

**SALEM COUNTY INSURANCE FUND COMMISSION  
AGENDA AND REPORTS  
AUGUST 1, 2013 – 9 AM**

**COUNTY OLD COURTHOUSE  
104 MARKET STREET – 2<sup>ND</sup> 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  
AUGUST 1, 2013 – 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: June 6, 2013 Open Minutes.....Appendix I**
  
  - CORRESPONDENCE - None**
  
  - EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMA.....Page 1**
  
  - COMMITTEE REPORTS**
    - Safety Committee Report.....Verbal
    - Claims Committee Report.....Verbal
    - Claims Committee Charter Revision.....Page 10
  
  - TREASURER**
    - Resolution 18-13 Bills List.....Page 13
  
  - CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
    - Monthly Report .....Page 15
  
  - CLAIMS SERVICE – Inservco Insurance Services**
    - Resolution 19-13 Authorizing Disclosure of Claims Check Register.....Page 16
    - Liability Claim Payments – 6/1/13 to 6/30/13.....Page 18
  
  - EXECUTIVE SESSION – FOR CERTAIN SPECIFIED PURPOSES - PERSONNEL - SAFETY - PUBLIC PROPERTY – LITIGATION**
  
  - Motion for Executive Session – PAYMENT AUTHORIZATION REQUEST (in accordance with the Open Public Meetings Act)**
  - Motion to Return to Open Session**
  - Motion to Approve PARS**
- 
- OLD BUSINESS**
  - NEW BUSINESS**
  - PUBLIC COMMENT**
- 
- MEETING ADJOURNMENT**
    - NEXT SCHEDULED MEETING: October 3, 2013**

**SALEM COUNTY INSURANCE FUND COMMISSION**

9 Campus Drive, Suite 16

Parsippany, NJ 07054

Telephone (201) 881-7632

Fax (201) 881-7633

Date: August 1, 2013

Memo to: Commissioners of the Salem County Insurance Fund Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

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- ❑ **Certificate of Insurance Issuance Report** – On **page 3** is the monthly Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of May 22, 2013 to July 21, 2013. There were 3 certificates in total issued during this period.

- ❑ **Motion to Approve the Certificate Report**

- ❑ **Certificate of Insurance New Wording** - As we previously discussed the excess general liability and auto liability coverage insured through the Meadowbrook Program was replaced on 7/1/13. The new carrier requires different language for any certificates issued with additional insured wording. Below is the updated language that will be used for certificate holders who requested additional insured wording.

*“Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement.”*

- ❑ **Audit Report as of December 31, 2012** – The Auditor’s Report as of December 31, 2012 has been sent to Fund Commissioners under separate cover. A representative from Bowman & Company will be at the JIF meeting to review the Audit Report. Following the presentation and approval of the report, both **Resolution 16-13 and the Group Affidavit** must be executed. **(Pages 4-6)**

- ❑ **Motion to Approve Year-End Financials as of December 31, 2012 as Presented, Adopt Resolution 16-13 and execute the Group Affidavit indicating that members of the Executive Committee have read the General Comments Section of the Audit Report**

- ❑ **NJ Excess Counties Insurance Fund (CELJIF)** – The CEL met on June 27, 2013. A summary report of their meeting is included in the agenda on **pages 7-8**. At that meeting the CEL Executive Director presented three options with respect to the Commissions’ additional assessments due to the replacement of the Meadowbrook program as of 7/1/13. The Board discussed the options and unanimously voted for “option A” which applied the additional assessments proportionally based on their previous excess premiums. The additional assessments would be \$39,015 and due on January 15, 2014.

The Fund Auditor was also present at that meeting to review the draft copy of the 2012 Audit. The Auditor advised there were no findings.

- ❑ **Amendment to the 2013 Plan of Risk Management (Appendix II)** - The Plan of Risk Management was amended to reflect changes in the CEL excess casualty program effective 7/1/13. All changes are highlighted in yellow.

- ❑ **Motion to approve Resolution 17-13 revision to the 2013 Plan of Risk Management to reflect changes in the CEL excess casualty program effective 7/1/13.**

- ❑ **2013 Property & Casualty Assessments** – Second Assessments invoices for 2013 were due on July 15, 2013. The third assessment of 30% is due on September 15, 2013.

- ❑ **Financial Fast Track** – Included on **page 9** of the agenda is the first Financial Fast Track for the Salem County Insurance Fund Commission. As of **May 31, 2013** the Commission has a statutory surplus of **\$16,652**. Line 7 of the report, “Investment in Joint Venture” is the Commission’s share of the equity in the CEL.

## Salem County Insurance Commission Certificate of Insurance Monthly Report

From 5/22/2013 To 7/21/2013

Holder (H) / Insured Name (I) Coverage	Holder / Insured Address	Holder Code	Description of Operations	Issue Date
<u>SCIC</u> H- Cape May Police Academy AU WC I- Salem County	141 Crest Haven Road Cape May Court House, NJ 08210 94 Market Street Salem, NJ 08079	604	Evidence of insurance. All operations usual to County Governmental Entity as respects to Sheriff Officers attending Police Academy. CLD SEE PAGE 2 FOR ADDITIONAL COVERAGE INFORMATION	7/16/2013 GL EX
H- NJ Transit PHYS I- Salem County	One Penn Plaza Newark, NJ 07105 94 Market Street Salem, NJ 08079	812	Certificate holder is included as additional insured ATIMA for Auto and Excess Liability pursuant to the terms, conditions, limitations, and exclusions of the JIF Casualty Insurance Policy only and as loss payee with respects to: 2013 Supreme Startrans Sentator II , Vin#1FDFE4FS9DDA62888. CLD	5/24/2013 AU EX
H- County of Gloucester, Board of Chosen Freeholders, I- Salem County	It's Department & Agencies, etal PO Box 337 Woodbury, NJ 08096 94 Market Street Salem, NJ 08079	8211	All operations usual to County Governmental Entity including certificate holder as additional insured for General Liability but only with respects to the negligent acts of the named insured as respects to the contract for the Provision of Adult Inmate Facilities. Subject to the terms, conditions, limitations and exclusions of the policy. CLD	5/29/2013 GL EX AU WC

**Total # of Holders =** 3

**SALEM COUNTY INSURANCE FUND COMMISSION**

**Resolution of Certification  
Annual Audit Report for Period Ending December 31, 2012**

**WHEREAS**, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

**WHEREAS**, the Annual Report of Audit for the year 2012 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each member of the BOARD OF COMMISSIONERS, and

**WHEREAS**, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

**WHEREAS**, the Local Finance Board has promulgated a regulation requiring that the BOARD OF FUND COMMISSIONERS of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the BOARD OF COMMISSIONERS have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments  
and  
Recommendations

and

**WHEREAS**, the members of the BOARD OF COMMISSIONERS have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments  
and  
Recommendations

as evidenced by the group affidavit form of the BOARD OF COMMISSIONERS.

**WHEREAS**, such resolution of certification shall be adopted by the BOARD OF COMMISSIONERS no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

**WHEREAS**, all members of the BOARD OF COMMISSIONERS have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

**WHEREAS**, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the BOARD OF COMMISSIONERS to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

**NOW, THEREFORE, BE IT RESOLVED**, that the BOARD OF COMMISSIONERS of the Salem County Insurance Fund Commission hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON AUGUST 1, 2013.

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**ROBERT VANDERSLICE, CHAIRMAN**

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**EVERN FORD, VICE-CHAIRMAN**

**GROUP AFFIDAVIT FORM**  
**CERTIFICATION OF BOARD OF FUND COMMISSIONERS**

**of the**

**SALEM COUNTY INSURANCE FUND COMMISSION**

We members of the BOARD OF COMMISSIONERS of the Salem County Insurance Fund Commission, of full age, being duly sworn according to law, upon our oath depose and say:

1.) We are duly elected members of the BOARD OF COMMISSIONERS of the Salem County Insurance Fund Commission.

2.) In the performance of our duties, and pursuant to the Local Finance Board Regulation, we have familiarized ourselves with the contents of the Annual Fund Audit filed with the Secretary of the Fund pursuant to N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36 for the year 2012.

3.) We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled:

**GENERAL COMMENTS – RECOMMENDATIONS**

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(L.S.)

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(L.S.)

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(L.S.)

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EVERN FORD  
Vice Chairman

The Secretary of the Fund shall set forth the reason for the absence of signature of any members of the BOARD OF COMMISSIONERS.

**Important:** This certificate must be sent to the Division of Local Government Services, CN 803, Trenton, NJ 08625

**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:** June 27, 2013  
**To:** Executive Committee  
Camden County Insurance Commission  
**From:** PERMA Risk Management Services  
**Subject:** New Jersey Counties Excess Meeting Report

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**2013 Budget amendment:** Last month, the Underwriting Manager presented a report on the remarketing of the excess casualty program. The Board of Fund Commissioners accepted the recommendations of the Underwriter and Executive Director and made a motion to bind coverage effective 7/1/13 for an 18-month program with Underwriters at Lloyd's (Brit) for Excess Liability coverage and AmTrust and Safety National for the layered Excess Workers' Compensation and Employer's Liability coverage. The Board memorialized last month's action by adopting Resolution 21-13 authorizing the purchase of the insurance.

Executive Director reported that the combined premium for the replacement program would increase the 2013 budget by \$183,191 or 1.42%. Executive Director presented three different scenarios with respect to member Commissions' additional assessments, with a due date of January 15, 2014:

- Option A – Additional assessments are proportional to each member's previous excess premiums with adjustments.
- Option B – Equalized assessments where no member Commission is going up more than 2.71% of their overall insurance premium.
- Option C – Additional assessment is based on a flat distribution of 2.13% against the total loss funds.

Executive Director noted the budget change is less than 5% and will not require a public hearing. The Board discussed, amended the 2013 budget by \$183,191 for a total of \$13,077,270 and unanimously voted for Option A to apply the additional assessments proportionally based on their previous excess premiums with a due date of January 15, 2014.

**NJCE Actuary:** Executive Director reported the fund's contract with The Actuarial Advantage has expired and a Request for Price Quotes was advertised. The Board reviewed a summary report of the two firms that responded, as well as the complete responses from each firm. The Board adopted Resolution 22-13 appointing The Actuarial Advantage as Fund Actuary based on their submitted quote.

**December 31, 2012 Audit:** Fund Auditor submitted and reviewed a draft Audit Report as of December 31, 2012. Also reviewed was the Actuarial Valuation as of December 31, 2012. Fund Auditor noted there were no recommendations or findings and would prepare the final report for the next meeting. The Board adopted resolution 24-13 authorizing the fund office to file the draft audit and request an extension to submit the final report to the Department of Community Affairs.

**Union County Membership Renewal:** Union County is scheduled to renew their membership with the Fund for the term of January 1, 2014 to December 31, 2016 and renewal documents will be sent to Union County for execution.

**Local Financial Disclosure Form:** Included in the agenda was a report of Commissioners that have submitted a printed receipt of their Financial Disclosure Filing. Although the deadline for filing is May 31<sup>st</sup>, the state has indicated the form is still posted on the website and Commissioners that haven't filed will still be able to complete the process. The fund office will file the Fund Commissioner Roster list with receipt numbers by June 28<sup>th</sup>.

**NJCE Website:** The fund's website, [www.njce.org](http://www.njce.org), continues to be updated on an as-needed basis with fund information.

**Risk Control:** Safety Director reviewed a report reflecting the risk control activities from April through July 2013.

**Claims Administrator:** Ms. Michelle Leighton of Conner Strong & Buckelew said a "meet and greet" between the local commission third party administrators and the new excess carriers will be scheduled. Executive Director provided a summary report of open claims to date during Closed Session.

**Next Meeting:** The next meeting of the NJCE fund is scheduled for September 26, 2013 at 1:00PM at the Camden County Emergency Training Center.

**SALEM COUNTY INSURANCE COMMISSION  
FINANCIAL FAST TRACK REPORT**

*AS OF MAY 31, 2013*

ALL YEARS COMBINED

	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1. UNDERWRITING INCOME	548,930	272,235	821,165
2. CLAIM EXPENSES			
Paid Claims	69,293	-	69,293
Case Reserves	189,968	18,626	208,594
IBNR	55,590	40,474	96,064
Discounted Claim Value	(21,412)	(4,126)	(25,538)
<b>Total Claims</b>	<b>293,439</b>	<b>54,974</b>	<b>348,413</b>
3. EXPENSES			
Excess Premiums	301,483	147,426	448,909
Administrative	31,444	16,301	47,745
<b>Total Expenses</b>	<b>332,927</b>	<b>163,727</b>	<b>496,654</b>
4. UNDERWRITING PROFIT (1-2-3)	(77,435)	53,534	(23,901)
5. INVESTMENT INCOME	-	-	-
6. STATUTORY PROFIT (4+5)	(77,435)	53,534	(23,901)
7. Investment in Joint Venture	28,416	12,137	40,553
8. STATUTORY SURPLUS (6+7)	(49,019)	65,671	16,652

**SURPLUS (DEFICITS) BY FUND YEAR**

2012	(19,487)	65,671	46,184
2013	(29,532)	-	(29,532)
<b>TOTAL</b>	<b>(49,019)</b>	<b>65,671</b>	<b>16,652</b>

	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
<b>FUND YEAR 2012</b>			
Paid Claims	36,672	-	36,672
Case Reserves	6,550	18,626	25,176
IBNR	(20,072)	40,474	20,402
Discounted Claim Value	(3,683)	(4,126)	(7,809)
<b>Total Claims</b>	<b>19,467</b>	<b>54,974</b>	<b>74,441</b>
<b>FUND YEAR 2013</b>			
Paid Claims	32,620	-	32,620
Case Reserves	183,418	-	183,418
IBNR	75,662	-	75,662
Discounted Claim Value	(17,729)	-	(17,729)
<b>Total Claims</b>	<b>273,971</b>	<b>-</b>	<b>273,971</b>
<b>COMBINED TOTAL CLAIMS</b>	<b>293,439</b>	<b>54,974</b>	<b>348,413</b>

## **SALEM COUNTY INSURANCE FUND COMMISSION CLAIMS COMMITTEE MEETING SCHEDULE, ASSIGNMENTS AND CLAIMS CHARTER**

**The Claims Committee will conduct meetings on the following schedule:**

Claims Committee Meetings will be held on the third Wednesday of each month at 9:30 am at the County Old Courthouse – 2<sup>nd</sup> Floor, 104 Market Street, Salem, NJ 08709.

### **2013 CLAIMS COMMITTEE ASSIGNMENTS**

#### **Committee Members**

##### **Name**

Evern Ford (Chair)  
Katie Coleman (Alternate)  
Jessica Foote  
Aimee Cooper  
Stacey Pennington

##### **Affiliation**

Salem County Insurance Fund Commission  
Salem County Insurance Fund Commission  
Salem County  
Salem County  
Salem County

#### **Fund Professionals**

Michael Mulligan  
Bradford Stokes  
Joseph Hrubash  
David Strout  
Robyn Walcoff  
Michelle Leighton  
Glenn Prince  
Megan Callahan  
Veronica George

Commission Counsel  
PERMA  
PERMA  
Cettei & Connell, Risk Manager  
Conner Strong & Buckelew  
Conner Strong & Buckelew  
J.A. Montgomery  
Inservco Insurance Services  
Inservco Insurance Services

## **CLAIMS COMMITTEE CHARTER**

The Salem County Insurance Fund Commission hereby constitutes and establishes a Claims Committee, an advisory committee authorized by the Commission's rules and regulations:

### **Composition**

The Claims Committee shall be comprised of at least one representative from each member of the Salem County Insurance Fund Commission and one Salem County Insurance Fund Commissioner. Each representative shall have one vote. As additional members join the Salem County Insurance Fund Commission, a representative from the new member entity shall be appointed to the Claims Committee.

Also serving on the Committee, with no voting privileges, shall be a representative from the Executive Director's office, the Fund Attorney, a representative from the Risk Management Consultant's office, a representative from the Third Party Administrator's office, and a representative from the CEL's Safety Director's office.

### **Authority and Responsibility**

1. The Claims Committee shall review and recommend for approval or denial all payment authority requests which are subject to any combination of payments that exceed seven thousand five hundred dollars (\$7,500) for Property, including Boiler & Machinery, Auto Liability, General Liability including Law Enforcement Legal Liability, and ten thousand dollars (\$10,000) for Workers' Compensation Claims, inclusive of legal fees, expenses, and such other items to be charged to the Salem County Insurance Fund Commission. This notification also includes any prior claim where a request for additional payment authority is needed beyond an amount previously approved, any requests for lien compromises, and any subrogation abandonment requests.
2. The Claims Committee shall develop and recommend claims cost containment programs.

### **Claims Committee Bylaws**

The Claims Committee of the Salem County Insurance Fund Commission was established in February 2013, where the Salem County Insurance Fund Commission adopted a resolution appointing certain employees of member entities to the Claims Committee, an advisory committee authorized by the Commission's rules and regulations. The Committee's operational guidelines are set down herein and may be amended by the Commissioners of the Salem County Insurance Fund Commission.

## Meetings

The Claims Committee shall meet at least monthly, on the third Wednesday of the month, and as many times as the Committee Chairman deems necessary; provided, however, if there are five or less payment authority requests to review in one month, the Claims Committee may conduct the review of the payment authority requests electronically or telephonically in lieu of an in-person meeting.

## Attendance

A majority of members of the Claims Committee shall be present at all meetings. In addition, a representative from the Executive Director's office, the Fund Attorney, a representative from the Risk Management Consultant's office, a representative from the Third Party Administrator's Office, and a representative from the CEL's Safety Director's office shall attend such meetings. As necessary or desirable, the Chairman may request other professionals and/or member representatives to also attend in order to exchange views on any issue that may be at hand.

## Specific Duties

In undertaking its responsibilities as outlined above, the Claims Committee is to:

1. Apprise the Commissioners of the Salem County Insurance Fund Commission, through special presentations as necessary, of significant developments in the course of performing its responsibility.
2. Review and recommend for approval or denial all payment authority requests which are subject to any combination of payments that exceeds seven thousand five hundred dollars (\$7,500) for Property, including Boiler & Machinery, Auto Liability, General Liability including Law Enforcement Legal Liability, and ten thousand dollars (\$10,000) for Workers' Compensation inclusive of legal fees, expenses, and such other items to be charged to the Salem County Insurance Fund Commission. This notification also includes any prior claim where a request for additional payment authority is needed beyond an amount previously approved, any requests for lien compromises, and any subrogation abandonment requests.
3. Recommend to Commissioners of the Salem County Insurance Fund Commission any appropriated changes or extensions in the duties of the Committee.
4. Report annually to the Commissioners of the Salem County Insurance Fund Commission on the discharge of these responsibilities.

**RESOLUTION NO. 18 -13**

**SALEM COUNTY INSURANCE COMMISSION  
AUGUST 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 2012**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<b>000014</b>			
000014	BOWMAN & COMPANY LLP	AUDITOR FEE FOR 2012	2,700.00
			<b>2,700.00</b>
<b>000015</b>			
000015	NEW JERSEY COUNTIES EXCESS JIF	2012 CEL ASSESSMENT DUE	147,426.34
			<b>147,426.34</b>
		TOTAL PAYMENTS FY 2012	150,126.34

**FUND YEAR 2013**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<b>000016</b>			
000016	INSERVCO INSURANCE SERVICE INC	CLAIMS ADMIN - 7/1513-10/14/13	5,250.00
			<b>5,250.00</b>
<b>000017</b>			
000017	PERMA RISK MANAGEMENT SERVS	POSTAGE FEE 05/2013	1.72
000017	PERMA RISK MANAGEMENT SERVS	EXECUTVIE DIRECTOR - 3RD QTR 2013	8,366.25
			<b>8,367.97</b>
<b>000018</b>			
000018	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEE 3RD QTR 2013	1,875.00
			<b>1,875.00</b>
		TOTAL PAYMENTS FY 2013	15,492.97

**TOTAL PAYMENTS ALL FUND YEARS \$ 165,619.31**

\_\_\_\_\_  
**ROBERT VANDERSLICE, CHAIRMAN**

**ATTEST:**

\_\_\_\_\_  
**EVERN FORD, VICE CHAIRMAN**

**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:** July 23, 2013

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**June – September 2013  
RISK CONTROL ACTIVITIES**

**JIF MEETINGS ATTENDED / TRAINING PRESENTED**

- **June 6:** Attended the SCIC meeting in Salem.
- **June 11:** Attended a combination fire drill and Safety Captains training in Salem.
- **June 20:** Attended the SCIC Claims Committee meeting via conference call.
- **July 2:** Attended the SCIC Safety Committee meeting in Salem.
- **July 24:** Attended the ESC and Safety Committee meetings in Salem.

**UPCOMING JIF MEETINGS / TRAINING PLANNED**

- **August 1:** Plan to attend the SCIC meeting in Salem.

**CEL VIDEO LIBRARY**

No videos were utilized by SCIC during 2012 and 2013.

**RESOLUTION NO. 19 -13**

**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 6/1/13 to 6/30/13, 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 August 1, 2013.

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**ROBERT VANDERSLICE, CHAIRMAN**

**ATTEST:**

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**EVERN FORD, VICE CHAIRMAN**

**SCIFC - 378**  
**Financial Transaction Log - Liability Claim Payments**  
**Monthly / Detail / By Coverage / By Payment Type / By Check Number**  
**06/01/2013 Thru 06/30/2013**

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
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*Inservco Report Terminology*

Reporting Name	Business Name	Business Description
Amount/Amt Paid	Amount Paid	Amount actually paid or received
Amount/Amt Requested	Amount Requested	Amount requested to be paid
As Of Date/To Date	Report End Date	Ending date of transactions on report, usually month end
Payment Type	Type	Types of transactions—Computer, Manual, Refund, Recovery, Stop Pay, Void
Report Begin Date	Report Begin Date	Beginning date of transactions on report, usually beginning of month or inception
Trans Date	Transaction Date	Issue date for computer issued payments and add date for all other type entries

**SCIFC - 378**  
**Financial Transaction Log - Liability Claim Payments**  
**Monthly / Detail / By Coverage / By Payment Type / By Check Number**  
**06/01/2013 Thru 06/30/2013**

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
<b>Coverage: General Liability</b>										
C	2002	3780000022 001	SHEHAN, KRISTIN	6/3/2013	6/3/2013	KRISTIN SHEHAN	6/28/2013	FULL & FINAL SETTLEMENT OF ALL CLAIMS	500.00	500.00
<b>Total for Coverage: General Liability</b>								<b>Number of entries: 1</b>	<b>500.00</b>	<b>500.00</b>
<b>Total for SCIFC - 378</b>								<b>Number of entries: 1</b>	<b>500.00</b>	<b>500.00</b>

***APPENDIX I – MEETING MINUTES***

**SALEM COUNTY INSURANCE FUND COMMISSION**  
**OPEN MINUTES MEETING – June 6, 2013**  
**104 MARKET STREET**  
**SALEM, NJ 9:00 AM**

Meeting called to order by Robert Vanderslice. Open Public Meetings notice read into record.

**ROLL CALL OF COMMISSIONERS:**

Robert Vanderslice	Present
Evern Ford	Present
Katie Coleman	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Bradford Stokes</b> <b>Karen A. Read</b>
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Treasurer	<b>Katie Coleman</b>
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Attorney	<b>Michael Mulligan</b>
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CEL Underwriting Manager	Conner Strong & Buckelew
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Claims Service	Inservco <b>Megan Callahan</b> <b>Veronica George</b>
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	Conner Strong & Buckelew <b>Robyn Walcoff</b> <b>Michelle Leighton</b>
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Risk Management Consultant	Cettei & Connell Insurance <b>David Strout</b>
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Safety Director	JA Montgomery Risk Control <b>Glenn Prince</b>
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**ALSO PRESENT:**

Cathy Dodd, Conner Strong & Buckelew  
Jessica Foote, Salem County

**APPROVAL OF MINUTES:** OPEN SESSION OF APRIL 4, 2013 AND MAY 20, 2013

## MOTION TO APPROVE THE OPEN MINUTES OF APRIL 4, 2013 AND MAY 20, 2013

Moved: Commissioner Ford  
Second: Commissioner Coleman  
Vote: Unanimous

**CORRESPONDENCE: None**

### EXECUTIVE DIRECTOR REPORT:

**Certificate of Insurance Issuance Report:** Executive Director reported the monthly Certificate of Insurance Issuance Report from the CEL was included on page 3 of the agenda. There were 3 certificates of insurance issued during the period of March 29, 2013 through May 21, 2013.

### MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Ford  
Second: Commissioner Coleman  
Vote: Unanimous

**2013 Property & Casualty Assessments:** Executive Director reported second assessment invoices for 2013 are due on July 15, 2013. The third assessment of 30% is due on September 15, 2013 and the third assessment of 30% is due on September 15, 2013. Assessment invoices will be sent at the appropriate time.

**2013 Financial Disclosure Statements** – Executive Director reported the Department of Community Affairs has implemented an online filing system for the Local Disclosure Forms. Commissioners will now need to submit a form for the Commission separately from the form you submit for your employer (County, Town or Authority). The Fund office distributed an e-mail to the Commissioners with instructions for the online procedure. The link for the website is: <http://www.nj.gov/dca/divisions/dlgs/resources/fds.html>. The deadline for filing the electronic form was May 31, 2013. Executive Director said with the State changing the procedures it has been a trying time. If you have not filed your form yet there is still time to do so.

**NJ Excess Counties Insurance Fund Report (CELJIF)** - Executive Director reported the CEL met on May 23, 2013. The CEL Underwriting Manager provided proposals for the remarketing of the Meadowbrook portion of the commercial insurance including the excess general liability, auto liability, law enforcement liability, workers compensation. The Underwriting Manager secured an 18 month program.

The CEL approved going forward with the replacement program subject to finalizing the terms and conditions of the coverage. The additional cost for the 2013 budget is \$196,714 or 1.53%. The CEL Executive director reported that the fund has enough cash to front the deposit premiums for the replacement program until the return premiums from the terminated program are available.

The Executive Director also noted that if the additional premium is collected from the member commissions for 2013 coverage it will be on an allocated basis and not due until 2014.

The Commissioners from the CEL voted unanimously to approve this. A lot of work was put into this and everyone involved should be commended, especially with everything that is happening on the property side this was our best option.

**2012 Audit** – Executive Director reported the auditor is in the process of preparing the 2012 Fund Year Audit. When the audit is completed Mr. Jim Miles of Bowman & Company will be asked to attend the meeting to review his report with the Commissioners. Executive Director said there did not appear to be any recommendations and once it is finalized the audit will be sent to all the commissioners. We may be able to approve by special meeting conference call or at the next regular scheduled meeting.

**Financial Fast Track** – Included on page 7 of the agenda is the first Financial Fast Track for the Salem County Insurance Fund Commission. This will be a monthly report that is a snap shot of the financial strength of the Insurance Commission. As of March 31, 2013 the Commission has a statutory surplus of \$83,375. Line 7 of the report, “Investment in Joint Venture” is the Commission’s share of the equity in the CEL. Executive Director said for a fund that has been in effect for only 7 months the statutory surplus of \$83, 375 the fund is in good shape. There still is an outstanding 2012 assessment payment that is due to the CEL. Executive Director said he will be in touch with CEL to see if the Fund can make payments on the 2012 assessment over 2014 and 2015 fund years and will report back to members.

#### **SAFETY COMMITTEE REPORT:**

Safety Director reported the Safety Committee met on May 22, 2013 and plan to meet again on July 24<sup>th</sup>. At the Safety Committee meeting plans were ironed out for future training to activate our emergency action plan for the entire county. Safety Director said the balance of his report will be covered in the Safety Director’s report.

#### **CLAIMS COMMITTEE REPORT**

Claims Manager said there is one PAR that is up for approval and a special committee meeting was held for that on May 20<sup>th</sup>. There has not been another claims meeting since then or any other claims activity. The next claims meeting will be held on Thursday, June 20<sup>th</sup> at 9:30 am and will be held in person.

#### **TREASURER:**

**REPORT:** Executive Director reported the June Bills List was included in the agenda and should be recommended for approval. The Treasurer reported there were not sufficient funds in the Commission account due to the fact that the County has not paid their assessment at this time. It is anticipated that the payment will be made on or before July 15, 2013. Chairman Vanderslice suggested that the bills list be approved contingent upon the County paying the assessment by July 15, 2013.

#### **MOTION TO APPROVE RESOLUTION 15-13 JUNE 2013 BILLS LIST IN THE AMOUNT OF \$304,924.59 AS AMENDED**

Moved:	Commissioner Ford
Second:	Commissioner Coleman
Vote:	3 Ayes, 0 Nays

## **CEL SAFETY DIRECTOR REPORT**

Safety Director reported all the safety and risk control activities were included in the agenda. In regard to the emergency action plan there are two fire drills planned for this month. On June 11<sup>th</sup> and June 18th there will be floor captains training for those responsible for their particular buildings. There will be power point presentation to cover the federal standard and what the county expects of those individuals and safe exit from the buildings. Risk Manager Strout said we will also be covering lockdown or shelter in place and we are completing a listing of all employees and their cell numbers set up in our emergency system for those purposes. In response to Chairman Vanderslice, Safety Director said there will be a specific location for everyone to meet so they can be accounted for and all employees will know where to rally and where to responded to so they can receive instructions on when they can return to the building. All of this information is included in the action plan.

**OLD BUSINESS:** None

### **NEW BUSINESS:**

**Worker's Comp Claims:** Commissioner Ford said he has found that some of the worker's comp doctors seem to be employee friendly. They seem to be asking the employees what is wrong with them and what type of treatment do they need, and this needs to be addressed. Attorney Mulligan said it seems to be a philosophy issue and by having the right kind of philosophy in connection with the intake evaluation on a work related injury, we can separate the wheat from the chaff. At this time it is going the wrong way with the present vendor. Veronica George said the CEL is doing a seminar for all of the panel doctors in the five commissions. All of the panel doctors or encouraged to attend. At this seminar Dr. Dwyer is going to review how important the first stop is in regards to the patient history. Right now the County is using Life Care and this seems to be an ongoing issue with regards to getting patient history. Michelle Leighton said that education is an important factor but it may be time to explore other options. It may be beneficial to set up a meeting with WorkNet to have them come in and speak about their capabilities. If the current facility is not aligning with your aggressive stance on managing claims and return to work then it may be time to take a look elsewhere. Michelle Leighton said they will coordinate a meeting with WorkNet and will follow up with the commissioners in that regard.

**PUBLIC COMMENT:** None

### **MOTION TO ADJOURN:**

Motion:	Commissioner Ford
Second:	Commissioner Coleman
Vote:	Unanimous

**MEETING ADJOURNED: 9:21 AM**

**NEXT MEETING WILL BE THURSDAY, August 1, 2013 at 9:00 AM**

## **APPENDIX II**

## 2013 Risk Management Plan

### Salem County Insurance Fund Commission

(hereinafter the "Insurance Commission")

BE IT RESOLVED by the Insurance Commission's governing body that effective 7/1/13 the 2013 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 (NJC).
    - 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

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 \$15,750,000 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.

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 32' 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 \$30,000,000 per member insurance commission 18 month aggregate limit (7/1/13-1/1/15). The \$15,000,000 excess \$10,500,000 commercial excess layer is subject to a \$15,000,000 annual aggregate limit (1/1/13-1/1/14) shared with the Camden County, Burlington County, Cumberland County and Gloucester County Insurance Commissions.
  - 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 32' 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 \$30,000,000 18 month aggregate (7/1/13-1/1/15) excess over and above \$500,000. NJC also purchases from Starr Indemnity & Liability Insurance Company limits of \$15,000,000 per occurrence and a \$15,000,000 annual aggregate (1/1/13-1/1/14) excess over and above the \$10,000,000/\$30,000,000 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 \$30,000,000 18 month aggregate (7/1/13-1/1/15) excess over and above \$500,000. NJC also purchases from Starr Indemnity & Liability Insurance Company limits of \$15,000,000 per occurrence and a \$15,000,000 annual aggregate (1/1/13-1/1/14) excess over and above the \$15,000,000/\$30,000,000 with Underwriters at Lloyds.

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

The excess general liability, auto liability and law enforcement liability limit of \$10,000,000/\$30,000,000 and employers liability limit of \$10,000,000/\$10,000,000 excess \$6,000,000 with Underwriters at Lloyds are shared limits amongst SCIC member entities. The limits of \$15,000,000/\$15,000,000 excess of the \$10,000,000/\$30,000,000 with Starr Indemnity Liability Company, are shared with the Burlington County, Camden County, Cumberland County and Gloucester County Insurance Commissions other member commissions of the NJC.

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/Boiler & Machinery

Property Limits/Sub-limits

- The Insurance Commission covers \$100,000 per occurrence excess of applicable member entity **per occurrence** deductibles.
- The NJC provides excess property coverage via the commercial market with Zurich with the following limits (*SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES*) excess of the member retention and member entity **per occurrence** deductibles:

PROPERTY PER OCCURRENCE LIMITS:

- A. \$100,000,000 PER OCCURRENCE WITH ZURICH
  - B. \$150,000,000 PER OCCURRENCE WITH RSUI
  - C. \$260,000,000 PER OCCURRENCE TOTAL PROGRAM LIMIT
- Earthquake - \$100,000,000 (Annual Aggregate)
  - Flood - \$50,000,000 (Annual Aggregate) Except;
  - Flood Inside 100-Year Flood Zone - \$25,000,000
  - Asbestos Cleanup - \$50,000 (Annual Aggregate)
  - Valuable Paper And Records - \$10,000,000
  - Accounts Receivable - \$10,000,000
  - Demolition & Increased Cost of Construction-\$25,000,000
  - Business Interruption -\$30,000,000 (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 - \$1,000,000 (Owned And Non Owned)
  - Pollution And Contamination Cleanup (Limited) - \$250,000 (Annual Aggregate)
  - Miscellaneous Unnamed Locations - \$5,000,000
  - Builders' Risk - \$25,000,000 (**\$1,000,000** sub-limit for soft costs)
  - Newly Acquired Locations - \$25,000,000 (90 day reporting)
  - Service Interruption - \$10,000,000 Combined Time Element and Property Damage (including Overhead Transmission Lines within **one mile** of insured premises, 24 hour waiting period)

\$1,000,000 Aggregate

- Ingress/Egress - \$5,000,000 Or 30 Days Whichever Is Less
- Debris Removal -\$25,000,000 or 25% of the covered loss, whichever is less
- Civil Government Authority – \$5,000,000 or 30 days, whichever is less
- Leasehold Interest - \$15,000,000
- Loss of Rents - \$15,000,000
- Contingent Time Element - \$5,000,000
- Loss Adjustment Expense - \$500,000 Per Claim/
- Extended Period of Indemnity – 365 Days
- Auto Physical Damage - \$500,000 Per Scheduled Vehicle
- Fungus, Wet Rot, Dry Rot Or Bacteria - \$500,000 Per Occurrence (Named peril coverage only.)
- Underground Piping - \$10,000,000 (only if within 1,000' 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).
- EDP Equipment – No sub-limit
- Outdoor Property - \$5,000 per item, no sub-limit
- Boiler And Machinery - \$100,000,000
  - Business Interruption - \$10,000,000 (Business Income On Revenue Producing Property Only)
  - Contingent Business Income - \$5,000,000
  - Loss Of Rents - \$15,000,000
  - Newly Acquired - \$5,000,000
  - Demolition & Increased Cost Of Construction - \$25,000,000
  - Hazardous Substance - \$5,000,000
  - Expediting Expenses- \$5,000,000
  - Perishable Goods - \$5,000,000
  - Service Interruption - \$5,000,000 Combined Time Element and Property Damage (including Overhead Transmission Lines within 1,000' of insured premises, 24 hour waiting period)
  - Data Restoration - \$1,000,000
  - Miscellaneous Unnamed Location (Property Damage Only) - \$5,000,000
  - Extended Period Of Indemnity - 180 Days

**Note:** There is an excess property policy with RSUI Insurance Company which extends the per occurrence policy limits by \$150,000,000 to a total of \$260,000,000, but not the policy sub-limits. The primary limit is \$110,000,000.

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).
  - Salem County - \$5,000 Property & Auto Physical Damage
- The Boiler and Machinery deductible is \$25,000 member entity deductible per occurrence.
- The Earthquake Member Insurance Commission retention is \$100,000 per occurrence less the per occurrence member entity deductibles.
- The Flood Member Insurance Commission retention is \$100,000 per occurrence less member entity per occurrence deductibles.
- Flood loss for property within the 100-year flood zone is subject to a deductible of \$500,000 each building for municipality buildings, and \$500,000 each building for municipality contents member entity deductible per occurrence; to a deductible of \$250,000 each building for housing authority buildings, and \$100,000 each building for housing authority contents member entity deductible per occurrence; or the National Flood Insurance Plan's (NFIP) maximum available limits for municipalities and housing authorities, 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 Flood” subject to a deductible of 1% of the total insurable value (excluding vehicle values) at each location involved in loss or damage, subject to a minimum deductible of **\$250,000** and a maximum deductible of \$1,000,000 per occurrence state-wide for all locations for Named Storms. The “Named Storm” deductible is a per member entity deductible. **Note: 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.**

“Named Storm Wind” subject to a deductible of 1% of the total insurable value (excluding vehicle values) at each location involved in loss or damage, subject to a minimum deductible of **\$250,000** and a maximum deductible of \$1,000,000 per occurrence state-wide for all locations for Named Storms. The “Named Storm” deductible is a per member entity deductible. **Note: 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.**

Named Storm is defined as a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone or tropical storm by the National Hurricane Center of the Center of the National Oceanic and Atmospheric Administration's National Weather Service. Location is defined as any building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing street, space or waterway shall render such separation inoperative for the purpose of this definition. 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.
- 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

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.

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

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 four major excess insurers (i.e. Underwriters at Lloyds, Starr Indemnity 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 1st day of August 2013.

## **ADDENDUM I**

2013 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 of 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/cybex;
  - (v) Electroencephalogram (EEG);
  - (vi) H-reflex Study;
  - (vii) Magnetic resonance imaging (MRI);
  - (viii) Needle electromyography (needle EMG);
  - (ix) Nerve conduction velocity (NCV);
  - (x) Somasensory evoked potential (SSEP);
  - (xi) Sonogram/ultrasound;
  - (xii) Videofluorosocpy;
  - (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

2013 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.

**ADOPTED** by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on August 1, 2013.

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**ROBERT VANDERSLICE, CHAIRMAN**

**ATTEST:**

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**EVERN FORD, VICE CHAIRMAN**

