty and Markel for excess liability; Wesco Insurance Company and Safety National Casualty Company for workers' compensation). Every three years, the NJC's internal auditors also conduct an audit.

b.) Claims reserves are subject to regular review by the Insurance Commission's Executive Director/Administrator, Attorney, Board of Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Insurance Commission either directly or through the NJC JIF.

5.) The method of assessing contributions to be paid by each member of the Insurance Commission.

a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Insurance Commission year by line of coverage and for each prior Insurance Commission year. The Actuary includes all budget items in these computations. The annual assessment of each participating member entity is its pro rata share of the probable net cost of the upcoming Insurance Commission year for each line of coverage as computed by the Actuary.

b.) The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Insurance Commission's Governing Body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Insurance Commission wide average increase plus a percentage selected by the Governing Body. The total amount of each member's annual assessment is certified by majority vote of the Insurance Commission's Governing Body at least one (1) month prior to the beginning of the next fiscal year.

c.) The Treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust Insurance Commission account by Insurance Commission year for each type of coverage in which the member participates.

d.) If a member entity becomes a member of the Insurance Commission or elects to participate in a line of coverage after the start of the Insurance Commission year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.

e.) The Insurance Commission's Governing Body may by majority vote levy upon the participating member entities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.

f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Insurance Commission fail to assess funds required to meet its obligations, the Chairman, or in the event by his or her failure to do so, the custodian of the Insurance Commission's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Insurance Commission's Governing Body.

6.) Procedures governing loss adjustment and legal expenses.

a.) The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office, as well as the claims department of the NJC's three major excess insurers (i.e. Star Insurance for excess liability and workers' compensation; Everest National and Star & Indemnity for excess liability). Every three years, the NJC's internal auditors also conduct an audit.

b.) Each member entity is provided with a claims reporting procedure and appropriate forms.

c.) In order to control workers' compensation medical costs, the Insurance Commission has engaged a managed care organization (MCO) *through the claims service company* whose procedures are integrated into the Insurance Commission's claims process.

d.) To provide for quality defense and control costs, the Insurance Commission has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.

7.) Coverage to be purchased from a commercial insurer, if any.

The Insurance Commission does not purchase commercial insurance.

8.) Reinsurance to be purchased.

The Insurance Commission does not purchase reinsurance.

9.) Procedures for the closure of Insurance Commission years, including the maintenance of all relevant accounting records.

a.) Not applicable at this time.

10.) Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

a.) The general approach in estimating the loss reserves of the Insurance Commission is to project ultimate losses for each Insurance Commission year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Insurance Commission Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or Insurance Commission funding requirement.

b.) The following is an overview of the two actuarial methods used to project the ultimate losses.

- Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
- Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

11.) The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

- \$10,000 for workers compensation claims
- \$7,500 for liability claims
- With the advance approval of the Insurance Commission Attorney or Executive Director, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled Insurance Commission meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this __ day of _____ 2015.

SALEM COUNTY INSURANCE FUND COMMISSION

ROBERT VANDERSLICE, CHAIRMAN

ATTEST:

KEVIN CROUCH, VICE-CHAIRMAN

ADDENDUM I

2015 Risk Management Plan
Addendum #1

NEW JERSEY PERSONAL INJURY PROTECTION

With respects to coverage provided by this Addendum, the provisions of Policy CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum for a covered **auto** licensed or principally garaged in, or **garage operations** conducted in, New Jersey

This Addendum is effective February 7, 2013.

MEDICAL EXPENSE BENEFITS DEDUCTIBLE

The medical expense benefits are subject to a deductible of \$250 per **occurrence**.

Medical expense benefits applicable to:

A. The **named insured** and, if the **named insured** is an individual, any **family members** will be subject to a deductible of \$250 per **occurrence**.

B. insured **persons** other than the **named insured** and, if the **named insured** is an individual, any **family members** shall be subject to a separate deductible of \$250 per **occurrence**.

MEDICAL EXPENSE BENEFITS CO-PAYMENT

Medical expense benefits are subject to a co-payment of 20% per **occurrence** for amounts payable between the applicable deductible and \$5,000.

DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSES OPTION

All Personal Injury Protection benefits other than medical expense benefits are deleted with respect to the **named insured** and, if the **named insured** is an individual, any **family members**, when indicated to the left. Refer to the Deletion Of Benefits Other Than Medical Expenses Provision.

MEDICAL EXPENSE BENEFITS-AS-SECONDARY OPTION

If the **named insured** is an individual, medical expense benefits with respect to the **named insured** and **family members**, are secondary to the health benefits plans under which the **named insured** and **family members** are insured, when indicated to the left.

A. Coverage

1. **Personal Injury Protection**

We will pay personal injury protection benefits for **bodily injury** sustained by an **eligible injured person** or an **insured person** caused by an **occurrence** occurring during the Policy period within the United States of America, its territories or possessions or Canada and arising out of the ownership, maintenance or use, including loading or unloading, or a **private passenger auto** as an auto.

These Personal Injury Protection Benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **\$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitation and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medication and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvements to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an **identified injury**. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. **Income Continuation Benefits**

An amount not exceeding a limit of \$100 per week and a total limit of \$5,200 payable for the loss of income of an **income producer** during his or her lifetime, as a result of **bodily injury** disability, not to exceed net **income** normally earned during the period in which benefits are payable.

c. **Essential Services Benefits**

An amount not exceeding a limit of \$12 per day and a total limit of \$4,380 payable to an **eligible injured person** as reimbursement for payments made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. **Death Benefits**

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

- (1) If the **eligible injured person** was an **income producer** at the time of the **occurrence**, an amount equal to the difference between \$5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;
- (2) If the **eligible injured person** ordinarily performed essential services for the care and maintenance of himself or herself, his or her family or family household, an amount equal to the difference between \$4,380 and all basic essential services benefits paid with respect to his or her injury prior to death.

e. **Funeral Expense Benefits**

An amount not exceeding \$1,000 of reasonable funeral, burial and cremation expenses incurred.

2. **Pedestrian Personal Injury Protection**

This coverage applies to **pedestrians** and only to **occurrences** which occur during the Policy period in New Jersey. With respect to an **insured motor vehicle** as described for this Coverage, Pedestrian Personal Injury Protection Coverage is the only Personal Injury Protection Coverage for that vehicle.

We will pay pedestrian personal injury protection benefits to an **eligible injured person**. These Pedestrian Personal Injury Protection benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **\$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitative and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medical and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvement to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an

identified injury. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. Income Continuation Benefits

An amount not exceeding a limit of \$100 per week and a total limit of \$5,200 payable for the loss of income of an **income producer** during his or her lifetime, as a result of **bodily injury** disability; not to exceed net **income** normally earned during the period in which benefits are payable.

c. Essential Services Benefits

An amount not exceeding a limit of \$12 per day and a total limit of \$4,380 payable to an **eligible injured person** as reimbursement for payment made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. Death Benefits

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

- (1) If the **eligible injured person** was an **income producer** at the time the **occurrence**, an amount equal to the difference between \$5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;
- (2) If the **eligible injured person** ordinarily performed essential services for the care and maintenance of himself or herself, his or her family or family household, an amount equal to the difference between \$4,380 and all basic essential services benefits paid with respect to his or her injury prior to death.

e. Funeral Expense Benefits

An amount not exceeding \$1,000 for reasonable funeral, burial cremation expenses incurred.

B. Exclusions

1. Personal Injury Protection

We will not pay Personal Injury Protection benefits for **bodily injury:**

- a. To a person whose conduct contributed to the **bodily injury** in any of the following ways:
 - (1) While committing a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer; or
 - (2) While acting with specific intent to cause injury or damage to himself or herself or others;
- b. To any person who, at the time of the **occurrence**, was the owner or registrant of a **private passenger auto** registered or principally garaged in New Jersey that was being operated without Personal Injury Protection Coverage;
- c. To any person who is not occupying a covered **auto**, other than the **named insured** or any **family member** or a resident of New Jersey, if the **occurrence** occurs outside of New Jersey;
- d. Arising out of the ownership, maintenance or use, including loading or unloading, of any vehicle while located for use as a residence or premises other than for transitory recreational purposes;
- e. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or CONDITION incident to any of the foregoing;
- f. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material;
- g. To any person, other than the **named insured** or any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** or **family member** under the terms of any other Policy with respect to such coverage;
- h. To any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** under the terms of another Policy; or
- i. To any person operating or occupying a **private passenger auto** without the permission of the owner or the **named insured** under the Policy insuring that **auto**.
- j. To any person who is convicted of, or pleads guilty to:
 - (1) Operating a motor vehicle; or
 - (2) Allowing another person to operate a motor vehicle owned by that **insured** or in that **insureds** care, custody or control;

while the **insured** or that other person:

- (1) Is under the influence of intoxicating liquor or a narcotic, hallucinogenic or habit-producing drug; or
- (2) Is later found to have a blood alcohol concentration by weight of

alcohol in excess of the legal limit of the jurisdiction where the violation occurred.

- k. To any person who refused to submit to a chemical test after being arrested for operating a motor vehicle while under the influence of intoxicating liquor or a narcotic hallucinogenic or habit-producing drug.
- l. For the following diagnostic tests:
 - (1) Brain mapping;
 - (2) Iridology;
 - (3) Mandibular tracking and simulation;
 - (4) Reflexology;
 - (5) Spinal diagnostic ultrasound;
 - (6) Surface electromyography (surface EMG);
 - (7) Surrogate arm mentoring; or
 - (8) Any other diagnostic test that is determined to be ineligible for coverage under Personal Injury Protection Coverage by New Jersey law or regulation.

2. Pedestrian Personal Injury Protection

The EXCLUSIONS that apply to Personal Injury Protection also apply to Pedestrian Personal Injury Protection, except EXCLUSIONS b. and c., which do not apply to Pedestrian Personal Injury Protection Coverage.

C. Limit Of Insurance

- 1. Any amount payable by **us** as Personal Injury Protection benefits for **bodily injury** shall be reduced by:
 - a. All amounts paid, payable or required to be provided under any workers' compensation or employees' temporary disability law.
 - b. Medicare provided under federal law.
 - c. Benefits actually collected that are provided under federal law to active and/or retired military personnel.
- 2. Any amount payable by **us** as medical expense benefits will be limited by medical fee schedules, as promulgated by the New Jersey Department of Banking and Insurance for specific injuries or services.
- 3. Any amount payable for medical expense benefits as the result of any one **occurrence** shall be:
 - a. Reduced by the applicable deductible of \$500; and

- b. Subject to the co-payment of 20% for the amount between the applicable deductible and \$5,000.
4. The applicable limit of income continuation benefits applies separately to each full, regular and customary work week of an **eligible injured person**. If this disability from work or employment consists of or includes only a part of such a week, **we** shall be liable for only that proportion of such weekly limit that the number of days lost from work or employment during the partial week bears to the number of days in his or her full work week.
5. If the Addendum indicates that the **named insured** has elected the Medical Expense Benefits As Secondary option, the following provisions apply to medical expense benefits:
- a. **Priority Of Benefits**
 - (1) The health benefits plans under which the **named insured** and any **family member** are insured shall provide primary coverage for **allowable expenses** incurred by the **named insured** and any **family member** before any medical expense benefits are paid by **us**.
 - (2) This insurance shall provide secondary coverage for the medical expense benefits for **allowable expenses**, which remained uncovered.
 - (3) The total benefits paid by the health benefits plans and this insurance shall not exceed the total amount of **allowable expenses**.
 - b. **Determination Of Medical Expense Benefits Payable**
 - (1) To calculate the amount of **actual benefits** to be paid by **us**, **we** will first determine the amount of **eligible expenses** which would have been paid by **us**, after application of the deductible and co-payment indicated in this Addendum had the **named insured** not elected the Medical Expense Benefits As Secondary Coverage option.
 - (2) If the remaining **allowable expenses** are:
 - (a) Less than the benefits calculated in Paragraph (1) above, **we** will pay **actual benefits** equal to the remaining **allowable expenses**, without reducing the remaining **allowable expenses** by the deductible or co-payment.
 - (b) Greater than the benefits calculated in Paragraph (1)

above, **we** will pay **actual benefits** equal to the benefits calculated in Paragraph 1 above, without reducing the remaining **allowable expenses** by the deductible or co-payment.

- (3) **We** will not reduce the **actual benefits** determined in Paragraph 2.:
 - (a) By any deductibles or co-payments of the health benefits plans which have provided primary coverage for medical expense benefits; or
 - (b) For any **allowable expense** remaining uncovered which otherwise would not be an **eligible expense** under Personal Injury Protection Coverage, except as set forth in Paragraph (4) below.
- (4) In determining remaining uncovered **allowable expenses**, **we** shall not consider any amount for items of expense which exceed the dollar or percent amounts recognized by the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance.
- (5) The total amount of medical expense benefits for the **named insured** or any **family member** per **occurrence** shall not exceed the maximum amount payable for medical expense benefits under this Policy.

c. **Health Benefits Plan Ineligibility**

- (1) If, after the **named insured** has elected the Medical Expense Benefits As Secondary Coverage option, it is determined that the **named insured** or any **family member** did not have a health benefits plan in effect at the time an **occurrence** occurred which resulted in **bodily injury** to the **named insured** or any **family member**, medical expense benefits shall be provided to the **named insured** or any **family member**, subject to the following:
 - (a) Only Paragraph 1. of the Limit Of Insurance Provision will apply with respect to medical expense benefits.
 - (b) Any amount payable for medical expense benefits for the **named insured** and any **family member** as a result of any one **occurrence** shall;
 - (1) Be reduced by a deductible equal to the sum of \$750 plus the \$500 deductible indicated in this

Addendum; and

- (2) Be subject to a co-payment of 20% for amounts less than \$5,000 after the deductible has been applied.
 - (3) Be determined:
 - (i) By the medical fee schedules promulgated by the New Jersey Department of Insurance; or
 - (ii) By us, on a reasonable basis, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, if an item or expense is not included on the medical fee schedules.
 - (4) Not exceed the maximum amount payable for medical expense benefits under this Policy.
- (2) All items of medical expense incurred by the **named insured** or any **family member** for the treatment of **bodily injury** shall be **eligible expenses** to the extent the treatment or procedure from which the expenses arose:
- (a) Is recognized on the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance; or
 - (b) Are reasonable expenses in accordance with Section 4 of the New Jersey Reparation Reform Act.
- (3) **We** shall be entitled to recover the difference between:
- (a) The reduced premium paid under this Policy for the Medical Expense Benefits As Secondary option; and
 - (b) The premium which would have been paid under this Policy had the **named insured** not elected such option.

We will not provide any premium reduction for the Medical Expense Benefits As Secondary option for the remainder of the Policy period.

- 6. The limit of insurance shown in this Addendum for weekly income continuation benefits shall be prorated for any period of **bodily injury** disability less than one week.

D. Changes in Conditions

All conditions stated in Policy #CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17

11 98, IL 00 21 07 02, IL 02080702 applies, however:

1. The **Duties In The Event Of Occurrence**, Condition is amended by the addition of the following:
 - a. If an **eligible injured person, insured person** or the legal representative or survivors of either institutes legal action to recover damages for injury against a person or organization who is or may be liable in tort there for, he or she must promptly give **us** a copy of the summons and complaint or other process served in connection with the legal action.
 - b. The **eligible injured person, insured person** or someone on their behalf must promptly give us written proof of claim including:
 - (1) Full particulars of the nature and extent of the **bodily injury**; and
 - (2) Such other information that will help us determine the amount due and payable.
 - c. The **eligible injured person** or **insured person** must submit to physical examination by physicians when and as often as **we** reasonably require and a copy of the medical report will be forwarded to such **eligible injured person** or **insured person** if requested.

2. The following Conditions are added:

a. **Reimbursement And Trust**

Subject to any applicable limitations set forth in the New Jersey Automobile Reparation Reform Act, if **we** make any payment to any **eligible injured person** or **insured person** under this coverage and that person recovers from another party, he or she shall hold the proceeds in trust for **us** and pay **us** back the amount **we** have paid. **We** will have a lien against such payment, and may give notice of the lien to the person or organization causing **bodily injury**, his or her agent or insurer or a court having jurisdiction in the matter.

b. **Payment Of Personal Injury Protection Benefits**

- (1) Medical expense benefits and essential services benefits may be paid at our option to the **eligible injured person, insured person** or the person or organization furnishing the products or services for which such benefits are due. These benefits shall not be assignable except to providers of service benefits. Any such assignment is not enforceable unless the provider of service benefits agrees to be subject to the requirements of our Decision Point Review Plan. In the event of the death of an **eligible injured person** or **insured person** any amounts payable, but unpaid prior to death, for medical expense benefits are payable to

- the **eligible injured person's** or **insured person's** estate.
- (2) Benefits payable under Paragraph A.2.d.(1) of the description of death benefits are payable to the **eligible injured person's** surviving spouse, or if there is no surviving spouse, to his or her surviving children, or if there is not a surviving spouse or any surviving children, to the **eligible injured person's** estate.
 - (3) Benefits payable under Paragraph A.1.d.(2) of the description of death benefits are payable to the person who has incurred the expense of providing essential services.
 - (4) Funeral expense benefits are payable to the **eligible injured person's** or **insured person's** estate.

c. **Deletion Of Benefits Other Than Medical Expenses Option**

When the Addendum indicates that the Deletion Of Benefits Other Than Medical Expenses Option applies, **we** will pay personal injury protection benefits consisting only of medical expense benefits for the **named insured** and **family members**.

d. **Employee Benefits Reimbursement**

If the **eligible injured person** or **insured person** fails to apply for workers' compensation benefits or employees' temporary disability benefits for which that person is eligible, **we** may immediately apply to the provider of these benefits for reimbursement of any personal injury protection benefits that **we** have paid.

e. **Proof of Health Benefits Plan Coverage**

If the **named insured** has elected the Medical Expense Benefits As Secondary option, the **named insured** shall provide proof that the **named insured** and **family members** are insured by health insurance coverage or benefits in a manner and to an extent approved by the New Jersey Department of Banking and Insurance.

f. **Special Requirements For Medical Expenses**

(1) **Care Paths For Identified Injuries (Medical Protocols)**

- (a) The New Jersey Department of Banking and Insurance has established by regulation the standard courses of medically necessary diagnosis and treatment for **identified injuries**. These courses of diagnosis and treatments are known as care paths.

The care paths do not apply to treatment administered during **emergency care**.

- (b) Upon notification to use of a **bodily injury** covered under this Policy, **we** will advise the **insured** of the care path

requirements established by the New Jersey Department of Banking and Insurance.

- (c) Where the care paths indicate a decision point, further treatment or the administration of a diagnostic test is subject to our Decision Point Review Plan.

A decision point means the juncture in treatment where a determination must be made about the continuation or choice of further treatment of an **identified injury**.

(2) **Coverage For Diagnostic Tests**

- (a) In addition to the care path requirements for an **identified injury**, the administration of any of the following diagnostic tests is also subject to the requirements of our Decision Point Review Plan:
 - (i) Brain audio evoked potential (BAEP);
 - (ii) Brain evoked potential (BEP);
 - (iii) Computer assisted tomographic studies (CT, CAT Scan);
 - (iv) Dynatron/cyber station/cyber;
 - (v) Electroencephalogram (EEG);
 - (vi) H-reflex Study;
 - (vii) Magnetic resonance imaging (MRI);
 - (viii) Needle electromyography (needle EMG);
 - (ix) Nerve conduction velocity (NCV);
 - (x) Somatosensory evoked potential (SSEP);
 - (xi) Sonogram/ultrasound;
 - (xii) Videofluoroscopy;
 - (xiii) Visual evoked potential (VEP); or
 - (xiv) Any other diagnostic test that is subject to the requirements of our Decision Point Review Plan by New Jersey law or regulation.
- (b) The diagnostic tests listed under Paragraph (2)(a) must be administered in accordance with New Jersey Department of Banking and Insurance regulations which set forth the requirements for the use of diagnostic tests in evaluating injuries sustained in **auto accidents**.

However, those requirements do not apply to diagnostic tests administered during **emergency care**.

- (c) **We** will pay for other diagnostic tests that are:
 - (i) Not subject to our Decision Point Review Plan; and

(ii) Not specifically excluded under EXCLUSION 1.1.; only if administered in accordance with the criteria for medical expenses as provided in this ENDORSEMENT.

(3) **Decision Point Review Plan**

- (a) Coverage for certain medical expenses under this Addendum is subject to our Decision Point Review Plan, which provides appropriate notice and procedural requirements that must be adhered to in accordance with New Jersey law or regulation. **We** will provide a copy of this plan upon request, or in the event of any claim for medical expenses under this coverage.
- (b) Our Decision Point Review Plan includes the following minimum requirements as prescribed by New Jersey law or regulation:
 - (i) The requirements of the Decision Point Review Plan only apply after the tenth day following the **occurrence**.
 - (ii) **We** must be provided prior notice as indicated in our plan, with appropriate **clinically supported** findings, that additional treatment for an **identified injury** or the administration of a diagnostic test listed under Paragraph (2)(a) is required.

The notice and **clinically supported** findings may include a comprehensive treatment plan for additional treatment.

- (c) Once **we** receive such notice with the appropriate **clinically supported** findings, **we** will, in accordance with our plan:
 - (i) Promptly review the notice and supporting materials; and
 - (ii) If required as part of our review, request any additional medical records or schedule a physical examination.
- (d) **We** will then determine and notify the **eligible injured person** or the **insured person** whether **we** will provide coverage for the additional treatment or diagnostic test as indicated in our plan. Any determination **we** make will be based on the determination of a **health care provider**.
- (e) Any physical examination of an **eligible injured person** or **insured person** scheduled by **us** will be conducted in accordance with our plan.

- (f) A penalty will be imposed in accordance with **our** plan if:
 - (i) **We** do not receive proper notice and **clinically supported** findings;
 - (ii) **We** are not provided medical records if requested by **us**; or
 - (iii) Any **eligible injured person** or **insured person** fails to appear for the physical examination if required by **us**.

g. **Dispute Resolution**

If **we** and any person seeking Personal Injury Protection Coverage do not agree as to the recovery of Personal Injury Protection Coverage under this Addendum, then the matter may be submitted to dispute resolution, or the initiative of any party to the dispute, in accordance with New Jersey law or regulation.

Any request for dispute resolution may include a request for review by a medical review organization.

- 3. The following Condition is added for **Personal Injury Protection** and **Pedestrian Personal Injury Protection**:

COORDINATION AND NON-DUPLICATION

- a. Regardless of the number of **autos** insured for basic personal injury protection coverage pursuant to Section 4 of the New Jersey Automobile Reparation Reform Act or the number of insurers or policies providing such coverage, there shall be no duplication of payment of basis personal injury protection benefits and the aggregate maximum amount payable under this and all applicable policies with respect to **bodily injury** to any one person as the result of any one **occurrence** shall not exceed the applicable amounts or limits specified in Section 4 of said Act.
- b. If an **eligible injured person** under this coverage is also an **eligible injured person** under other complying policies, the insurer paying benefits to such person shall be entitled to recover from each of the other insurers an equitable pro rata is the proportion that the insurer's liability bears to the total of all applicable limits. Complying Policy means a Policy of automobile liability insurance maintained pursuant to the requirements of Section 3 of the New Jersey Automobile Reparation Reform Act and providing basic personal injury protection coverage as approved by the Commissioner of Insurance.

4. The following Condition is added for **Personal Injury Protection**:

MEDICAL PAYMENTS DELETION

In consideration of the Coverage provided for Personal Injury Protection and in Paragraphs A.1. and A.2. of this Addendum, and the adjustment of applicable rates because of **bodily injury** to an **eligible injured person**, any auto medical payments coverage provided under the coverage part is deleted with respect to an **auto** which is a covered **auto**.

E. Definitions

The **Definitions** Section is amended as follows:

1. The definition of **bodily injury** is replaced by the following:

Bodily injury means bodily harm, sickness or disease, including an **identified injury** or death that results.

2. The following definitions are added for **Personal Injury Protection**, and **Pedestrian Personal Injury Protection**:

- a. **Actual benefits** means those benefits determined to be payable for **allowable expenses**.
- b. **Allowable expense** means a medical necessary, reasonable and customary item of expense covered as benefits by the **named insured's** or **family member's** health benefits plan or personal injury protection benefits as an **eligible expense**, at least in part. When benefits provided are in the form of services, the reasonable monetary value of each such service shall be considered as both an **allowable expense** and a paid benefit.
- c. **Clinically supported** means that a **health care provider**, prior to selecting, performing or ordering the administration of a treatment or diagnostics test, has:
- (1) Physically examined the **eligible injured person** or **insured person** to ensure that the proper medical indications exist to justify ordering the treatment or test;
 - (2) Made an assessment of any current and/or historical subjective complaints, observations, objective findings, neurologic indications, and physical tests;
 - (3) Considered any and all previously performed tests that relate to the injury and the results and which are relevant to the proposed treatment or test; and
 - (4) Recorded and documented these observations, positive and

negative findings and conclusions on the **insureds** medical records.

d. **Eligible expense** means:

- (1) In the care of health benefits plans, that portion of the medical expenses incurred for the treatment of **bodily injury** which is covered under the terms and CONDITIONS of the plan, without application of the deductible(s) and co-payment(s), if any.
- (2) In the case of personal injury protection benefits, that portion of the medical expenses incurred for the treatment of **bodily injury** which, without considering any deductible and co-payment, shall not exceed:
 - (a) The percent or dollar amounts specified on the medical fee schedules, or the actual billed expense, whichever is less; or
 - (b) The reasonable amount, as determined by us, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, when an incurred medical expense is not included on the medical fee schedules.

e. **Emergency care** means all treatment of a **bodily injury** which manifests itself by acute symptoms of sufficient severity such that absence of immediately attention could reasonably be expected to result in death, serious impairment to bodily functions or serious dysfunction to a bodily organ or part. Such emergency care shall include all medical necessary care immediately following an **occurrence**, including but not limited to, immediate pre-hospitalization care, transportation to a hospital or trauma center, emergency room care, surgery, critical and acute care. Emergency care extends during the period of initial hospitalization until the patient is discharged from acute care by the attending physician. Emergency care shall be presumed when medical care is initiated at a hospital within 120 hours of the **occurrence**.

f. **Family member** means a person related to the **named insured** by blood, marriage or adoption (including a ward or foster child) who is a resident of the same household as the **named insured**.

g. **Health care provider** means those persons licensed or certified to perform health care treatment or services compensable as medical expenses and shall include, but not be limited to:

- (1) Hospital or healthcare facilities that are maintained by a State or any of its political subdivisions or licensed by the Department of Health and Senior Services.
- (2) Other hospitals or health care facilities designated by the Department of Health and Senior Services to provide health care services, or other facilities, including facilities for radiology and diagnostic testing, free-standing emergency clinics or offices, and private treatment centers;
- (3) A non-profit voluntary visiting nurse organization providing health care services other than in a hospital;
- (4) Hospitals or other health care facilities or treatment centers located in other states or nations;
- (5) Physicians licensed to practice medicine and surgery;
- (6) Licensed chiropractors, dentists, optometrists, pharmacists, chiropodists (Podiatrists), psychologists, physical therapists, health maintenance organizations, orthotists and prosthetists, professional nurses occupational therapists, speech language pathologists, audiologists, physician assistants, physical therapists assistants and occupational therapy assistants;
- (7) Registered bio-analytical laboratories;
- (8) Certified nurse-midwives and nurse practitioners/clinical nurse-specialists; or
- (9) Providers of other health care services or supplies including durable medical goods.

h. **Identify injury** means the following **bodily injuries** for which the New Jersey Department of Banking and Insurance has established standard courses of medically necessary diagnosis and treatment;

- (1) Cervical Spine: Soft Tissue Injury;
- (2) Cervical Spine: Herniated Disc/Radiculopathy;
- (3) Thoracic Spine: Soft Tissue Injury;
- (4) Thoracic Spine: Herniated Disc/Radiculopathy;
- (5) Lumbar-Sacral Spine: Soft Tissue Injury;
- (6) Lumbar-Sacral Spine: Herniated disc/Radiculopathy; and
- (7) Any other **bodily injury** for which the New Jersey Department of Banking and Insurance has established standard courses of appropriate diagnosis and treatment.

i. **Income** means salary, wages, tips commissions, fees and other earnings derived from work or employment.

- j. **Income producer** means a person who, at the time of the **occurrence**, was in an occupational status, earning or producing income.
- k. **Named insured** means the person or organization named in General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #CP0513640, if an individual, includes his or her spouse if the spouse is a resident of the household of the **named insured**, except that if the spouse ceases to be a resident of the same household, the spouse shall be a **named insured** for the full term of the Policy in effect at the time of cessation of residency. If the covered **auto** is owned by a farm family co-partnership or corporation, the term **named insured** also includes the head of the household of each family designated in the Policy as having a working interest in the farm.
- l. **Pedestrian** means any person who is not occupying, using, entering into, or alighting from a vehicle propelled by other than muscular power and designed primarily for use on highways, rails and tracks.
- m. **Private passenger auto** means a self-propelled vehicle designed for use principally on public roads and which is one of the following types:
 - (1) A private passenger or station wagon type auto;
 - (2) A van, a pickup or panel truck or delivery sedan; or
 - (3) A utility auto designed for personal use as a camper or motor home or for family recreational purposes

A **private passenger auto** does not include:

- (a) A motorcycle;
- (b) An auto used as a public or livery conveyance for passengers;
- (c) A pickup or panel truck, delivery sedan or utility auto customarily used in the occupation, profession or business of an **insured** other than farming or ranching; or
- (d) A utility auto customarily used for the transportation of passengers other than members of the user's family or their guests.

- 3. The following definition is added to the **Definitions** Section for **Personal Injury Protection**:

Eligible injured person means:

- a. The **named insured** and, if the **named insured** is an individual, any **family member**, if the **named insured** or the **family member** sustains **bodily injury**:
 - (1) As a result of any **occurrence** while occupying, using, entering into or alighting from a **private passenger auto**, or
 - (2) While a **pedestrian**, caused by a **private passenger auto** or by an object propelled by or from a **private passenger auto**.
 - b. Any other person who sustains **bodily injury**:
 - (1) While, with **your** permission, that person is occupying, using, entering into or alighting from the covered **auto**; or
 - (2) While a **pedestrian**, caused by the covered **auto** or as a result of being struck by an object propelled by or from the covered **auto**.
4. The following are added to the **Definitions** Section for **Pedestrian Personal Injury Protection**:
- a. **Eligible injured person** means:
A person who sustains **bodily injury** while a **pedestrian**, caused by an **Insured motor vehicle** or as a result of being struck by an object propelled by or from the **insured motor vehicle**.
 - b. **Insured motor vehicle** means a self-propelled motor vehicle designed for use principally on public roads, which is not a **private passenger auto** and to which the liability coverage of this Coverage Form applies.

ADDENDUM II

2015 Risk Management Plan
Addendum #2
New Jersey Uninsured Motorists Coverage

With respects to coverage provided by this Addendum, the provisions of Policy #CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum.

This Addendum is effective February 7, 2013.

Limit of Insurance:

Bodily Injury: \$15,000 per person

\$30,000 per accident

Property Damage: \$ 5,000 per accident

A. Coverage

1. **We** will pay all sums the insured is legally entitled to recover as compensatory damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from bodily injury sustained by the insured, or **property damage** caused by an accident. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an **uninsured motor vehicle**.
2. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

B. Who is An Insured

If the Named Insured is designated in the General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #CP0513640 as:

1. An individual, then the following are insured:
 - i. The Named Insured and any family members.
 - ii. Anyone else **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
 - iii. Anyone for damages he or she is entitled to recovery because of bodily injury sustained by another insured.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are insured:
 - i. Anyone **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
 - ii. Anyone for damages he or she is entitled to recover because of bodily injury sustained by another insured.

C. Exclusions

This insurance does not apply to any of the following:

1. With respect to an **uninsured motor vehicle**, any claim settled without our consent.
2. Damages for pain, suffering and inconvenience resulting from bodily injury caused by an accident involving an **uninsured motor vehicle** unless the injured

person has a legal right to recover damages for such pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act. The injured person's legal right to recover damages for pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act will be determined by the liability tort limitation, if any, applicable to that person.

3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
4. The direct or indirect benefit of any insurer of property.
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
6. **Property damage** for which the Insured had been or is entitled to be compensated by other property or physical damage insurance.
7. The first \$500 of the amount of **property damage** to the property of each insured as the result of any one accident.
8. **Property damage** caused by a hit-and-run vehicle.
9. Punitive or exemplary damages.
10. Bodily injury or **property damage** sustained by an Insured who is an owner of a motor vehicle:
 - i. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation; or
 - ii. Required to be insured in accordance with New Jersey law or regulation, but not insured for this coverage or any similar coverage.

However, this exclusion does not apply to an individual Named Insured, and such Named Insured's spouse, unless the individual Named Insured or such Named Insured's spouse are **occupying**, at the time of an accident, a motor vehicle described in Subparagraph a. or b. under Item B Who is An Insured.

D. Limit of Insurance

1. Regardless of the number of covered autos, insureds, premiums paid, claims made or vehicles involved in the accident, the Limit of Insurance shown in this Addendum for Uninsured Motorists Coverage is the most we will pay for all damages resulting from any one accident with an **uninsured motor vehicle**.
 - i. However, subject to our maximum limit of Insurance for this coverage, if:
 1. An insured is not the individual named insured under this Coverage;
 2. That Insured is an individual named insured under one or more other policies providing similar coverage; and
 3. All such other policies have a limit of insurance for similar coverage which is less than the Limit of Insurance for this coverage; then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage from or policy providing coverage to that insured as an individual named insured.
 - ii. However, subject to our maximum Limit of Insurance for this coverage, if:
 1. An insured is not the individual named insured under this Addendum or any other policy;
 2. That insured is insured as a **family member** under one or more other policies providing similar coverage; and
 3. All such other policies have a limit of insurance for similar coverage which is less than the Limit of Insurance for this coverage;

Then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage form or policy provide coverage to that Insured as a **family member**.

2. With respect to damages resulting from an accident involving an **uninsured motor vehicle**, **we** will not make a duplicate payment under this Coverage for any element of loss for which payment has been made by or for anyone who is legally responsible.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this Addendum and any Liability Coverage Form or Endorsement within Policy #CP0513640.

We will not pay for element of loss if a person is entitled to receive payment for the same elements of loss under any personal injury protect benefits.

E. Conditions

All "Other Insurance" Conditions stated in Policy #CP0513640 are deleted in their entirety and replaced with the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

1. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage on either a primary or excess basis. However, if an Insured is:
 - i. An individual named insured under one or more policies providing similar coverage; and
 - ii. Not **occupying** a vehicle owned by that individual named insured;

then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage to that insured as an individual named insured.

However, if an insured is:

- i. Insured as a family member under one or more policies providing similar coverage;
and
- ii. Not an individual named insured under this or any other Policy;

then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or Policy provided coverage to that insured as a **family member**.

2. Any insurance provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured motorist's insurance providing coverage on a primary basis.
3. If the coverage under this Addendum is provided:

- i. On a primary basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- ii. On an excess basis, **we** will pay **only** our share of the loss that must be paid under insurance providing coverage on an excess basis. **Our** share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

F. Duties In The Event of Accident

All provisions as stated in Policy #CP0513640 and the following:

- 1. Promptly notify the policy if a hit-and-run driver is involved; and
- 2. Promptly send **us** copies of the legal papers if a suit is brought.

G. Transfer of Rights of Recovery Against Others To Us

If **we** make any payment and the insured recovers from another party, the insured shall hold the proceeds in trust for us and pay us back the amount we have paid.

H. Arbitration

- 1. If **we** and an insured disagree whether the insured is legally entitled to recover damages from the owner or driver of an uninsured motor vehicle or do not agree as to the amount of damages that are recoverable by that insured, then the matter may be arbitrated. However, disputes concerning coverage under this Addendum may not be arbitrated. Either party may make a written demand for arbitration. In this event each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expense it incurs and bear the expenses of the third arbitrator equally.
- 2. Unless both parties agree otherwise, arbitration will take place in the county in which the insured lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

G. Additional Definitions

- 1. **Family member** means a person related to an individual Named Insured by blood, marriage, or adoption who is a resident of such Named Insured's household, including a ward or foster child.
- 2. **Insured/we/us/our** means Gloucester County Insurance Commission
- Occupying** means in, upon, getting in, on, or out off.
- 3. **Property damage** means damage to a covered auto, or to any property of an insured while contained in a covered auto.
- 4. **Uninsured motor vehicle** means a land motor vehicles or trailer:
 - i. For which no liability bond or policy applies as the time of an accident;
 - ii. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
 - iii. That, with respect to damages for bodily injury only, is as hit-and-run vehicle whose operator or owner cannot be indentified and that hits, or causes an accident resulting in bodily injury without hitting:
 - 1. An individual Named Insured or any family member;
 - 2. A vehicle that the Named Insured or any family member, if the Named Insured is an individual, and occupying; or

3. a covered auto.

However, uninsured motor vehicle does not include any vehicle:

- i. Owned by or furnished or available for the regular use of the Named Insured or any family member, if the Named Insured is an individual;
- ii. Owned or operated by a self –insured under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- iii. Owned by any government unit or agency;
- iv. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation;
- v. Operated on rails or crawler treads;
- vi. Designed for use mainly off public roads while not on public roads;
- Vii.** Whiled located for use as a residence or premises.