

**SALEM COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
FEBRUARY 7, 2013 – 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
FEBRUARY 7, 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: January 3, 2013 Open Minutes.....Appendix I**
 - CORRESPONDENCE - None**

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

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

 - CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report Page 16**

 - OLD BUSINESS**
 - NEW BUSINESS**
 - PUBLIC COMMENT**
-
- MEETING ADJOURNMENT**
 - NEXT SCHEDULED MEETING: April 4, 2013, COUNTY OLD COURTHOUSE 104
MARKET STREET, SALEM, NJ 08079**

SALEM COUNTY INSURANCE FUND COMMISSION

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

Date: February 7, 2013
Memo to: Commissioners of the Salem County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: Executive Director's Report

- 2012 & 2013 Property & Casualty Assessments** – In accordance with the Commission’s By Laws, the assessment bills for 2012 for property and casualty were mailed to member entities. The Fund is finalizing set up of bank accounts and will process payment as soon as possible. Assessments dates for 2013 will be finalized.

- Establishing a Claims Committee (Page 3)** The Insurance Commission needs to establish a formal Claims Committee. The Claims Committee has agreed to meet every 3rd Tuesday at 9:30 AM. We are requesting approval of the establishment of the Claims Committee, including the Claims Committee representatives.
 - Motion to approve Resolution 11-13, establishing a Claims Committee including the Committee representatives.**

- Claims Committee Charter** - The Insurance Commission needs to adopt a Claims Committee Charter that will establish meeting schedules, assignments and a formal claims charter. The Draft Charter appears on Page 5.
 - Motion to approve Resolution 12-13, establishing a Claims Committee including the Committee representatives. (Page 8)**

- Establishing the 2013 Plan of Risk Management** - The Risk Management Plan is an overview of the Commission’s coverage, risks retained by the Commission, reserving philosophy, method of assessing member contributions, claim payment authority, etc. Attached in Appendix II is the 2013 Plan.
 - Motion to Resolution 13-13 Approving the Risk Management Plan**

- ❑ **Certificate of Insurance Issuance Report** – On page 9 is the monthly Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of January 1, 2013 to January 25, 2013. There were 37 certificates issued during this period.

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

- ❑ **NJ Excess Counties Insurance Fund (CELJIF) Page 14** – The CEL met on January 24, 2013. Attached is the summary report of the meeting.

- ❑ **2013 Renewal Information and 2013 Remarketing Information** – The Fund Office has sent a request for underwriting information to the Risk Managers. This includes information requested by underwriters to complete the 2013 renewal as well as additional information requested by underwriters for the remarketing of the Meadowbrook program. The CEL Underwriting Manager will be sending out a reminder to the respective members of what is still required. We would appreciate your assistance in getting this information to the CEL Underwriting Manager as soon as possible as it has a direct bearing on program coverage and pricing.

- ❑ **2013 Automobile Liability - Uninsured and Underinsured Motorist - Star Insurance**
Company does not give the option to purchase nor does the policy provide Uninsured/Underinsured Motorist coverage. An acknowledgement form will be provided to the Chairman for signature.

- ❑ **Insurance Commission Website** – The Commission contracted with DHS Marketing Solution to establish the Commission website to satisfy new state legislation. The layout of the webpage is complete with content being added.

RESOLUTION NO. 11 -13

**SALEM COUNTY INSURANCE FUND COMMISSION
ESTABLISHING CLAIMS COMMITTEE**

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

WHEREAS, the Commission has deemed it necessary and appropriate to form advisory committees as permitted by the duly adopted Commission Rules and Regulations; and

WHEREAS, the Commission has resolved to establish a “Claims Committee”, comprised of representatives from the participating Salem County agencies and authorities;

NOW THEREFORE BE IT RESOLVED by the Salem County Insurance Fund Commission that a Claims Committee is hereby established and its initial members shall be:

Representative

Affiliated Member Entity

Evern Ford	Salem County Insurance Fund Commission
Katie Coleman (alternate)	Salem County Insurance Fund Commission
Earl Gage	Salem County
Amy Cooper	Salem County
Claudia Pennington	Salem County

Fund Professional

Fund Position

Michael Mulligan	Commission Counsel
Bradford Stokes	PERMA
Joseph Hrubash	PERMA
David Strout	Cettei & Connell, Risk Manager
Robyn Walcoff	Conner Strong & Buckelew
Michelle Leighton	Conner Strong & Buckelew
Glenn Prince	J.A. Montgomery
Megan Callahan	Inservco Insurance Services
Veronica George	Inservco Insurance Services

BE IT FURTHER RESOLVED that the members of the claims committee shall serve pursuant to the Rules and Regulations of the Salem County Insurance Fund Commission, Article III, Organization, Advisory Committees.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on February 7, 2013.

ADOPTED:

BY: _____
ROBERT VANDERSLICE, CHAIRMAN

ATTEST:

EVERN FORD, VICE CHAIRMAN

**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 Tuesday of each month at 9:30 am at the County Old Courthouse – 2nd Floor, 104 Market Street, Salem, NJ 08709.

2013 CLAIMS COMMITTEE ASSIGNMENTS

Committee Members

Name	Affiliation
Evern Ford (Chair)	Salem County Insurance Fund Commission
Earl Gage	Salem County
Amy Cooper	Salem County
Claudia Pennington	Salem County

Fund Professionals

Michael Mulligan	Commission Counsel
Bradford Stokes	PERMA
Joseph Hrubash	PERMA
David Strout	Cettei & Connell, Risk Manager
Robyn Walcoff	Conner Strong & Buckelew
Michelle Leighton	Conner Strong & Buckelew
Glenn Prince	J.A. Montgomery
Megan Callahan	Inservco Insurance Services
Veronica George	Inservco Insurance Services

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

February 2013 Edition

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

Meetings

The Claims Committee shall meet at least monthly, on the third Tuesday 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.

February 2013 Edition

RESOLUTION NO. 12 -13

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

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

WHEREAS, pursuant to Resolution # 11-13, adopted February 7, 2013, the Commission established a claims committee and appointed members as permitted by the duly adopted Commission rules and regulations; and

WHEREAS, the Commission has been provided with a proposed Claims Committee Charter, meeting schedule and proposed payment authorization form for use by the Claims Committee; and

WHEREAS, the Commissioners have reviewed the above-referenced documents and have found that approval of said documents and the meeting schedule is appropriate and necessary for the orderly transaction of business by the Claims Committee; now, therefore,

BE IT RESOLVED by the Salem County Insurance Fund Commission that the Claims Committee Charter, meeting schedule and assignment attached to the original hereof are hereby adopted for use by the Claims Committee

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on February 7, 2013.

ADOPTED:

BY: _____
ROBERT VANDERSLICE, CHAIRMAN

ATTEST:

EVERN FORD, VICE CHAIRMAN

Salem County Insurance Commission Certificate of Insurance Monthly Report

From 1/1/2013 To 1/25/2013

Holder (H) / Insured Name (I) Coverag	Holder / Insured Address	Holder Code	Description of Operations	Issue Date
SCIC				
H- Alloway BOE AU WC I- Salem County	43 Cedar Street Alloway, NJ 08001 94 Market Street Salem, NJ 08079	598	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- Alloway Township AU WC I- Salem County	49 S. Greenwich St. Alloway, NJ 08001 94 Market Street Salem, NJ 08079	601	Evidence of insurance. All operations usual to County Governmental Entity as respects to Sr. transportation. CLD	1/13/2013 GL EX
H- Alloway Baptist Church AU WC I- Salem County	41 W. Main Street Alloway, NJ 08001 94 Market Street Salem, NJ 08079	602	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- Bruce Goldberg, Contract Administrator, AU WC I- Salem County	Dept of Environmental Protection, Div of Watershed Management 401 E State St. 7th Floor Trenton, NJ 08625 94 Market Street Salem, NJ 08079	603	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- Cape May Police Academy AU WC I- Salem County	4 Moore Road; DN 909 Cape May Court House, NJ 08210 94 Market Street Salem, NJ 08079	604	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- County of Cumberland AU WC I- Salem County	790 East Commerce Street Bridgeton, NJ 08302 94 Market Street Salem, NJ 08079	607	Evidence of insurance. All operations usual to County Governmental Entity as respects to the temporary use of the following vans: 2002 Ford Van SN#1FMRE11262HA68186 Tag #G500CG and 2002 Ford Van SN#1FMRE112HA68190 Tag #G499CG. CLD	1/13/2013 GL EX
H- County of Gloucester Board of Chosen Freeholders ; P.O. 337 Woodbury, 08096 AU WC It's Dept. & Agencies etal I- Salem County	 94 Market Street Salem, NJ 08079	608	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- Department of Envirmental Protection AU WC I- Salem County	401 E. State Street Trenton, NJ 08625 94 Market Street Salem, NJ 08079	612	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	1/13/2013 GL EX

				respects to Grant RP13-011. Subject to the terms, conditions, limitations and exclusions of the policy. CLD	
H- Dept of Envirmental Protection, AU WC	Division of Watershed Management	613	Evidence of insurance. All operations usual to County	1/13/2013	GL EX
I- Salem County	401 E. State Street P.O. Box 418 Trenton, NJ 08625 94 Market Street Salem, NJ 08079		Governmental Entity. CLD		
H- Dr. Geald Feigin, Gloucester County ME AU WC	160 Mill Road Turnersville, NJ 08012	614	Evidence of insurance. All operations usual to County	1/13/2013	GL EX
I- Salem County	94 Market Street Salem, NJ 08079		Governmental Entity. CLD		
H- Giles & Ransome Attn: Jim Lilly AU WC	720 Pulaski Highway Bear, DE 19701	615	Evidence of insurance. All operations usual to County	1/13/2013	GL EX
I- Salem County	94 Market Street Salem, NJ 08079		Governmental Entity. CLD		
H- Jack Fisher, Administrator Gloucester County AU WC	1 North Broad Street Deptford, NJ 08096	616	Evidence of insurance. All operations usual to County	1/13/2013	GL EX
I- Salem County	94 Market Street Salem, NJ 08079		Governmental Entity. CLD		
H- Kent Avenue Apartments AU WC	11 Kent Ave Pennsville, NJ 08070	617	All operations usual to County Governmental Entity including	1/13/2013	GL EX
I- Salem County	94 Market Street Salem, NJ 08079		certificate holder as additional insured for General Liability but only with respects to the negligent acts of the named insured as respects to use of Kent Avenue Apartments Lobby as a waiting area for bus pick up for their Senior Citizens/Disabled Riders. Subject to the terms, conditions, limitations and exclusions of the policy. CLD		
H- Kent Street Senior Citizen Housing, LP AU WC	PO Box 1 Titusville, NJ 08560	618	Evidence of insurance. All operations usual to County	1/13/2013	GL EX
I- Salem County	94 Market Street Salem, NJ 08079		Governmental Entity as respects to use of Kent Avenue Apartments 11 Kent Ave, Pennsville, NJ 08070. CLD		
H- Merion Garden's Assisted Living AU WC	315 Merion Avenue Carney's Point, NJ 08069	619	All operations usual to County Governmental Entity including	1/13/2013	GL EX
I- Salem County	94 Market Street Salem, NJ 08079		certificate holder as additional insured for General Liability but only with respects to the negligent acts of the named insured as respects to use of Kent Avenue Apartments Lobby as a waiting area for bus pick up for their Senior Citizens/Disabled Riders. Subject to the terms, conditions, limitations and exclusions of the policy. CLD		
H- NJ DEP, Div of Responsible Party Site Remediation AU WC		620	Evidence of insurance. All operations usual to County	1/13/2013	GL EX
I- Salem County	Trenton, NJ 08625-0418 94 Market Street Salem, NJ 08079		Governmental Entity. CLD		

H- NJ Department of State; Division of Travel AU WC and Tourism I- Salem County	Attention: Kathy Mills PO Box 460 Trenton, NJ 08625-0460 94 Market Street Salem, NJ 08079	621	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- NJ Early Invervention System Enrollment AU WC I- Salem County	c/o COVANSYS Inc P.O. Box 29134 Shawnee Mission, KS 66201-9134 94 Market Street Salem, NJ 08079	622	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- NJ Transit PHYS I- Salem County	One Penn Plaza Newark, NJ 07105 94 Market Street Salem, NJ 08079	623	Certificate holder is included as additional insured ATIMA for General 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 2008 Chevy Van, 1GBJG316681186724. CLD	1/11/2013 AU EX
H- NJN Public Television & Radio AU WC I- Salem County	PO Box 777, 25 S. Stockton St. 94 Market Street Salem, NJ 08079	624	Evidence of insurance. All operations usual to County Governmental Entity the 7 Steps Grant. CLD	1/13/2013 GL EX
H- New Jersey Department of Veteran & Military Affairs AU WC I- Salem County	P.O. Box 340 Trenton, NJ 08625 94 Market Street Salem, NJ 08079	625	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- New Jersey Dept of Law and Public Safety AU WC I- Salem County	Emergency Mgt Section P.O. Box 7068 West Trenton, NJ 08628-0068 94 Market Street Salem, NJ 08079	626	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- New Jersey K-9 Association AU WC I- Salem County	190 Warwick Road, Box 94 Stratford, NJ 08084 94 Market Street Salem, NJ 08079	627	Evidence of insurance. All operations usual to County Governmental Entity as respects to the Sheriff's Office sending an officer and police dog to the K9 Handlers Academy for courses. CLD	1/13/2013 GL EX
H- New Jersey Regional Day School AU WC I- Salem County	Cheney Road Pillesgrove, NJ 08098 94 Market Street Salem, NJ 08079	628	Evidence of insurance. All operations usual to County Governmental Entity as respects to the Salem County Bookmobile at the New Jersey Regional Day School every other Monday. CLD	1/13/2013 GL EX
H- New Jersey State Council on the Arts AU WC I- Salem County	P.O. Box 306 Trenton, NJ 08625 94 Market Street Salem, NJ 08079	629	Evidence of insurance. All operations usual to County Governmental Entity as respects to the Local Arts Grant. CLD	1/13/2013 GL EX
H- New Jersey State Historical Commission AU WC I- Salem County	P.O. Box 305 Trenton, NJ 08625 94 Market Street Salem, NJ 08079	630	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX

H- New Jersey State Mosquito Control Commission AU WC I- Salem County	Mail Code 501-03; PO Box 420 Trenton, NJ 08625-0420 94 Market Street Salem, NJ 08079	631	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- New Jersey Water Supply Authority AU WC I- Salem County	Box 5196 Clinton, NJ 08809 94 Market Street Salem, NJ 08079	641	Evidence of insurance. All operations usual to County Governmental Entity as respects to renewal of Water Supply Contract with Delaware and Raritan Canal System. CLD	1/13/2013 GL EX
H- Office of Local Environmental Protection AU WC I- Salem County	Attn: Deborah Pint, Chief P.O. Box 42 Trenton, NJ 08625-0422 94 Market Street Salem, NJ 08079	643	Evidence of insurance. All operations usual to County Governmental Entity as respects to CEHA Grant. CLD	1/13/2013 GL EX
H- Penns Grove High School AU WC I- Salem County	334 Harding Highway Carneys Points, NJ 08069 94 Market Street Salem, NJ 08079	645	Evidence of insurance. All operations usual to County Governmental Entity as respects to Salem County Health Departments use of facilities for flu shots. CLD	1/13/2013 GL EX
H- Penns Grove Housing Authority AU WC I- Salem County	40 South Broad Street Penns Grove, NJ 08069 94 Market Street Salem, NJ 08079	646	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- Pennsville Public School District AU WC I- Salem County	30 Church Street Pennsville, NJ 08070 94 Market Street Salem, NJ 08079	647	Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/13/2013 GL EX
H- Pittsgrove Board of Education AU WC I- Salem County	Almond Road Pittsgrove, NJ 08318 94 Market Street Salem, NJ 08079	649	Evidence of insurance. All operations usual to County Governmental Entity as respects to use of facilities for a medical distribution designated location in the event of a terrorism attach. CLD	1/13/2013 GL EX
H- Pittsgrove Township AU WC I- Salem County	989 Centerton Rd. Pittsgrove, NJ 08318 94 Market Street Salem, NJ 08079	650	Evidence of insurance. All operations usual to County Governmental Entity as respects to the Surrogate's Office use of conference room at the Pittsgrove Township Municipal Building. CLD	1/13/2013 GL EX
H- Pipes & Pics, Elmer Methodist Church AU WC I- Salem County	21 South Main Street Elmer, NJ 08318 94 Market Street Salem, NJ 08079	690	Evidence of insurance. All operations usual to County Governmental Entity as respects to the Music Around the County Event to be held on 2/9/13 at 7:30 PM.	1/8/2013 GL EX
H- NJ Transit PHYS I- Salem County	One Penn Plaza Newark, NJ 07105 94 Market Street Salem, NJ 08079	700	Certificate holder is included as additional insured ATIMA for General 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 the list of following	1/13/2013 AU EX

H- Meals on Wheels AU WC	John B. Campbell Center 118 Walnut Street Salem, NJ 08079	702	vehicles: Evidence of insurance. All operations usual to County Governmental Entity. CLD	1/17/2013 GL EX
I- Salem County	94 Market Street Salem, NJ 08079			
		<i>Total # of Holders =</i>		

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: January 24, 2013
To: Executive Committee
Salem County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: New Jersey Counties Excess Meeting Report

Camden Metro Police: In 2011 the Fund passed Resolution 36-11 which resolved that the Fund shall not provide workers compensation or liability coverage on behalf of or for the police officers of the Camden County Police Department or any other County Police Department. The resolution was subsequently clarified allowing the “Department” to assess the commercial insurance of the Fund such as the property insurance and ancillary coverages where there is no sharing of the losses amongst members. As the Metro Department start operations they are beginning to hire police for administrative and management responsibilities under the Camden County budget. It is our understanding that no patrolling or traditional police activity has commenced. The Board of Fund Commissioners agreed to allow coverage for Camden until such time as police begin actual patrol of the City or a fixed date prior to that event. Fund Attorney was authorized by Board to amend Resolution 36-11 memorializing the action for the next meeting. Commissioners White, Smith and Angilella volunteered to serve on a sub-committee to work with the Executive Director to review the Metro Department.

Commission Membership Renewal: Camden County Insurance Commission and Gloucester County Insurance Commission renewed their membership with the Fund for the term of January 1, 2013 to December 31, 2015. The fund office has made the appropriate filings with the State.

2013 Budget - In accordance with the regulations, the budget adopted by the Fund has been advertised in the Fund’s official newspaper, as well as, filed same with the State.

NJCE JIF Website: Legislation passed last year required governmental entities to have a website to host public information, such as agendas, minutes and budgets with a deadline of February 5th. The fund office will obtain letter quotes from vendors for a web-hosting service with approximate costs to be between \$2,000-\$4,000. The Board of Fund Commissioners authorized the Executive Director and Fund Attorney to negotiate final terms with the website vendors and appoint a vendor for ratification by the Board, based on the terms and conditions negotiated, at the next meeting.

Financials: Executive Director reviewed the Financial Fast Track as of April 30, 2012 stating that the fund’s current statutory surplus is currently \$1,315,537.

2013 Reorganization & Meeting schedule: The February 28, 2013 meeting will serve as the Fund's reorganization and the Board of Fund Commissioners agreed to the 2013 meeting dates, which will be held at 1:00pm in the Camden County College Regional Training Center.

February 28, 2013 – 2013 Reorganization meeting

April 25, 2013

June 27, 2013

September 26, 2013

November 7, 2013 *1st Thursday*

December 12, 2013 *2nd Thursday*

Request For Proposals Professional Services: The NJCE released Request for Proposals for Executive Director, Underwriting Manager and Safety Director, which were due on January 23, 2013. The Fund Attorney reported that one firm responded to each position and that a sub-committee of Chairman DiRado, Vice-Chairman Smith, the Fund Attorney and Fund Treasurer will meet to review the responses and confirm appointments at the February fund meeting.

Remarketing of the Meadowbrook Casualty Program: Underwriting Manager confirmed that Meadowbrook is resigning from the governmental market at the end of this year; and in an effort to create an alternative program, both the Executive Director and Underwriting Manager have participated in presentations to several governmental risk underwriters. In addition, the Safety Consultant has also accompanied insurance company inspectors to numerous facilities within Camden County with additional visits are being scheduled in other counties. Underwriting Manager reported that various self-insured retentions and program structures are being reviewed and would report any new activity at next month's meeting.

Risk Control: Safety Director's report included a report reflecting the risk control activities from December through February 2013.

Claims Administrator: Claims Administrator provided a summary report of claims to date.

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

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: February 1, 2013

**January - February 2013
 RISK CONTROL ACTIVITIES**

JIF MEETINGS ATTENDED / TRAINING PRESENTED

- **January 3:** Attended the SCIC meeting in Salem.
- **January 8:** Conducted a loss control site survey of the SCIC – Administrative Complex.
- **January 23:** Attended the SCIC Safety Committee Meeting in Salem

UPCOMING JIF MEETINGS / TRAINING PLANNED

- **February 7:** Plan to attend the SCIC meeting in Salem.
- **February 7:** One session of HazMat Awareness w/HazCom GHS is scheduled for SCIC at the Emergency Services Center in Woodstown.

TRAINING CALENDAR FOR February – March 2013

2/7/13	Salem - Emergency Services Center	HazMat Awareness w/HazCom GHS	8:00 – 11:00 am
3/7/13	Salem - Emergency Services Center	HazCom w/GHS	9:00 – 11:00 am

CEL VIDEO LIBRARY

No videos were utilized by SCIC during 2012 and 2013.

APPENDIX I – MEETING MINUTES

**SALEM COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES MEETING – January 3, 2013
104 MARKET STREET
SALEM, NJ 9:00 AM**

Meeting called to order by Bradford Stokes. 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 Bradford Stokes Karen A. Read
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ALSO PRESENT:

David Strout, Cettei & Connell
Megan Callahan, Inservco
Veronica Prince, Inservco
Glenn Prince, JA Montgomery
James Kickham, PERMA
Michelle Leighton, Conner Strong & Buckelew
Robyn Walcoff, Conner Strong & Buckelew
Joseph Hrubash, Conner Strong & Buckelew
Diane Sparks, DHS Marketing Solutions

APPROVAL OF MINUTES: OPEN SESSION OF DECEMBER 6, 2012

MOTION TO APPROVE THE OPEN MINUTES OF DECEMBER 6, 2012

Moved:	Commissioner Ford
Second:	Commissioner Vanderslice
Vote:	Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Reorganization Resolutions (Pages 5-16): Listed below are the necessary reorganizational Resolutions for the Salem County Insurance Fund Commission.

Resolution 1-13 Certifying the Election of Chairperson and Vice Chairperson

MOTION TO APPOINT ROBERT VANDERSLICE AS CHAIRMAN

Moved: Commissioner Ford
Second: Commissioner Coleman

MOTION TO APPOINT EVERN FORD AS VICE CHAIRMAN

Moved: Commissioner Vanderslice
Second: Commissioner Coleman

Resolution 2-13 Appointing Commissioner to the New Jersey Counties Excess Joint Insurance Fund for Fund Year 2013 – Executive Director said this resolution will appoint Robert Vanderslice as Commissioner to the New Jersey Counties Excess Joint Insurance Fund for Fund Year 2013.

Resolution 3-13 Appointing a Commission Treasurer- Executive Director said this resolution will appoint Katie b. Coleman as Treasurer for the Salem County Insurance Fund Commission.

Resolution 4-13 Appointing a Commission Attorney – Executive Director said this resolution will appoint Michael M. Mulligan as attorney for the Salem County Insurance Fund Commission.

Resolution 5-13 Appointing a Commission Secretary – Executive Director said this resolution would appoint TaNeisha Harris as the Commission Secretary.

Resolution 6-13 Designating Authorized Depositories for Commission Assets and Establishing a Cash Management Plan for Fund Year 2013 – Executive Director said this resolution would appoint First Bank of Elmer as the designated depository for the commission and the 2013 Cash Management and Investment Policy..

Resolution 7-13 Designating Authorized Signatures for Commission Bank Accounts
Executive Director said this would appoint Robert Vanderslice, Evern Ford and Katie Coleman as authorized signatures for the Commission bank accounts.

Resolution 8-13 Appointing Agent for Service of Process and Designating Custodian of Commission Records - Executive Director said this would appoint PERMA Risk Management Services as the Agent of Service of Process and Custodian of Records for Fund Year 2013.

Resolution 9-13 Designating Official Newspapers – Executive Director said this resolution will appoint the Elmer Times and the South Jersey News as the official newspapers for the Salem County Insurance Fund Commission

MOTION TO APPROVE RESOLUTIONS 1-13 THOURGH 9-13

Moved: Commissioner Ford
Second: Commissioner Vanderslice
Roll Call Vote: 3 Ayes, 0 Nays

2013 Property & Casualty Budget Introduction: Executive Director reported at the December 6, 2012 meeting of the Fund, the 2013 Property & Casualty Budget was introduced. In accordance with State regulations, the budget has been advertised in the Commission’s official newspaper and posted at the Clark’s office. The Public Hearing for the budget will be held at this meeting. A copy of the proposed 2013 budget was included on page 18 of the agenda.

Executive Director reviewed the budget and said the total proposed budget for 2013 stands at \$1,317,434. Executive directors said a few of the line items were adjusted in the budget. The claims adjustment was at \$31,000 and it was reduced to \$22,000. The actuary and auditor fees were the bid amounts and they were slightly raised to fund enough in those line items. The attorney budget was taken out. Overall the adjustments did not change the total budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2013 BUDGET

Moved: Commissioner Vanderslice
Second: Commissioner Ford

MOTION TO CLOSE THE PUBLIC HEARING

Moved: Commissioner Ford
Second: Commissioner Vanderslice

MOTION TO ADOPT RESOLUTION 10-13 ADOPTING THE BUDGET FOR THE SALEM COUNTY INSURANCE FUND COMMISSION IN THE AMOUNT OF \$1,317,434. AS PRESENTED FOR THE COMMISSION YEAR 2013

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

2012 & 2013 PROPERTY & CASUALTY ASSESSMENTS - Executive Director reported in accordance with the Commission's By Laws, the assessment bills for 2012 for property and casualty were mailed to member entities. The Fund is finalizing set up of bank accounts and will process payment as soon as possible.

Assessments for 2013 will be due as follows: The first payment of 40% on February 15, 2013. The second assessment of 30% is due on June 15, 2013 and the third assessment of 30% is due on September 15, 2013.

Certificate of Insurance Issuance Report: Executive Director reported there were no certificates of insurance during this period. If there are any certificates that you need for 2013 please let us know. Mr. Hrubash reported that they have received requests for 2013 insurance certificates and they are being processed.

2012-2013 RFQ: Executive Director reported at the last meeting the Fund voted to table the selection of Fund Attorney. The Commission has decided to appoint County Council to be the Fund Attorney. Accordingly, the Fund should reject RFQ responses received for that position.

MOTION TO REJECT RFQ RESPONSES FOR FUND ATTORNEY

Moved: Commissioner Vanderslice
Second: Commissioner Ford
Vote: Unanimous

2013 Meeting Dates: Executive Director said the Fund has established meeting dates of the first Thursday of the month. As discussed when the Fund was formed, the likelihood was that meetings every other month would be sufficient to conduct Fund business and pay necessary claims and bills. With the Commissioners approval, we suggest establishing this schedule of meetings.

MOTION TO APPROVE 2013 MEETING SCHEDULE

Moved: Commissioner Vanderslice
Second: Commissioner Ford
Vote: Unanimous

Fund Websites: Executive Director reported the state has established a requirement for all Funds to have a stand alone website. An RFP has been published and we have one proposal from DHS Marketing Solutions. Executive Director said the project proposal was for \$2,500.

Most of the Funds throughout the state are obtaining quotes and this fee does fall in line with the other quotes that have been received. Diane Sparks of DHS Marketing Solutions said that this fee is to get the website up and running. Every year there will be an annual fee, Next year the fee to maintain the sight would be lower and would cost approximately \$540.00.

Mr. Hrubash said the attorneys for each of the other county funds have looked at the website requirements and found they have to be a separate and autonomous sight with the ability to link to the county website, but not be part of the county website. Executive Director said it has to be a searchable website and we will need a domain name.

MOTION TO APPROVE PROPOSAL FOR FUND WEBSITE

Moved:	Commissioner Vanderslice
Second:	Commissioner Ford
Vote:	Unanimous

SAFETY COMMITTEE REPORT

Glenn Prince reported the Safety Committee met on November 28th and it was well attended with 31 attendees present. The Executive Safety Committee met on December 26, 2013. Emergency Action Plans for all buildings were discussed as well as emailing Toolbox Talks to all department heads to get the safety message out. We are looking at continuous safety messages throughout all of the county buildings to remind all employees and to encourage a safe working environment at all times. We also discussed the online delivery of safety related information to all employees. Through Dave Strout we also had a court security meeting scheduled for January 23, 2013 at 1:30 pm to try to implement these emergency action plans as soon as possible. Our next safety meeting will be held on January 23, 2013 at 2:00pm.

Dave Strout said they did have an evacuation plan somewhat in place, but with the new building and the change of location of some workers, they are going to relook at the plan and also include a lockdown plan.

CLAIMS COMMITTEE REPORT

Claims Manager Robyn Walcoff reported on December 17, 2013 the Claims Kickoff Meeting was held and it was very well attended by representatives from the County of Salem. Claims Manager reported she and Dave Strout will be working together to put together a Claims Committee Charter and getting the claims committee set up. We will hold monthly Claims Committee meetings in advance of the Commission meetings so we can present the claims to the Commission. Executive Director said that since the commission will be meeting every other month we can also have a conference call if need be to review the claims payments when necessary. Final payment requests will come to the Board for approval.

CEL SAFETY DIRECTOR REPORT

Safety Director reported we have scheduled the loss control surveys for 2013. Our goal is to identify hazards before they become a problem and make the appropriate corrections. On December 26th the Safety Director met with Amy Cooper to go over the OSHA 300 reporting. A packet has been prepared and will be delivered to Amy Cooper after today's meeting.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Motion:	Commissioner Ford
Second:	Commissioner Coleman
Vote:	Unanimous

MEETING ADJOURNED: 9:26 AM

NEXT MEETING WILL BE THURSDAY, February 7, 2013 at 9:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary

APPENDIX II – RISK MANAGEMENT PLAN

RESOLUTION NO. 13 -13

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

BE IT RESOLVED by the Insurance Commission's governing body that 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
 - Employed Lawyers Liability NOT PURCHASED

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 \$10,250,000 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 and purchases from Star Insurance Company Statutory limits for Workers compensation and \$10,000,000/\$20,000,000 for Employers Liability excess over and above \$500,000 with Star Insurance

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 - \$20,250,000 excess the Insurance Commission's \$250,000. The \$10,000,000 excess \$500,000 commercial excess layer is subject to a \$20,000,000 per member insurance commission annual aggregate limit. The \$10,000,000 excess \$10,500,000 commercial excess layer is subject to a \$10,000,000 annual aggregate limit shared with the Camden 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 Star Insurance Company limits of \$10,000,000/\$20,000,000 excess over and above \$500,000 with Star Insurance Company. NJC also purchases from Star Indemnity & Liability Insurance Company limits of \$10,000,000/\$10,000,000 excess over and above the \$10,000,000/\$20,000,000 with Star Insurance.

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 Star Insurance Company limits of \$10,000,000/\$20,000,000 excess over and above \$500,000 with Star Insurance Company. NJC also purchases from Star Indemnity & Liability Insurance Company limits of \$10,000,000/\$10,000,000 excess over and above the \$10,000,000/\$20,000,000 with Star Insurance.

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

The excess general liability, auto liability, employers' liability and law enforcement liability limit of \$10,000,000/\$20,000,000 are shared limits amongst SCIC member entities. The limits of \$10,000,000/\$10,000,000 excess of the \$10,000,000/\$20,000,000 with Star Insurance Company, NJC retention and the Insurance Commission retention are shared with the Camden County, Gloucester County and Cumberland County Insurance Commission another member commission of the NJC.

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

- 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 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 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 (no 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)
 - 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

\$1,000,000 Aggregate

- Loss Adjustment Expense - \$500,000 Per Claim/
- Extended Reporting Period – 365 Days
- Auto Physical Damage - \$500,000 Per Scheduled Vehicle
- Fungus, Wet Rot, Dry Rot Or Bacteria - \$500,000 Per Occurrence
- 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 mile 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 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 general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Insurance Commission expects the claims servicing company to set reserves at 85% accuracy. The Insurance Commission also establishes reserves recommended by the Insurance Commission's Actuary for claims that have been incurred but not yet reported so that the Insurance Commission has adequate reserves to pay all claims and allocated loss adjusted expense liability.

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 7th day of February 2013.

Salem County Insurance Fund Commission

By: _____
Chairperson

Attest:

Vice - Chairperson

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 ____2013.

MEDICAL EXPENSE BENEFITS DEDUCTIBLE

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

Medical expense benefits applicable to:

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

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

MEDICAL EXPENSE BENEFITS CO-PAYMENT

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

DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSES OPTION

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

MEDICAL EXPENSE BENEFITS-AS-SECONDARY OPTION

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

A. Coverage

1. **Personal Injury Protection**

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

These Personal Injury Protection Benefits consist of:

a. **Medical Expense Benefits**

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

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

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

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

b. **Income Continuation Benefits**

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

c. **Essential Services Benefits**

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

d. **Death Benefits**

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

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

e. **Funeral Expense Benefits**

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

2. **Pedestrian Personal Injury Protection**

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

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

a. **Medical Expense Benefits**

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

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

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

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

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

b. **Income Continuation Benefits**

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

c. **Essential Services Benefits**

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

d. **Death Benefits**

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

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

e. **Funeral Expense Benefits**

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

B. Exclusions

1. **Personal Injury Protection**

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

- a. To a person whose conduct contributed to the **bodily injury** in any of the following ways:
 - (1) While committing a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer; or
 - (2) While acting with specific intent to cause injury or damage to himself or herself or others;
- b. To any person who, at the time of the **occurrence**, was the owner or registrant of a **private passenger auto** registered or principally garaged in New Jersey that was being operated without Personal Injury Protection Coverage;
- c. To any person who is not occupying a covered **auto**, other than the **named insured** or any **family member** or a resident of New Jersey, if the **occurrence** occurs outside of New Jersey;
- d. Arising out of the ownership, maintenance or use, including loading or unloading, of any vehicle while located for use as a residence or premises other than for transitory recreational purposes;
- e. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or CONDITION incident to any of the foregoing;
- f. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material;
- g. To any person, other than the **named insured** or any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** or **family member** under the terms of any other Policy with respect to such coverage;
- h. To any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** under the terms of another Policy; or
- i. To any person operating or occupying a **private passenger auto** without the permission of the owner or the **named insured** under the Policy insuring that **auto**.
- j. To any person who is convicted of, or pleads guilty to:
 - (1) Operating a motor vehicle; or
 - (2) Allowing another person to operate a motor vehicle owned by that **insured** or in that **insured's** 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) Videofluoroscopy;
 - (xiii) Visual evoked potential (VEP); or
 - (xiv) Any other diagnostic test that is subject to the requirements of our Decision Point Review Plan by New Jersey law or regulation.
- (b) The diagnostic tests listed under Paragraph (2)(a) must be administered in accordance with New Jersey Department of Banking and Insurance regulations which set forth the requirements for the use of diagnostic tests in evaluating injuries sustained in **auto accidents**.

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

- (c) **We** will pay for other diagnostic tests that are:
 - (i) Not subject to our Decision Point Review Plan; and
 - (ii) Not specifically excluded under EXCLUSION 1.1.;

only if administered in accordance with the criteria for medical expenses as provided in this ENDORSEMENT.

(3) **Decision Point Review Plan**

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

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

- (c) Once **we** receive such notice with the appropriate **clinically supported** findings, **we** will, in accordance with our plan:
 - (i) Promptly review the notice and supporting materials; and
 - (ii) If required as part of our review, request any additional medical records or schedule a physical examination.
- (d) **We** will then determine and notify the **eligible injured person** or the **insured person** whether **we** will provide coverage for the additional treatment or diagnostic test as indicated in our plan. Any determination **we** make will be based on the determination of a **health care provider**.
- (e) Any physical examination of an **eligible injured person** or **insured person** scheduled by **us** will be conducted in accordance with our plan.
- (f) A penalty will be imposed in accordance with **our** plan if:
 - (i) **We** do not receive proper notice and **clinically supported** findings;

- (ii) **We** are not provided medical records if requested by **us**; or
- (iii) Any **eligible injured person** or **insured person** fails to appear for the physical examination if required by **us**.

g. Dispute Resolution

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

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

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

COORDINATION AND NON-DUPLICATION

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

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

MEDICAL PAYMENTS DELETION

In consideration of the Coverage provided for Personal Injury Protection and in Paragraphs A.1. and A.2. of this Addendum, and the adjustment of applicable rates because of **bodily injury** to

an **eligible injured person**, any auto medical payments coverage provided under the coverage part is deleted with respect to an **auto** which is a covered **auto**.

E. Definitions

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

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

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

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

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

- (1) In the care of health benefits plans, that portion of the medical expenses incurred for the treatment of **bodily injury** which is covered under the terms and CONDITIONS of the plan, without application of the deductible(s) and co-payment(s), if any.
 - (2) In the case of personal injury protection benefits, that portion of the medical expenses incurred for the treatment of **bodily injury** which, without considering any deductible and co-payment, shall not exceed:
 - (a) The percent or dollar amounts specified on the medical fee schedules, or the actual billed expense, whichever is less; or
 - (b) The reasonable amount, as determined by us, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, when an incurred medical expense is not included on the medical fee schedules.
- e. **Emergency care** means all treatment of a **bodily injury** which manifests itself by acute symptoms of sufficient severity such that absence of immediately attention could reasonably be expected to result in death, serious impairment to bodily functions or serious dysfunction to a bodily organ or part. Such emergency care shall include all medical necessary care immediately following an **occurrence**, including but not limited to, immediate pre-hospitalization care, transportation to a hospital or trauma center, emergency room care, surgery, critical and acute care. Emergency care extends during the period of initial hospitalization until the patient is discharged from acute care by the attending physician. Emergency care shall be presumed when medical care is initiated at a hospital within 120 hours of the **occurrence**.
- f. **Family member** means a person related to the **named insured** by blood, marriage or adoption (including a ward or foster child) who is a resident of the same household as the **named insured**.
- g. **Health care provider** means those persons licensed or certified to perform health care treatment or services compensable as medical expenses and shall include, but not be limited to:
- (1) Hospital or healthcare facilities that are maintained by a State or any of its political subdivisions or licensed by the Department of Health and Senior Services.

- (2) Other hospitals or health care facilities designated by the Department of Health and Senior Services to provide health care services, or other facilities, including facilities for radiology and diagnostic testing, free-standing emergency clinics or offices, and private treatment centers;
 - (3) A non-profit voluntary visiting nurse organization providing health care services other than in a hospital;
 - (4) Hospitals or other health care facilities or treatment centers located in other states or nations;
 - (5) Physicians licensed to practice medicine and surgery;
 - (6) Licensed chiropractors, dentists, optometrists, pharmacists, chiropodists (Podiatrists), psychologists, physical therapists, health maintenance organizations, orthotists and prosthetists, professional nurses occupational therapists, speech language pathologists, audiologists, physician assistants, physical therapists assistants and occupational therapy assistants;
 - (7) Registered bio-analytical laboratories;
 - (8) Certified nurse-midwives and nurse practitioners/clinical nurse-specialists; or
 - (9) Providers of other health care services or supplies including durable medical goods.
- h. **Identify injury** means the following **bodily injuries** for which the New Jersey Department of Banking and Insurance has established standard courses of medically necessary diagnosis and treatment;
- (1) Cervical Spine: Soft Tissue Injury;
 - (2) Cervical Spine: Herniated Disc/Radiculopathy;
 - (3) Thoracic Spine: Soft Tissue Injury;
 - (4) Thoracic Spine: Herniated Disc/Radiculopathy;
 - (5) Lumbar-Sacral Spine: Soft Tissue Injury;
 - (6) Lumbar-Sacral Spine: Herniated disc/Radiculopathy; and
 - (7) Any other **bodily injury** for which the New Jersey Department of Banking and Insurance has established standard courses of appropriate diagnosis and treatment.
- i. **Income** means salary, wages, tips commissions, fees and other earnings derived from work or employment.
- j. **Income producer** means a person who, at the time of the **occurrence**, was in an occupational status, earning or producing income.

- k. **Named insured** means the person or organization named in General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #CP0513640, if an individual, includes his or her spouse if the spouse is a resident of the household of the **named insured**, except that if the spouse ceases to be a resident of the same household, the spouse shall be a **named insured** for the full term of the Policy in effect at the time of cessation of residency. If the covered **auto** is owned by a farm family co-partnership or corporation, the term **named insured** also includes the head of the household of each family designated in the Policy as having a working interest in the farm.

- l. **Pedestrian** means any person who is not occupying, using, entering into, or alighting from a vehicle propelled by other than muscular power and designed primarily for use on highways, rails and tracks.

- m. **Private passenger auto** means a self-propelled vehicle designed for use principally on public roads and which is one of the following types:
 - (1) A private passenger or station wagon type auto;
 - (2) A van, a pickup or panel truck or delivery sedan; or
 - (3) A utility auto designed for personal use as a camper or motor home or for family recreational purposes

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

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

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

Eligible injured person means:

- a. The **named insured** and, if the **named insured** is an individual, any **family member**, if the **named insured** or the **family member** sustains **bodily injury**:
 - (1) As a result of any **occurrence** while occupying, using, entering

- into or alighting from a **private passenger auto**, or
- (2) While a **pedestrian**, caused by a **private passenger auto** or by an object propelled by or from a **private passenger auto**.
- b. Any other person who sustains **bodily injury**:
 - (1) While, with **your** permission, that person is occupying, using, entering into or alighting from the covered **auto**; or
 - (2) While a **pedestrian**, caused by the covered **auto** or as a result of being struck by an object propelled by or from the covered **auto**.
- 4. The following are added to the **Definitions** Section for **Pedestrian Personal Injury Protection**:
 - a. **Eligible injured person** means:

A person who sustains **bodily injury** while a **pedestrian**, caused by an **Insured motor vehicle** or as a result of being struck by an object propelled by or from the **insured motor vehicle**.
 - b. **Insured motor vehicle** means a self-propelled motor vehicle designed for use principally on public roads, which is not a **private passenger auto** and to which the liability coverage of this Coverage Form applies.

ADDENDUM II

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 _____, 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 identified 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.