

**SALEM COUNTY INSURANCE FUND COMMISSION
AGENDA AND REPORTS
JANUARY 3, 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
JANUARY 3, 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: December 6, 2012 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 30**

 - OLD BUSINESS**
 - NEW BUSINESS**
 - PUBLIC COMMENT**
-
- MEETING ADJOURNMENT**
**NEXT SCHEDULED MEETING: _____, 2013, COUNTY OLD
COURTHOUSE 104 MARKET STREET, SALEM, NJ 08079, 9:00 AM**

SALEM COUNTY INSURANCE FUND COMMISSION

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

Date: January 3, 2013
Memo to: Commissioners of the Salem County Insurance Fund Commission
From: PERMA Risk Management Services
Subject: Executive Director's Report

Reorganizational 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
- Resolution 2-13 Appointing CEL Commissioner
- Resolution 3-13 Appointing Commission Treasurer
- Resolution 4-13 Appointing Commission Attorney
- Resolution 5-13 Appointing Commission Secretary
- Resolution 6-13 Designating Authorized Depositories for Commission Assets and Establishing a Cash Management Plan
- Resolution 7-13 Designating Authorized Signatures for Commission Bank Accounts
- Resolution 8-13 Appointing Agent for Service of Process and Designating Custodian of Commission Records
- Resolution 9-13 Designating Official Newspapers

Motion to approve Resolutions 1-13 through 9-13

2013 Property & Casualty Budget Adoption - 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 Clerk's office. The Public Hearing for the budget will be held at this meeting. A copy of the proposed 2013 budget appears on page 18.

Motion to open the Public Hearing on the 2013 Budget.

Discussion of Budget.

Motion to close the Public Hearing.

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.

- ❑ **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 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:** There were no requests for certificates of insurance during this period.
- ❑ **2012-13 RFQ** – At its 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**

- ❑ **2013 Meeting Dates** – 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. (See Distribution).

- ❑ **Motion to Approve the 2013 Meeting Schedule**

RESOLUTION NO. 1 -13

SALEM COUNTY INSURANCE FUND COMMISSION

**CERTIFYING THE ELECTION OF
CHAIRPERSON AND VICE CHAIRPERSON**

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

BE IT RESOLVED by the Salem County Insurance Fund Commission that the following persons have been elected as Chairperson and Vice-Chairperson:

Chairman

Vice Chairman

BE IT FURTHER RESOLVED, that the Chairman and Vice Chairman shall serve through 2014 SCIFC Reorganization.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 2 -13

**COUNTY INSURANCE COMMISSION OF THE COUNTY OF SALEM APPOINTING A
COMMISSIONER TO THE NEW JERSEY COUNTIES EXCESS JOINT INSURANCE
FUND FOR FUND YEAR 2013**

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

WHEREAS, the New Jersey Counties Excess Joint Insurance Fund (hereinafter the Fund) is duly constituted as a joint insurance fund; and

WHEREAS, the Fund by-laws require each member insurance commission to appoint one (1) commissioner to the Fund; and

WHEREAS, **Robert Vanderslice** is a member of the Commission and the Commission having deemed it appropriate to designate **Robert Vanderslice** as commissioner to the Fund; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said Commission that **Robert Vanderslice** is designated Commissioner to the New Jersey Counties Excess Joint Insurance Fund until the New Jersey Counties Excess Joint Insurance Fund 2014 Reorganization.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 3 -13

**SALEM COUNTY INSURANCE FUND COMMISSION
DESIGNATING COMMISSION TREASURER**

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

WHEREAS, the SCIFC requires the services of a Treasurer, and

WHEREAS, **Katie B. Coleman** has demonstrated the skill and possesses the qualifications to perform the duties of Treasurer for the County Insurance Commission;

WHEREAS, the Commission authorizes the appointment of **Katie B. Coleman** as SCIFC Treasurer for the term commencing upon adoption of the within resolution through 2014 SCIFC Reorganization;

BE IT FURTHER RESOLVED that **Katie B. Coleman** shall receive no compensation to serve as Commission Treasurer to the SCIFC.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 4 -13

**SALEM COUNTY INSURANCE FUND COMMISSION
DESIGNATING COMMISSION ATTORNEY**

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

WHEREAS, the SCIFC requires the services of an Attorney, and

WHEREAS, **Michael M. Mulligan** has demonstrated the skill and possesses the qualifications to perform the duties of Commission Attorney for the County Insurance Commission;

WHEREAS, the Commission authorizes the appointment of **Michael M. Mulligan** as SCIFC Attorney for the term commencing upon adoption of the within resolution through 2014 SCIFC Reorganization; and

BE IT FURTHER RESOLVED that **Michael M. Mulligan** shall receive no compensation to serve as Commission Attorney to the SCIFC.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 5 -13

**SALEM COUNTY INSURANCE FUND COMMISSION
DESIGNATING COMMISSION SECRETARY**

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

WHEREAS, the SCIFC requires the services of an Secretary, and

WHEREAS, **TaNeisha Harris** has demonstrated the skill and possesses the qualifications to perform the duties of Commission Secretary for the County Insurance Commission;

WHEREAS, the Commission authorizes the appointment of **TaNeisha Harris** as SCIFC Secretary for the term commencing upon adoption of the within resolution through 2014 SCIFC Reorganization; and

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 6-13

**SALEM COUNTY INSURANCE FUND COMMISSION
DESIGNATING AUTHORIZED DEPOSITORIES FOR FUND ASSETS
AND ESTABLISHING A CASH MANAGEMENT PLAN**

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

BE IT RESOLVED that **First National Bank of Elmer** is hereby designated as the depository for assets of the Fund.

BE IT FURTHER RESOLVED that the attached Cash and Investment Management Plan, which includes the designation of authorized depositories, be and is hereby adopted.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

SALEM COUNTY INSURANCE FUND COMMISSION

2013 CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The SALEM COUNTY INSURANCE FUND COMMISSION's (hereinafter referred to as the Commission) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the Commission's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Commission year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds/commissions, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the Commission's economic surplus.

2.) Permissible Investments

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- c.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- d.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e.) Debt obligations of federal agencies or government corporations with maturities not greater than five (5) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that

the investment a fixed rate of interest not dependent on any index or external factors.

- f.) Repurchase agreements of fully collateralized securities, subject to rules and conditions establish by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than five (5) years from date of purchase.

3.) **Authorized Depositories**

In addition to the above, the Commission is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA).

The Commission is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Committee. Such asset managers shall be discretionary trustees of the COMMISSION.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages, which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Commission's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the Commission shall be delivered electronically or physically to the Commission's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the Commission.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the Commission shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

If the Commission utilizes the services of asset managers, they will submit written statements to the Treasurer and Executive Director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Commission's portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the Commission's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Commission Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Commission, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Commission and deposits it into the Commission account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Commission.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Executive Committee by the Treasurer at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to Commission operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks, which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the Commission.

RESOLUTION NO. 7-13

**SALEM COUNTY INSURANCE FUND COMMISSION
DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS**

BE IT RESOLVED by the SALEM COUNTY INSURANCE FUND COMMISSION (hereinafter the Commission) that all funds of the Commission shall be withdrawn from the official named depositories by check, which shall bear the signatures of at least two (2) of the following persons who are duly authorized pursuant to this resolution, except for those checks in the amount of \$100,000 or more and in that instance at least three signatures shall be required; and

Robert Vanderslice - Chairperson

Evern Ford - Commissioner

Katie Coleman - Commissioner

BE IT FURTHER RESOLVED that for funds in the amount of \$2,500 or less, withdrawn from the official named depositories by check prepared by the Commission's Claims Administrator for the purposes of satisfying workers compensation claims, such checks shall bear the signature of at least one (1) of the following persons who are duly authorized pursuant to this resolution.

Robert Vanderslice - Chairperson

Evern Ford - Commissioner

Katie Coleman - Commissioner

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 8 -13

**SALEM COUNTY INSURANCE FUND COMMISSION
APPOINTING AGENT FOR SERVICE OF PROCESS AND CUSTODIAN OF RECORDS
FOR THE COMMISSION
FOR THE YEAR 2013**

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

WHEREAS, the SCIFC has deemed it necessary and appropriate to formally organize for the 2013 commission year; and

NOW THEREFORE be it resolved by the Salem County Insurance Fund Commission that **PERMA Risk Management Services** is hereby appointed as agent for service of process upon the SCIFC, at its office located at 9 Campus Drive, Suite 16, Parsippany, NJ 07054 for the year 2013 or until its successor has been appointed and qualified. Said appointment shall be at no cost to the SCIFC.

BE IT FURTHER RESOLVED that **PERMA Risk Management Services** shall also be the Custodian of Records at no cost to the SCIFC.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 9 -13

**SALEM COUNTY INSURANCE FUND COMMISSION
DESIGNATING OFFICIAL NEWSPAPERS FOR THE COMMISSION**

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

WHEREAS, the SCIFC has deemed it necessary and appropriate to formally organize for the 2013 commission year; and

BE IT RESOLVED by the SCIFC, the **South Jersey News and/or Elmer Times** are hereby designated as the official newspaper for the Commission and all official notices required to be published and shall be published in these newspapers.

BE IT FURTHER RESOLVED that the designation of official newspapers shall be effective upon adoption of the within resolution through the 2014 re-organization of the SCIFC.

BE IT FURTHER RESOLVED that in the case of special meetings or emergency meetings, the SCIFC shall give notice of said meetings to the **South Jersey News and/or Elmer Times**.

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

RESOLUTION NO. 10-13

**RESOLUTION AUTHORIZING AND APPROVING THE BUDGET
FOR THE YEAR 2013 FOR THE SALEM COUNTY INSURANCE FUND COMMISSION**

WHEREAS, the SALEM COUNTY INSURANCE FUND COMMISSION is required under State regulation to adopt an annual budget in accordance with the Fiscal Affairs Law; and

NOW THEREFORE BE IT RESOLVED the appropriations in the total amount of **\$1,317,434.00** is hereby authorized and approved

ADOPTED by THE SALEM COUNTY INSURANCE FUND COMMISSION at a properly noticed meeting held on January 3, 2013.

ADOPTED:

BY: _____
CHAIRMAN

ATTEST:

VICE CHAIRMAN

SALEM COUNTY INSURANCE COMMISSION		
2013 PROPOSED BUDGET		
		ANNUALIZED BUDGET
	APPROPRIATIONS	
	I. Claims and Excess Insurance	
	Claims	
1	Property	55,202
2	Liability	55,601
3	Auto	5,560
4	Workers' Comp.	389,206
5		
6	Subtotal - Claims	505,569
7		
8	Premiums	
9	NJCE FUND	558,091
10		
11	SubTotal Premiums	558,091
12	Total Loss Fund	1,063,660
13		
14	II. Expenses, Fees & Contingency	
15		
16	Claims Adjustment	22,000
17	Safety Director	0
18	General Expense	
19	Exec. Director	33,465
20	Actuary	7,500
21	Auditor	7,500
22	Attorney	0
23	Treasurer	0
24		
25		
26	Misc. Expense & Contingency	17,839
27		
28	Total Fund Exp & Contingency	88,304
29	Risk Managers	0
30		
31		
32	XS JIF Ancillary Coverage	
33	POL/EPL	85,624
34	XS POL/EPL	0
35	Excess Liability	38,768
36	Crime Program	4,037
37	Medical Malpractice	33,200
38	Pollution Liability	3,840
39	Employed Lawyers Liab	0
40		
41	Total FUND Disbursements	1,317,434

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

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: December 27, 2012

**December – January 2013
RISK CONTROL ACTIVITIES**

JIF MEETINGS ATTENDED / TRAINING PRESENTED

- **December 6:** Attended the SCIC meeting in Salem.
- **December 17:** Attended the SCIC claims kickoff meeting in Salem.

UPCOMING JIF MEETINGS / TRAINING PLANNED

- **December 26:** Attended the SCIC Safety Committee meeting in Salem.
- **January 3:** Plan to attend the SCIC meeting in Salem.

APPENDIX I – MEETING MINUTES

**SALEM COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES MEETING – December 6, 2012
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	Absent
Douglas Wright	Present
Evern Ford	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
Debbie Stout, Inservco Ins.
Glenn Prince, JA Montgomery
James Kickham, PERMA
Michelle Leighton, Conner Strong & Buckelew
Joseph Hrubash, Conner Strong & Buckelew
Cathy Dodd, Conner Strong & Buckelew

APPROVAL OF MINUTES: OPEN SESSION OF NOVEMBER 8, 2012

MOTION TO APPROVE THE OPEN MINUTES OF NOVEMBER 8, 2012

Moved:	Commissioner Wright
Second:	Commissioner Ford
Vote:	Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

2013 Property & Casualty Budget Introduction: Executive Director distributed the 2013 proposed Property & Casualty Budget for review and discussion. The introductory budget represents a 3.23% increase. The CEL portion of this budget is subject to review and approval of

the CEL budget by the CEL Commissioners. The CEL met on November 9th and introduced their 2013 budget. The CEL has scheduled their Public Hearing and Budget adoption on 12/13/2012.

Executive Director said we continue to look at the budget to see what we can adjust. There are some circumstances that have developed with the excess carriers on the property side, mainly from the hurricane. Joseph Hrubash said Zurich is the excess carrier and is a big insurer in the state of New Jersey. Although the CEL member entities have seemed to fair well, Zurich does insure a huge municipal program in New Jersey, and they do have clients in New York that suffered losses. So what they are trying to now is complete their reinsurance for flood. Once that is wrapped up we will have a better idea where they stand and we believe at the end of the day the monies we incorporated in the budget will cover any increases.

Executive Director reviewed the budget and said the total proposed budget for 2013 stands at \$1,318,695.. The public hearing for this budget will be held on January 3, 2013 at 9:00 am at the Old Courthouse Building at 104 Market Street.

MOTION TO INTRODUCE THE 2013 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$1,318,685. AND SCHEDULE THE PUBLIC HEARING ON JANUARY 3, 2013 AT 9:00 AM IN THE OLD COURTHOUSE BUILDING, 104 MARKET STREET.

Moved:	Commissioner Wright
Second:	Commissioner Ford
Vote:	2 Ayes, 0 Nays

NJ Excess Counties Insurance Fund (CELJIF): Executive Director reported the CEL met on November 9, 2012. As discussed above, the CEL introduced its budget. Their Public Hearing is scheduled for 12/13/2012. Tom Nolan from Conner Strong & Buckelew was present and provided an overview of the potential issues CEL now faces with the property renewal in the aftermath of Hurricane Sandy. Attached on page 4 is the summary report of the CEL's meeting. Executive Director said the property rate was initially looking at a 20% increase and they have adjusted that down and is an area they are continuing to look at. Chairman Vanderslice participated in that meeting and they were welcomed aboard with Cumberland.

2012 RFQ Criteria Fair & Open Process: Executive Director reported the fund advertised for Request for Qualifications for Fund attorney, Defense Attorneys, Actuary & Auditor. Proposals were due back at the Fund Office by Tuesday, December 4th at 2 PM.

A synopsis of the RFQ responses were distributed to the members. Executive Director said we received several requests for Fund Attorney, one response for Auditor, and one for Actuary.

MOTION TO TABLE THE APPOINTMENT OF FUND ATTORNEY UNTIL THE REORGANIZATION MEETING

Moved: Commissioner Wright
Second: Commissioner Ford
Vote: Unanimous

MOTION TO APPROVE RESOLUTION 17-12 AWARDING PROFESSIONAL CONTRACTS FOR DEFENSE ATTORNEYS WITH AN AN HOURLY RATE STRUCK BY THE FUND , THE AUDITOR WITH AN ANNUAL FLAT FEE OF \$7,500 AND THE ACTUARY WITH AN ANNUAL FLAT FEE OF \$7,500.

Moved: Commissioner Wright
Second: Commissioner Ford
Vote: 2 Ayes, 0 Nays

Certificate of Insurance Issuance Report: Executive Director reported there were no certificates of insurance during this period.

Establishing Committees: Executive Director said we Advisory Committees are permitted to be appointed per the Rules and Regulations adopted by the Fund. A resolution is included in the agenda to establish the Safety Committee.

MOTION TO APPROVE RESOLUTION 18-12 APPOINTING MEMBERS TO THE SAFETY COMMITTEE

Moved: Commissioner Wright
Second: Commissioner Ford
Vote: Unanimous

Insurance Commission Website – Executive Director reported he Commission will need to establish a website for the Fund to satisfy new legislation, Chapter 167. It cannot be combined with the County’s website. The Executive Director’s office will obtain quotes for webpage design and a cost on the annual hosting. A report will be provided to the Commission at the next meeting. Commissioner Wright asked if it can be part of the county website or does it have to be a stand alone site. Executive Director said it has to be a stand alone site. Mr. Kickham said it has be a searchable site on the internet and has to be up by January 31, 2013. Mr. Hrubash said if the Commissioners would like to take a look at Gloucester County Insurance Commission and Burlington County Insurance Commission websites they will see the information posted on those websites is basic information satisfying the minimum requirements of the statute.

2013 Auto ID Cards/WC Posting Notices/Renewal Certificates of Insurance - Executive director said the 2013 auto ID cards and WC Postings Notices will be sent to each Member Entity contact for distribution the first week of December. The Executive Director’s office will review any

certificates which need to be re-issued for the 2013 renewal. Cathy Dodd said the ID cards will be mailed on Monday for 2013.

Sandy CAT 90 Loss Log (Page 8) – Michelle Leighton from Conner Strong & Buckelew created a “Sandy CAT 90 Loss Log” to assist the Commissions in capturing key information where there were losses involving multiple locations. Ms. Leighton has sent the spreadsheet by e-mail and is requesting each member Commission designate a point person to collect the information and submit to Michelle Leighton at mleighton@connerstrong.com with a copy to Mike Trump, at MTrump@VeriClaimInc.com as soon as possible. Even if you did not have any damages to report, Ms. Leighton indicated the spreadsheet should be sent noting no damages. If anyone needs the spreadsheet or assistance, please contact the PERMA office.

Ms. Leighton said that none of the affiliated members within the county have reported any losses. We will confirm this with the carriers. We are taking our time to confirm the losses since this is considered as one occurrence. Ms. Leighton wanted to remind everyone that if there were any losses please be sure to complete and submit the spreadsheet that was provided.

Executive Director said we would like to schedule a Claims Kick-off Meeting on December 17, 2012 at noon in the Salem County Old Courthouse. An invite will be sent to all members.

Special Meeting to Pay Bills: Executive Director said that a special meeting may be scheduled to pay bills. This can be a conference call type meeting to process a simple bills list. A notice will be sent to schedule this meeting.

CEL SAFETY DIRECTOR REPORT

Safety Director reported on November 28, 2012 the Salem County Insurance Commission Safety Committee Kick-off Meeting was held with 31 members in attendance. We received a lot of positive feedback in regards to the training needs for 2013. We have already started some training with public works and on November 28, 2013 we had a Snow Plow Safety course that was well attended. Our next meeting will be held on January 23, 2013 at 2:00 pm.

David Strout said they will also be establishing an Executive Safety Committee. An email has been send by BJ Ayers regarding the committee. A date has not been set yet but we will let everyone know when that will be scheduled. Vice Chairman Ford said the committee will consist of BJ Ayers, David Strout, Glenn Prince and himself. The purpose of the committee is to create a vision for the Safety Committee to work on.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Motion:	Commissioner Wright
Second:	Commissioner Ford
Vote:	Unanimous

MEETING ADJOURNED: 9:39 AM

NEXT MEETING WILL BE THURSDAY, January 3, 2013 at 9:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary