

**SALEM COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
AUGUST 7, 2014 – 9 AM**

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

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

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

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

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

**SALEM COUNTY INSURANCE FUND COMMISSION
AGENDA -OPEN PUBLIC MEETING
AUGUST 7, 2014 – 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 5, 2014 Open Minutes.....Appendix I
June 5, 2014 Closed Minute..... **To be Distributed**

- CORRESPONDENCE – NONE**

REPORTS

- EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMA Risk Management Services**
Executive Director's ReportPage 1
 - COMMITTEE REPORTS**
Safety Committee ReportVerbal
Claims Committee Report..... Verbal
 - TREASURER – Katie Coleman**
Resolution No. 21-14 - August Bills ListPage 12
 - CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
Monthly Report.....Page 13
 - CLAIMS SERVICE – Inservco Insurance Services**
Liability Claim Payments 5/1/14 thru 6/30/14Pages 14-15
Resolution 22-14 Authorizing Disclosure of Claims Payment Register.....Page 16
 - CLAIMS SERVICE – Conner Strong & Buckelew**
Report..... Verbal
 - Motion for Executive Session for Certain Specified Purposes for Personnel, Safety, Public Property or Litigation in accordance with the Open Public Meeting Act - PAYMENT AUTHORIZATION REQUEST**
 - Motion to Return to Open Session**
 - Motion to Approve PARS**
-

- OLD BUSINESS**
- NEW BUSINESS**
- PUBLIC COMMENT**

- MEETING ADJOURNMENT** **NEXT MEETING: October 2, 2014, 11 AM**

SALEM COUNTY INSURANCE FUND COMMISSION

9 Campus Drive, Suite 16
Parsippany, NJ 07054

Date: August 7, 2014
Memo to: Commissioners of the Salem County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: Executive Director's Report

- ❑ **Audit Report as of December 31, 2013** – The Auditor’s Report as of December 31, 2013 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 20-14 and the Group Affidavit** must be executed. (Pages 3-5)
 - ❑ **Motion to Approve Year-End Financials as of December 31, 2013 as Presented, Adopt Resolution 20-14 and execute the Group Affidavit indicating that members of the Executive Committee have read the General Comments Section of the Audit Report**
- ❑ **Certificate of Insurance Issuance Report** – On **page 6** is the monthly Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of May 23, 2014 to July 29, 2014. There were 5 certificates issued during this period.
 - ❑ **Motion to Approve the Certificate Report**
- ❑ **2014 Property & Casualty Assessments** – A reminder that the third assessment of 30% is due on September 15, 2014. Assessment invoices will be sent at the appropriate time.
- ❑ **NJ Excess Counties Insurance Fund (CELJIF) – (Pages 7&8)** – The CEL met on June 26, 2014. A summary report of their meeting is included in the agenda. At that meeting the CEL scheduled a public hearing on a budget amendment on July 24, 2014 due to the addition of Ocean County. Also the auditor presented and reviewed a draft copy of the 2013 audit.

At the July 24th meeting, the CEL Fund Commissioners voted to approve the amended budget and also approved the re-appointment of AmeriHealth Casualty Services as the Fund’s Claims Administrator.
- ❑ **Financial Fast Track** – Included on **Pages 9 & 10** of the agenda are the Financial Fast Tracks for the Salem County Insurance Fund Commission for April and May. As of May 31st, the Fund has a deficit of \$314,002. Line 8 of the report, “Investment in Joint Venture” is the Commission’s share of the equity in the CEL.

- ❑ **NJ CEL Property and Casualty Financial Fast Track** - Included in the agenda on **Page 11** is the NJ CEL Financial Fast Track Report as of May 31, 2014. The CEL has a surplus of **\$4,130,805**.
- ❑ **RFQ for Professional Services** – Several of the Funds Professional Services Agreements expire as of December 31, 2014. The positions of Executive Director, Actuary and Auditor are up for renewal. The Fund office will issue and advertise a RFQ for the positions in the next few weeks. The responses will be reviewed by the Commissioners and a recommendation will be made at the October Commission meeting.

- ❑ **Motion to authorize the fund office to advertise Request for Qualifications for Fund Professionals for the period of January 1, 2015 through December 31, 2017.**

SALEM COUNTY INSURANCE FUND COMMISSION

**Resolution of Certification
Annual Audit Report for Period Ending December 31, 2013**

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 2013 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 7, 2014.

ROBERT VANDERSLICE, CHAIRMAN

KEVIN CROUCH, 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 2013.

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

(L.S.)

(L.S.)

(L.S.)

KEVIN CROUCH
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

Salem County Insurance Commission Certificate of Insurance Monthly Report

Wednesday, July 30, 2014

From 5/23/2014 To 7/29/2014

Holder (H) / Insured Name (I)	Holder / Insured Address	Holder Code	Description of Operations	Issue Date	Coverage
SCIC					
H- County of Gloucester	Board of Chosen Freeholders It's Department & Agencies et al PO Box 337 Woodbury, NJ 08096	747	Evidence of insurance. All operations usual to County Governmental Entity with respects to the shared service agreement for the provision of adult male and female inmate housing. (SEE PAGE 2)	6/12/2014	GL EX AU WC
I- Salem County	94 Market Street Salem, NJ 08079				
H- Elmer Methodist Church	21 South Main Street Elmer, NJ 08318	1235	Evidence of insurance. All operations usual to County Governmental Entity as respects to Music Around the County Concert, November 15, 2014, 6PM to 9PM. (SEE PAGE 2)	6/23/2014	GL EX AU WC
I- Salem County	94 Market Street Salem, NJ 08079				
H- NJ Department of Environmental Protection	NJDEP, Compliance & Enforcement Bureau of Local Environmental Management Mail Code 401-04N, PO Box 420 Trenton, NJ 08625-042-	1242	Evidence of insurance. All operations usual to County Governmental Entity as respects to the CEHA Elective Grant Jan 1, 2014 - December 31, 2014. (SEE PAGE 2) CLD	7/3/2014	GL EX AU WC
I- Salem County	94 Market Street Salem, NJ 08079				
H- NJ State Mosquito Control Commission	PO Box 420 Trenton, NJ 08625-0420	1243	Evidence of insurance. All operations usual to County Governmental Entity as respects to the 2014-2015 Equipment Lease Agreement. (SEE PAGE 2)	7/3/2014	GL EX AU WC
I- Salem County	94 Market Street Salem, NJ 08079				
H- Quinton Township Municipal Building	P.O. Box 65- 885 Quinton Road	1253	Evidence of insurance. All operations usual to County Governmental Entity as respects to a water exercise County OEM will hold on July 26, 2014 at the Quinton Township boat ramp. (See Page 2)	7/23/2014	GL EX AU WC
I- Salem County	Quinton, NJ 08072 94 Market Street Salem, NJ 08079				

Total # of Holders = 5

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 26, 2014
To: Executive Committee
Salem County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: New Jersey Counties Excess Meeting Report

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

2014 Budget Amendment: The addition of Ocean County to the program represents a 5.19% increase to the budget. In accordance with the local regulations, the Board of Fund Commissioners introduced a motion to amend the budget via a public hearing on July 24, 2014 at 1:30PM. The public meeting will be held at the Camden County Regional Emergency Training Center, as well as telephonically to accommodate Board members that may not attend in person.

December 31, 2013 Audit: The Fund Auditor submitted and reviewed a draft financial audit for the period ending December 31, 2013. Also reviewed was the Actuarial Valuation as of December 31, 2013. Fund Auditor noted there was no recommendations or findings and would prepare the final report for the next meeting. The Board adopted resolution 20-14 authorizing the fund office to file the draft audit and request an extension to submit the final report to the Department of Community Affairs.

2014 Risk Management Plan: The Board of Fund Commissioners adopted a revised Risk Management Plan reflecting the addition of Ocean County to the program, the change to a three insurer quota for the excess property and a name change for the Gloucester County College.

2014 Excess Coverage Ocean County: The Extraordinary Unspecifiable Services (EUS) statements for Ocean County were included in the agenda as part of the Underwriting Manager's report. The Board of Fund Commissioners adopted Resolution 21-14 memorializing the purchase of insurances.

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

Property Program – Catastrophe Modeling: Executive Director reported that with the growth in the membership, the fund's property insurance limits, particularly the \$135 million per occurrence named storm limit, is spread over a larger insured value/risk than in earlier years. The insurance industry has developed modeling programs to estimate the amount of loss to a particular peril such as wind, fire or earthquake. This so called "CAT Model" is based on the actual location data from each insured together with construction and

exposure information. The output is a series of estimates called Probable Maximum Loss (PML) for the peril being measured. There are a limited number of firms offering this analysis and it is in the range of \$15,000 to \$20,000 depending on the size of the database being analyzed and can be obtained through the insurance carrier. Fund Attorney said it may be appropriate to seek these services through an RFP or procurement and would work with the fund office. The Board of Fund Commissioners authorized PERMA and the Fund Attorney to prepare and release procurement for a CAT Modeling Study.

Third Party Claims (TPA) Administrator

Name Change: Included in the agenda was notification that CompServices will now be doing business as AmeriHealth Casualty Services as of May 19th. The Board of Fund Commissioners adopted Resolution 22-14 amending the contract to reflect the name change.

RFP: As previously reported, the fund's contract with CompServices will expire on 8/1/14. The fund office advertised the RFP for a TPA Claims Administrator and received responses from two vendors, Amerihealth Casualty Services and Inservco Insurance Services, Inc. The Board of Commissioners discussed the responses during Closed Session and upon return to Open Session said that more information was required to review both responses before making an appointment. The Board of Fund Commissioners directed the fund office and the Fund Attorney to obtain further information and provide a report at the next available meeting

Actuary: As previously reported, the fund's contract with The Actuarial Advantage will expire on 6/30/14. The fund office issued a Request for Price Quotes was advertised and was sent to three firms to provide a response. The Actuarial Advantage was the only firm to respond. The Board of Fund Commissioners adopted Resolution 23-14 appointing The Actuarial Advantage as Fund Actuary based on their submitted quote.

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

Claims Status Summary: AmeriHealth Casualty Services prepared a summary report of any claims with large open reserves that was reviewed during Closed Session. The Board of Fund Commissioners adopted Resolution 25-14 authorizing the need for closed session.

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

Financials: The Financial Fast Track as of May 31, 2014 reported the Fund's current surplus of \$4.1 million.

Risk Control: Safety Director's report included a report reflecting the risk control activities.

SALEM COUNTY INSURANCE COMMISSION					
FINANCIAL FAST TRACK REPORT					
		AS OF	April 30, 2014		
ALL YEARS COMBINED					
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME	116,156	464,625	1,628,692	2,093,317
2.	CLAIM EXPENSES				
	Paid Claims	49,252	168,781	440,783	609,563
	Case Reserves	(19,365)	13,378	362,700	376,077
	IBNR	21,939	96,218	201,035	297,253
	Discounted Claim Value	108	(5,774)	(40,089)	(45,862)
	TOTAL CLAIMS	51,934	272,603	964,429	1,237,031
3.	EXPENSES				
	Excess Premiums	64,928	259,711	910,013	1,169,724
	Administrative	5,899	24,206	87,939	112,145
	TOTAL EXPENSES	70,826	283,917	997,952	1,281,869
4.	UNDERWRITING PROFIT (1-2-3)	(6,604)	(91,894)	(333,688)	(425,583)
5.	INVESTMENT INCOME	0	0	0	0
6.	PROFIT (4 + 5)	(6,604)	(91,894)	(333,688)	(425,583)
7.	CEL APPROPRIATION CANCELLATION	0	0	1,259	1,259
8.	INVESTMENT IN JOINT VENTURE	5,683	17,893	89,440	107,333
9.	SURPLUS (6 + 7 + 8)	(921)	(74,001)	(242,989)	(316,991)
SURPLUS (DEFICITS) BY FUND YEAR					
	2012	(9,102)	(15,451)	(15,715)	(31,166)
	2013	6,760	(92,465)	(227,274)	(319,739)
	2014	1,421	33,914		33,914
	TOTAL SURPLUS (DEFICITS)	(921)	(74,001)	(242,989)	(316,990)
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2012					
	Paid Claims	5,853	28,329	102,574	130,902
	Case Reserves	2,412	(11,991)	24,284	12,293
	IBNR	1,099	(1,924)	10,643	8,719
	Discounted Claim Value	(205)	981	(2,333)	(1,352)
	TOTAL FY 2012 CLAIMS	9,159	15,395	135,168	150,562
FUND YEAR 2013					
	Paid Claims	24,786	110,564	338,209	448,773
	Case Reserves	(35,901)	(40,658)	338,416	297,758
	IBNR	2,217	19,496	190,392	209,888
	Discounted Claim Value	2,488	3,106	(37,756)	(34,650)
	TOTAL FY 2013 CLAIMS	(6,410)	92,508	829,261	921,769
FUND YEAR 2014					
	Paid Claims	18,613	29,888		29,888
	Case Reserves	14,125	66,026		66,026
	IBNR	18,623	78,646		78,646
	Discounted Claim Value	(2,176)	(9,860)		(9,860)
	TOTAL FY 2014 CLAIMS	49,185	164,700	0	164,700
COMBINED TOTAL CLAIMS		51,934	272,603	964,429	1,237,031

SALEM COUNTY INSURANCE COMMISSION					
FINANCIAL FAST TRACK REPORT					
		AS OF	May 31, 2014		
ALL YEARS COMBINED					
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME	116,156	580,782	1,628,692	2,209,474
2.	CLAIM EXPENSES				
	Paid Claims	30,030	198,810	440,783	639,593
	Case Reserves	11,833	25,211	362,700	387,911
	IBNR	2,311	98,529	201,035	299,564
	Discounted Claim Value	(995)	(6,769)	(40,089)	(46,858)
	TOTAL CLAIMS	43,179	315,782	964,429	1,280,210
3.	EXPENSES				
	Excess Premiums	64,928	324,639	910,013	1,234,652
	Administrative	5,899	30,104	87,939	118,043
	TOTAL EXPENSES	70,827	354,743	997,952	1,352,695
4.	UNDERWRITING PROFIT (1-2-3)	2,151	(89,743)	(333,688)	(423,432)
5.	INVESTMENT INCOME	0	0	0	0
6.	PROFIT (4 + 5)	2,151	(89,743)	(333,688)	(423,432)
7.	CEL APPROPRIATION CANCELLATION	0	0	1,259	1,259
8.	INVESTMENT IN JOINT VENTURE	838	18,731	89,440	108,171
9.	SURPLUS (6 + 7 + 8)	2,989	(71,012)	(242,989)	(314,002)
SURPLUS (DEFICITS) BY FUND YEAR					
	2012	214	(15,237)	(15,715)	(30,952)
	2013	(233)	(92,698)	(227,274)	(319,972)
	2014	3,008	36,922		36,922
	TOTAL SURPLUS (DEFICITS)	2,989	(71,012)	(242,989)	(314,001)
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2012					
	Paid Claims	1,842	30,171	102,574	132,745
	Case Reserves	(2,140)	(14,131)	24,284	10,153
	IBNR	(66)	(1,990)	10,643	8,653
	Discounted Claim Value	143	1,124	(2,333)	(1,209)
	TOTAL FY 2012 CLAIMS	(221)	15,174	135,168	150,342
FUND YEAR 2013					
	Paid Claims	5,284	115,848	338,209	454,056
	Case Reserves	14,833	(25,825)	338,416	312,591
	IBNR	(20,218)	(722)	190,392	189,670
	Discounted Claim Value	355	3,461	(37,756)	(34,295)
	TOTAL FY 2013 CLAIMS	254	92,762	829,261	922,022
FUND YEAR 2014					
	Paid Claims	22,904	52,792		52,792
	Case Reserves	(859)	65,167		65,167
	IBNR	22,595	101,241		101,241
	Discounted Claim Value	(1,494)	(11,354)		(11,354)
	TOTAL FY 2014 CLAIMS	43,146	207,846	0	207,846
COMBINED TOTAL CLAIMS		43,179	315,782	964,429	1,280,210

NEW JERSEY COUNTIES EXCESS JIF					
FINANCIAL FAST TRACK REPORT					
		AS OF	May 31, 2014		
ALL YEARS COMBINED					
		THIS	YTD	PRIOR	FUND
		MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME	1,869,913	7,772,870	36,221,905	43,994,775
2.	CLAIM EXPENSES				
	Paid Claims	24,619	60,774	236,073	296,847
	Case Reserves	(85,494)	25,469	759,995	785,464
	IBNR	543,995	1,655,185	5,913,932	7,569,117
	Discounted Claim Value	(91,963)	(302,364)	(1,115,267)	(1,417,631)
	TOTAL CLAIMS	391,157	1,439,064	5,794,733	7,233,797
3.	EXPENSES				
	Excess Premiums	1,235,277	5,428,461	23,442,850	28,871,311
	Administrative	229,330	569,180	2,715,194	3,284,374
	TOTAL EXPENSES	1,464,606	5,997,641	26,158,044	32,155,685
4.	UNDERWRITING PROFIT (1-2-3)	14,149	336,165	4,269,128	4,605,293
5.	INVESTMENT INCOME	2,235	8,261	124,802	133,063
6.	STATUTORY PROFIT (4+5)	16,384	344,426	4,393,930	4,738,356
7.	Cancelled Appropriations	0	0	607,551	607,551
8.	STATUTORY SURPLUS (6-7)	16,384	344,426	3,786,379	4,130,805
SURPLUS (DEFICITS) BY FUND YEAR					
	2010	(3,754)	(93,565)	741,645	648,080
	2011	431	(3,643)	968,813	965,170
	2012	(496)	(4,629)	715,685	711,056
	2013	364	(4,370)	1,360,235	1,355,865
	2014	19,840	450,634		450,634
	TOTAL SURPLUS (DEFICITS)	16,384	344,426	3,786,379	4,130,805
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2010					
	Paid Claims	19,638	35,737	0	35,737
	Case Reserves	(80,526)	158,373	6	158,379
	IBNR	60,888	(84,110)	599,994	515,884
	Discounted Claim Value	4,025	(15,224)	(76,200)	(91,424)
	TOTAL FY 2010 CLAIMS	4,025	94,776	523,800	618,576
FUND YEAR 2011					
	Paid Claims	0	4,344	139,753	144,097
	Case Reserves	1	(108,591)	110,263	1,672
	IBNR	1,690	104,246	1,099,984	1,204,230
	Discounted Claim Value	(1,691)	5,567	(190,876)	(185,309)
	TOTAL FY 2011 CLAIMS	0	5,566	1,159,124	1,164,690
FUND YEAR 2012					
	Paid Claims	4,981	20,693	96,320	117,013
	Case Reserves	(4,979)	(24,339)	649,704	625,365
	IBNR	(5)	(6,357)	1,803,976	1,797,619
	Discounted Claim Value	1,098	17,316	(390,771)	(373,455)
	TOTAL FY 2012 CLAIMS	1,095	7,313	2,159,229	2,166,542
FUND YEAR 2013					
	Paid Claims	0	0	0	0
	Case Reserves	5	11	22	33
	IBNR	(16)	(10,022)	2,409,978	2,399,956
	Discounted Claim Value	(28)	15,792	(457,420)	(441,628)
	TOTAL FY 2013 CLAIMS	(39)	5,781	1,952,580	1,958,361
FUND YEAR 2014					
	Paid Claims	0	0		0
	Case Reserves	5	15		15
	IBNR	481,438	1,651,428		1,651,428
	Discounted Claim Value	(95,367)	(325,815)		(325,815)
	TOTAL FY 2014 CLAIMS	386,076	1,325,628	0	1,325,628
	COMBINED TOTAL CLAIMS	391,157	1,439,064	5,794,733	7,233,797

RESOLUTION NO. 21 -14

**SALEM COUNTY INSURANCE FUND COMMISSION
BILLS LIST**

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

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

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

FUND YEAR 2013

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000109			
000109	BOWMAN & COMPANY LLP	AUDITOR FEE 4/23/14 (2013)	3,500.00
			3,500.00
		TOTAL PAYMENTS FY 2013	3,500.00

FUND YEAR 2014

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000110			
000110	INSERVCO INSURANCE SERVICE INC	CLAIMS ADMIN - 3RD QTR 2014	5,374.98
			5,374.98
000111			
000111	PERMA RISK MANAGEMENT SERVS	POSTAGE FEE 06/2014	1.40
000111	PERMA RISK MANAGEMENT SERVS	EXECUTIVE DIRECTOR FEE 3RD QTR 2014	8,533.50
000111	PERMA RISK MANAGEMENT SERVS	POSTAGE FEE 05/2014	3.22
			8,538.12
000112			
000112	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEE 3RD QTR 2014	1,875.00
			1,875.00
		TOTAL PAYMENTS FY 2014	15,788.10

TOTAL PAYMENTS ALL FUND YEARS \$ 19,288.10

CHAIRMAN

VICE CHAIRMAN

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: August 4, 2014

**June - August 2014
RISK CONTROL ACTIVITIES**

JIF MEETINGS ATTENDED / TRAINING PRESENTED

- **June 5:** Attended the SCIC meeting in Salem.
- **June 17:** Attended the SCIC Claims Committee meeting via conference call.
- **July 15:** Attended the SCIC Claims Committee meeting via conference call.

UPCOMING JIF MEETINGS / TRAINING PLANNED

- **August 7:** Plan to attend the SCIC meeting in Salem.
- **August 19:** Plan to attend the SCIC Claims Committee meeting.

CEL VIDEO LIBRARY

No videos were utilized by SCIC during 2012, 2013 and 2014.

SCIFC - 378
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
05/01/2014 Thru 05/31/2014

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Coverage: General Liability										
C	2010	3780000133	001			CYNTHIA BOEHLY	05/30/2014		500.00	500.00
C	2011	3780000133	001			CYNTHIA BOEHLY	05/30/2014	FULL & FINAL SETTLEMENT	500.00	500.00
V	2010	3780000133	001			CYNTHIA BOEHLY	05/30/2014		-500.00	-500.00
Total for Coverage: General Liability							Number of entries: 3		500.00	500.00
Total for SCIFC - 378							Number of entries: 3		500.00	500.00

SCIFC - 378
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
06/01/2014 Thru 06/30/2014

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Coverage: Auto Liability										
C	2012	3780000143 001	BROWN, ANDREW	5/23/2014	5/23/2014	ANDREW BROWN	6/16/2014	Full Final Settlement Deductible Reimbursement	500.00	500.00
Total for Coverage: Auto Liability							Number of entries: 1		500.00	500.00
Total for SCIFC - 378							Number of entries: 1		500.00	500.00

RESOLUTION NO. 22-14

**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 5/1/14 to 6/30/14, 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 7, 2014 2014.

CHAIRMAN

ATTEST:

VICE - CHAIRMAN

APPENDIX I – MEETING MINUTES

**SALEM COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES MEETING – JUNE 5, 2014
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
Katie Coleman	Present
Kevin Crouch	Present

FUND PROFESSIONALS PRESENT:

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

Jessica Foote, Salem County
David Strout, Cettei & Connell
Susan Irvine, Inservco
Debra Stout, Inservco
David McHale, JA Montgomery
Robyn Walcoff, Conner Strong & Buckelew

APPROVAL OF MINUTES: OPEN AND CLOSED SESSION OF APRIL 3, 2014

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF
APRIL 3, 2014**

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	2 Ayes, 0 Nays, 1 Abstain – Chairman Vanderslice

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Certificate of Insurance Issuance Report: Executive Director reported the Certificate of Insurance Issuance Report was included in the agenda from the CEL listing those certificates issued for the period of March 26, 2014 to May 29, 2014. There were 7 certificates of insurance issued during this period

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Crouch
Second: Commissioner Coleman
Vote: Unanimous

2014 Property & Casualty Assessments - Executive Director reported the second assessment payment of 30% is due on July 15, 2014 and the third assessment of 30% is due on September 15, 2014. Assessment invoices will be sent at the appropriate time. Treasurer Coleman said the County has paid the first assessment.

NJ Excess Counties Insurance fund (CELJIF) (Pages 4-5) – Executive Director said the CEL met on April 24, 2014. A summary report of that meeting is included in the agenda on pages 4 and 5. At the meeting, during closed session, the Executive Director made a presentation on a potential new member, Ocean County. The Board of Commissioners adopted a Resolution to offer membership to Ocean County. We were recently notified that Ocean County did pass a resolution to join the CEL as of June 1, 2014.

Financial Fast Track – Executive Director said on Page 6 & 7 of the agenda are the Financial Fast Tracks for the Salem County Insurance fund Commission for February and March. As of March 31, 2014 the Fund has a deficit of \$316,385. Line 8 of the report, “Investment in Joint Venture” is the Commission’s share of the equity in the CEL.

Executive Director said the last few months we have discussed how the finances have tracked downward mainly for claims. In 2013 we saw seven or eight serious claims come out of the jail on an average of \$75,000 to \$100,000 each which has driven us down into the negative area. On the Financial Fast track you will see the deficit is now at \$316,000. We are almost to the point where it is a cash flow problem. Executive Director reviewed section two of the Financial Fast Track paid claims, case reserves, IBNR incurred but not yet reported line items. Executive Director said as we discussed previously it may be in the best interest of the Commission to look into a special assessment on the County so that we can continue to pay the bills if these claims continue to trend as indicated. Executive Director said a special assessment of \$200,000 is recommended and could be assessed in two installments. Executive Director said the numbers include 2014 claims which are still trending, so if we see these number drop as we go along we will not realize the full impact of this year’s number until next year.

In response to Commissioner Vanderslice, Treasurer Coleman said this special assessment in essence is an insurance bill to the County.

MOTION TO APPROVE A SPECIAL ASSESSMENT TO SALEM COUNTY IN THE AMOUNT OF \$200,000

Moved: Commissioner Coleman
Second: Commissioner Vanderslice
Vote: Unanimous

NJ CEL Property and Casualty Financial Fast Track – Executive Director included in the aged on page 8 is the NJ CEL Financial Fast Track Report as of April 30, 2014. The CEL has a surplus of \$4,114,421. Executive Director said the excess claims that have reached the CEL are approximately six claims but nothing from Salem or Cumberland. The County program as a whole is in really good shape.

Financial Disclosure Form – The deadline to file the 2014 Financial Disclosure was extended to June 13, 2014. PERMA contacted the State of NJ to create accounts for each County Commission so we could develop the roster in order to obtain a PIN number for the Commissioners to file the statement.

However, we have been advised by Christopher J. Vaz, Assistant Division Director, Department of Community Affairs/Division of Local Government Services, that even though PERMA administers these NJ County Insurance Commissions, DCA does not consider them JIFs and that they should be part of the County's roster.

Executive Director said we have discussed the filings with the CEL Commission Attorney and she agrees the Commissioners file as officials through the County and the filings are not necessary for the Commission.

2013 Audit – Executive Director said the auditor is in the process of preparing the 2013 Fund Year Audit. Mr. Jim Miles of Bowman & Company will attend the next meeting to review his report with the Commissioners.

Board of Social Services - Executive Director said we were working with the Salem County Board of Social Services to bring them on board in the Commission which did not work out. We submitted a proposal to them with some savings but unfortunately they decided not to take advantage of it. Executive Director said they are up again for renewal the end of this year and we will get the word out to everyone and see what we can do this year. In response to Commissioner Vanderslice, Executive Director said the savings was close to \$10,000 on a \$70,000 policy which was a good savings for a small account. Executive Director said it is key that we try to get these entities into the mix.

A discussion ensued regarding the Board of Social Services and if they would have the potential for a special assessment with an insurance carrier rather than a JIF situation. Executive Director said if claims go south there would be the potential for a rate increase at renewal. Claims Manager Robyn Walcoff said during the initial policy period they would not have a special assessment but during the next policy period when they are looking at the loss experience you would probably be slammed on the next policy period or non-renewed. Risk Manager David Strout said we should keep in mind that when we went out for rate if we were not in the CEL it was going to be considerably higher we had savings by going to the CEL and that savings could be offset right now by the special assessment. Commissioner Crouch said that they have the risk as a County of a special assessment where as other entities may not have the risk of a special assessment. Executive Director said since the creation of the CEL this is the first County that has had a situation like this. Camden started off sluggish and they were able to straighten out.

PERMA Team Members - Executive Director said Commissioners may have received an email or two from Rachel Chwastek recently. Ms. Chwastek is a new team member and will be working with us out of the Marlton location. As we expand the Counties Joseph Porch will be working with us on some of these accounts and some of you may know Mr. Porch from working on the school boards and he will start to help us out with some of the account in the southern region.

SAFETY COMMITTEE REPORT

Dave McHale reported the Safety Committee met on March 20th for the quarterly Safety Committee Meeting and are scheduled to meet again on June 19th. Dave Strout said we had a full Safety Committee meeting with Robert DiGregorio who is taking the helm with that. Dave Strout said he and Glenn Prince have been out on a few safety inspections with Bob DiGregorio and show him the things we look for. We had a two hour meeting explaining what we do and how we do it. Bob DiGregorio was a part of the JIF in Carney's Point and is well versed in what we do. Dave Strout said the Committee is now going to meet quarterly going forward.

CLAIM COMMITTEE REPORT

Claims Manager Robyn Walcoff reported there were two Claims Committee Meeting since we last met one on April 15th and one on May 20th. There will be three PARs to review in Executive Session but we will only be looking for authority on two of those claims.

Claims Manager said with a 1/1/15 renewal we are beginning to prepare for the CEL JIF and Commission renewal. We will be working closely with Cettei & Connell in order to get all the information we need to put together the renewal information. Robyn Walcoff said last year as we went through the renewal we requested information on attorneys you wanted on your approved panel counsel list for employment practices claims and we are happy to report this process is working very well.

TREASURER

REPORT: Executive Director said the bills list appears on page 9 of the agenda. A motion would be in order to approve the bills list.

MOTION TO APPROVE RESOLUTION 18-14 PAYMENT OF BILLS IN THE AMOUNT OF \$320,692.02

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

CEL SAFETY DIRECTOR REPORT

Safety Director reported in addition to the Safety Director's Report Mr. McHale reported on April 21st Glenn Prince conducted a loss control survey at the Board of Elections specifically to conduct

ergonomic and work station evaluations. A new online driver program called Attention & Distraction Driver Training being made available to members of the CEL information on this training is in the agenda packet. A few months back we rolled out another online driver training program called S:ERVE which focuses on how first responders should safely navigate an intersection. Mr. McHale said the Safety Director's office will include the log on information on the S:ERVE training in the next agenda.

Executive Director said the log on information for the Attention & Distracted Driver Training will be sent to all members.

CLAIMS SERVICE

Executive Director said the monthly report appears on page 13 of the agenda that is the liability claims payment that we release and authorize for submission and approval of 2 claims payments totaling \$2,665.29. Resolution 19-14 Authorizing the Disclosure of Claim Check Register.

MOTION TO APPROVE RESOLUTION 19-14 AUTHORIZING DISCLOUSE OF CLAIM CHECK REGISTER

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	Unanimous

Dave Strout said he sends out a weekly claims update he received from Inservco and includes any new claims for the week. Mr. Strout said if anyone else would like to be added to the list please let him know.

Robyn Walcoff said the next claims committee meeting will be held on June 17, 2014.

Robyn Walcoff said Inservco has added a new person to their team and a new contact list that Inservco has provided will be sent with the minutes. Terry Sheerin has joined Inservco as a Liability Team leader. Terry has prior experience in working with Commission programs as she previously worked on the Camden County Insurance Commission. Ms. Sheerin will attend our next Commission meeting.

MOTION TO GO INTO EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES – PERSONNEL – SAFETY – PUBLIC PROPERTY – LITIGATION

Moved:	Commissioner Coleman
Second:	Commissioner Crouch
Vote:	Unanimous

MOTION TO RETURN TO OPEN SESSION

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	Unanimous

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$12,680.82 FOR CLAIM #3780000117

Moved: Commissioner Coleman
Second: Commissioner Crouch
Vote: 2 Ayes, 0 Nays, 1 Abstain – Commissioner Crouch

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$14,880.47 FOR CLAIM #3780000108

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

MOTION TO APPROVE AN INCREASE IN RESERVE AND PAYMENT AUTHORITY FOR INSERVCO FOR WORKERS' COMPENSATION CLAIMS FROM \$10,000. TO \$15,000.

Moved: Commissioner Crouch
Second: Commissioner Vanderslice
Vote: 3 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Motion: Commissioner Crouch
Second: Commissioner Coleman
Vote: Unanimous

MEETING ADJOURNED: 9:47 AM

NEXT MEETING WILL BE THURSDAY, AUGUST 7, 2014 at 9:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary