

**SALEM COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES MEETING – DECEMBER 11, 2014
104 MARKET STREET
SALEM, NJ 9:00 AM**

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

ROLL CALL OF COMMISSIONERS:

Robert Vanderslice	Present
Katie Coleman	Present
Kevin Crouch	Present

FUND PROFESSIONALS PRESENT:

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

Jessica Foote, Salem County
Dave Strout, Cettei & Connell
Veronica George, Inservco
Joseph Hrubash, Conner Strong & Buckelew
Glenn Prince, JA Montgomery
Robyn Walcoff, Conner Strong & Buckelew
Rachel Chwastek, PERMA

APPROVAL OF MINUTES: OPEN AND CLOSED SESSION OF OCTOBER, 2014

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF
OCTOBER 2, 2014**

Moved:	Commissioner Coleman
Second:	Commissioner Crouch
Vote:	Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

2015 Property & Casualty Budget – Executive Director said attached on page 3 of the Agenda for your review and discussion was the 2015 Property and Casualty Budget in the amount of

\$1,443,422. The introductory budget represents a 3.55% increase Commission wide compared to the 2014 Budget.

Executive Director reviewed the Claims and Loss Funds line items of the Budget and said there is a fair increase in the property, liability and auto line items and workers comp has an increase of 9.89% which should not be a surprise since the Commission has faced a lot of workers' comp issues. Executive Director said the actuary has worked with us and there will be an overall increase of 8.81% for claims. On the CEL JIF side we faired very well with a decrease of 3.36% so the total loss funds on line 12 of the budget it 2.24%

Executive Director reviewed the Expenses and Fees line items of the Budget and said for the Fund Professionals most of these are by contract or RFQ and we are looking at 2% increases. Executive Director said on the Miscellaneous Expense and Contingency portion of the Budget he spoke to the Treasurer and since the budget was in decent shape thought we should build it up to give us a little more of a cushion. The overall expense on line 28 would be 12.75%.

Executive Director reviewed Ancillary Coverages and said on line item 41 is new coverage and the CEL is looking to place up to \$25 million in added flood coverage for all the members. Underwriting Mangers Joseph Hrubash said the driving force on this is that the CEL is now up to ten members and the more we grow the more we need to re-evaluate our limits. We want to try and do this by buying additional flood limits and try and get that up to \$50 million. In response to Katie Coleman, Mr. Hrubash said the program does not cover roads but it would cover buildings, contents and other types of insurable structures.

MOTION TO INTORODUCE THE 2015 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$1,443,422 AND SCHEDULE A PUBLIC HEARING AND ADOPTION ON FEBRUARY 5, 2015 AT 9:00 AM AT THE COUNTY OLD COURTHOUSE

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

Certificate of Insurance Issuance Report: Executive Director reported the Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of September 23, 2014 to November 20, 2014 was included in the Agenda. There were 6 certificates issued during this period.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Crouch
Second: Commissioner Vanderslice
Vote: Unanimous

RFQ For Professional Services – Executive Director said several of the Funds Professional Service Agreements expire as of December 31, 2014. The position of Executive Director, Actuary and Auditor are up for renewal. The Fund office advertised for the positions; responses were due back on September 30, 2014. Executive Director said on page 5 of the agenda is a synopsis of the responses. Executive Director said the Auditor’s fee was a little higher than the 2% increase we typically give. After speaking with Jim Miles of Bowman & Company and he said he would be in agreement with whatever increase the Commission would like to extend. Executive Director said after discussing with Katie Coleman regarding this our suggestion would be to give a 2% increase which would be \$7,803 the same amount as the actuary and Mr. Miles was in agreement.

Executive Director said if members are in agreement a motion would be in order for Resolution 25-14 Designating Professional Services of the Fund naming Perma Risk Management Services as Executive Director in the amount of \$34,816.00; Bowman & Company as Auditor in the amount of \$7,803.00; and Actuarial Advantage as Actuary in the amount of \$7,803.00.

MOTION TO AWARD PROFESSIONAL CONTRACTS –RESOLUTION 25-15

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

NJ Excess Counties Insurance fund (CELJIF) (Pages 8) – Executive Director said the CEL met on October 23, 2014. A summary report of their meeting is included in the agenda. At that meeting the 2015 proposed budget was presented for review, discussion and introduction. The Executive Director also reported that discussions were ongoing with Atlantic County on possible membership in the CEL.

The CEL me on November 20, 2014 to hold the public hearing and adoption of the 2015, The Budget in the amount of \$19,964,592 was adopted along with certification of the 2015 assessments. A copy of the approved budget appeared on page 9 of the agenda. The Board voted to cancel the December Meeting.

Amendment to the Plan of Risk Management - Executive Director said the Plan of Risk Management was revised to include a list of the perils for which underground piping is not covered. Also, owned watercraft was amended from 32’ to 35’. The applicable pages of the Plan of Risk Management were included in the agenda on pages 9-13. Changes are highlighted in yellow.

Underwriting Manager Joseph Hrubash said there is no change in coverage just clarity in intent. The Risk Management Plan needs to reflect what is on the coverage policy on the watercraft which was just a clerical error. The plan was a little vague on the intent for coverage for underground piping so we cleared that up with these changes.

**MOTION TO AMEND THE PLAN OF RISK MANAGEMENT –
RESOLUTION 26-14**

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

Financial Fast Track – Executive Director included in the agenda on **Pages 14 & 15** of the agenda are the Financial Fast Tracks for Salem County Insurance Fund Commission for September and October. As of October 31st, the Fund has a deficit of **\$317,424**.

Executive Director said we have continued the trend in a not so good direction September reflects a deficit over \$249,000 and in October we had some claims that the reserves were increased that put us \$317,424 deficit. We continue to work with Inservco. We had a very good claims meeting a few months ago where we really dove into the top ten workers' comp cases here and continue to keep an eye on the reserves and hopefully will be able to start rolling some of those back as we move further in the year and we will keep everyone advised as we move forward

NJ CEL Property and Casualty Financial Fast Track – Executive Director said included in the agenda on **Page 16** is the NJ CEL Financial Fast Track Report as of October 31, 2014. The CEL has a surplus of **\$5,204,827**.

Executive Director said this concludes his report and on behalf of Perma he thanked the Commissioners for the reappointment of Perma Risk Management Services as Executive Director.

SAFETY COMMITTEE REPORT

Glenn Prince reported the Safety Committee meeting has been rescheduled for December 17, 2014, at 1:00. Mr. Prince said he has been in contact with Robert DiGregorio and he plans to introduce some wellness initiatives at that meeting. Several JIFs have also taken on some wellness initiatives which really seem to be beneficial for the employees. We will report back at the next meeting to determine what actions we are going to take and what direction we should go with that initiative.

CLAIM COMMITTEE REPORT

Claims Manager Robyn Walcoff said as the Executive Director reported we had a really great Claims Committee meeting back in October. We did an in person Claims Committee Meeting as well as a claim review. Veronica George from Inservco was present along with Prudence Higbee from Capehart & Scatchard, who is the defense counsel on a number of cases. It was a good vigorous review of the claims and a discussion of strategy that can be done with the existing claims. Glenn Prince was also present on behalf of the Safety Committee discussing what corrective actions can be taken to prevent future claims as well. Claims Managers said we have spoken to Terry

Sheerin of Inservco and coming up in February we would like to go ahead and have a liability claims review in conjunction to the Claims Committee Meeting. In November a claims sweep was sent out. As discussed previously any claims that need to be reported under the claims made policies should be reported before the end of the year we would like to make sure this happens in a timely matter.

TREASURER

REPORT: Katie Coleman said the bills list appears on page 17 of the agenda. A motion would be in order to approve the bills list.

MOTION TO APPROVE RESOLUTION 27-14 PAYMENT OF BILLS IN THE AMOUNT OF \$5,499.99.

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

CEL SAFETY DIRECTOR REPORT

The Safety Director reported we were able to schedule two snow plow safety training sessions for December 12th and December 16th at the Salem County OEM Center. We feel that those classes are definitely beneficial and recommend that those classes be taking annually.

Executive Director said he would like to take the opportunity to compliment the County on the Active Shooter drill that was held back in October. Executive Director said he and Mr. Prince were able to attend the drill and said it was a fascinating experience to see and it was well organized. Hats off to everyone involved it was a great session. A lot of other Counties are interested in learning how you folks did the training and it was eye opening.

CLAIMS SERVICE

Veronica George reviewed the First MCO report that was included in the agenda.

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

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	Unanimous

MOTION TO RETURN TO OPEN SESSION

Moved: Commissioner Vanderslice
Second: Commissioner Coleman
Vote: Unanimous

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$65,397.02 FOR CLAIM #378000045

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

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$68,591.15 FOR CLAIM #3780000155

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

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Motion: Commissioner Vanderslice
Second: Commissioner Coleman
Vote: Unanimous

MEETING ADJOURNED: 9:36 AM

NEXT MEETING WILL BE THURSDAY, FEBRUARY 5, 2015 at 9:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary