

**CUMBERLAND COUNTY INSURANCE COMMISSION
AGENDA AND REPORTS
OCTOBER 3, 2013 – 11 AM**

**COUNTY ADMINISTRATION BUILDING
790 E. COMMERCE STREET
BRIDGETON, NJ 08302**

**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 Daily Journal and South Jersey Times**
- II. Filing advance written notice of this meeting with the Commissioners of the Cumberland County Insurance Commission; and**
- III. Posting notice on the Public Bulletin Board of the Office of the County Clerk**
- IV. The meeting is called to order and it is noted that adequate notice was provided in accordance with Chapter 231, Public Law 1975 (Senator Byron M. Bear Open Public Meetings Act)**

**CUMBERLAND COUNTY INSURANCE COMMISSION
AGENDA -OPEN PUBLIC MEETING
October 3, 2013 – 11:00 AM
790 E. COMMERCE STREET
BRIDGETON, NJ 08302**

- MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
 - FLAG SALUTE**
 - ROLL CALL OF COMMISSIONERS**
 - APPROVAL OF MINUTES: August 1, 2013 Open Minutes.....Appendix I
August 1, 2013 Closed Minutes.....To be Distributed**

 - CORRESPONDENCE - None**

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

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

 - TREASURER**
 - Resolution 25-13 Bills List.....Page 13

 - CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly ReportPage 15

 - RISK MANAGER REPORT.....Page 17**

 - CLAIMS SERVICE – Inservco Insurance Services**
 - Resolution 26-13 Authorizing Disclosure of Claims Check Register.....Page 25
 - Liability Claim Payments – 7/1/13 to 8/30/13.....Page27

 - EXECUTIVE SESSION – NONE**

 - OLD BUSINESS**
 - NEW BUSINESS**
 - PUBLIC COMMENT**
-
- MEETING ADJOURNMENT**
NEXT SCHEDULED MEETING: December 5, 2013, 11 AM

CUMBERLAND COUNTY INSURANCE COMMISSION

9 Campus Drive, Suite 16
Parsippany, NJ 07054

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

- Certificate of Insurance Issuance Report:** Attached on **Page 3** is the Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of July 22, 2013 through September 15, 2013. There were 16 certificates issued during this period.
 - Motion to approve the Certificate of Insurance Report.**

- Amendment to the 2013 Plan of Risk Management (Appendix II)** - The Plan of Risk Management will need to be amended to reflect changes in the Improvement Authority and Board of Social Services and also to add coverage for Juvenile Nurses and Employed Lawyers professional Liability coverage. All changes are highlighted in blue.
 - Motion to approve Resolution 23-13 for revisions to the 2013 Plan of Risk Management.**

- Budget Amendment** – Included in the agenda on **page 6** is the amended budget to reflect the changes in the CEL budget as a result of the change in the CEL insurance program effective 7/1. The 2013 budget change for the Commission is an increase of **\$16,837**. The new 2013 budget amount is **\$2,558,838**. Also, included in the agenda on **page 7** is a breakdown of the additional assessment by member entity. The CEL Executive Director has indicated that the additional assessment will not be billed till January 2014.
 - Motion to amend the 2013 budget by \$16,837 for a total of \$2,555,838 and certify the additional assessments for each member entity to be due on January 15, 2014.**

- 2014 Property & Casualty Budget** – the Budget is reliant on a number of factors including updated renewal applications and exposure data. As of today, there are still some members who have not completed their renewal applications and updated their exposure information. It is imperative that this information be forwarded as soon as possible to the CEL Underwriting Manager, otherwise, it will hold up the budgeting process.

- ❑ **2014 Property & Casualty Budget Process** - The 2014 property and casualty budget is scheduled to be introduced at the December meeting. The following components are being processed to create the budget:
 - **Claim Fund Projection:** This projection is being prepared by the Commission Actuary.
 - **Insurance and Excess Insurance Renewals:** The CEL Underwriting Manager is in the process of negotiating and developing these renewals.
 - **Expenses:** Budgeted expenses can be based upon current contracts or upon some other basis determined by the Commission

- ❑ **Litigation Management Plan** – The Plan was reviewed by the Claims Committee, approval by the Commission is recommended. A copy of the plan was provided via email.
 - ❑ **Motion to Approve the Litigation Management Plan**

- ❑ **Authorizing the Use of Cumberland County Approved Counsel** – The Fund desires to utilize approved counsel already appointed by Cumberland County. **(Page 8)**
 - ❑ **Motion to Approve Resolution 24-13 utilizing approved counsel of Cumberland County**

- ❑ **2013 Property & Casualty Assessments** – The Third & Final Assessment payments were due on September 15, 2013. The treasurer has reported that the Improvement Authority is still outstanding but he expects payment this week.

- ❑ **NJ Excess Counties Insurance Fund (CELJIF)** – The CEL met on September 26, 2013. On pages 9 &10 is a summary report of the meeting. The Executive Director reported that it is anticipated that the CEL budget will come in at a 2 to 4% increase. The CEL expects to introduce the budget in November with adoption in December.

- ❑ **Financial Fast Track** – Included on **Pages 11&12** of the agenda are the Financial Fast Tracks for the Cumberland County Insurance Commission for June and July. As of **July 31, 2013** the Commission has a statutory surplus of **\$541,905**.

Cumberland County Insurance Commission Certificate of Insurance Monthly Report

From 7/22/2013 To 9/15/2013

Holder (H) / Insured Name (I)	Holder / Insured Address	Holder Code	Description of Operations	Issue Date	Coverag
<u>CUIC</u>					
H- Salem County Vocational Technical School I- Cumberland County	PO Box 350 Woodstown, NJ 08098 790 East Commerce St Bridgeton, NJ 08302	663	Evidence of insurance. All operations usual to County Governmental Entity as respects to use of premises. CLD (SEE PAGE 2 FOR ADDITIONAL COVERAGES)	7/23/2013	GL EX AU WC
H- Miller Auto Leasing Co I- Cumberland County Board of Social Services	PO Box 4826 Timonium, MD 21094-4826 275 North Delsea Dr Vineland, NJ 08360	711	Certificate holder is additional insured and loss payee where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)	8/20/2013	AU EX PHYS
H- Miller Auto Leasing Co I- Cumberland County Board of Social Services	PO Box 4826 Timonium, MD 21094-4826 275 North Delsea Dr Vineland, NJ 08360	711	Certificate holder is additional insured and loss payee where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)	8/20/2013	GL EX AU WC
H- Miller Auto Leasing Company I- Cumberland County	dba Miller Truck Leasing Co. and It's Assigns PO Box 619 Lumberton, NJ 08048 790 East Commerce St Bridgeton, NJ 08302	852	Certificate holder is additional insured and loss payee where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)	8/7/2013	AU EX PHYS
H- Miller Auto Leasing Company I- Cumberland County	dba Miller Truck Leasing Co. and It's Assigns PO Box 619 Lumberton, NJ 08048 790 East Commerce St Bridgeton, NJ 08302	852	Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement with regard to (SEE PAGE 2)	8/7/2013	GL EX AU WC

H- Miller Auto Leasing Company I- Cumberland County	dba Miller Truck Leasing Co. and It's Assigns PO Box 852 619 Lumberton, NJ 08048 790 East Commerce St Bridgeton, NJ 08302		Certificate holder is additional insured and loss payee where 8/13/2013 AU EX PHYS obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)
H- Miller Auto Leasing Company I- Cumberland County	dba Miller Truck Leasing Co. and It's Assigns PO Box 852 619 Lumberton, NJ 08048 790 East Commerce St Bridgeton, NJ 08302		Certificate holder is additional insured and loss payee where 8/13/2013 GL EX AU WC obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)
H- NJ Transit, Attn: Leslie Jenkins I- Cumberland County	1 Penn Plaza East Newark, NJ 07205 790 East Commerce St Bridgeton, NJ 08302	853	Certificate holder is additional insured and loss payee where 8/7/2013 AU EX PHYS obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement regarding lease of (SEE PAGE 2)
H- NJ Transit, Attn: Leslie Jenkins I- Cumberland County	1 Penn Plaza East Newark, NJ 07205 790 East Commerce St Bridgeton, NJ 08302	853	Certificate holder is additional insured where obligated by virtue 8/7/2013 GL EX AU WC of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement regarding lease of (SEE PAGE 2)
H- Gallery 50, Inc. I- Cumberland County	50 E. Commerce Street Bridgeton, NJ 08302 790 East Commerce St Bridgeton, NJ 08302	863	Certificate holder is additional insured where obligated by virtue 8/21/2013 GL EX AU WC of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement regarding (SEE PAGE 2)
H- State of New Jersey I- Cumberland County	PO Box 362 Trenton, NJ 08625 790 East Commerce St Bridgeton, NJ 08302	864	Evidence of insurance. All operations usual to County 8/22/2013 GL EX AU WC Governmental Entity. CLD

H- Cumberland County Intoxicated Driver Resource Center I- Cumberland County	72 N. Pearl Street Bridgeton, NJ 08302 790 East Commerce St Bridgeton, NJ 08302	865	Evidence of insurance. All operations usual to County Governmental Entity. Locations: 72 N. Pearl Street, Bridgeton NJ & 629 Wood Street, Vineland, NJ 08360	8/22/2013 GL EX AU WC
H- Miller Auto Leasing Co. I- Cumberland County	dba Miller Truck Leasing Co. and its assigns PO Box 169 Lumberton, NJ 08048 790 East Commerce St Bridgeton, NJ 08302	872	Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement with respects to (SEE PAGE 2)	9/5/2013 GL EX AU WC
H- Miller Auto Leasing Co. I- Cumberland County	dba Miller Truck Leasing Co. and its assigns PO Box 169 Lumberton, NJ 08048 790 East Commerce St Bridgeton, NJ 08302	872	Certificate holder is additional insured and loss payee where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement with respects to (SEE PAGE 2)	9/5/2013 AU EX PHYS
H- NJ Dept. of Environmental Protection I- Cumberland County	Division of Wildlife & Game 386 Clarksburg-Robbinsville Road Robbinsville, NJ 08691 790 East Commerce St Bridgeton, NJ 08302	875	Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement regarding the (SEE PAGE 2)	9/13/2013 GL EX AU WC
H- Mauricetown Historical Society I- Cumberland County	1229 Front Street Mauricetown, NJ 08239 790 East Commerce St Bridgeton, NJ 08302	876	Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement regarding (SEE PAGE 2)	9/13/2013 GL EX AU WC

Total # of Holders = 16

CUMBERLAND COUNTY INSURANCE COMMISSION	
2013 CERTIFIED BUDGET	
	Revised
APPROPRIATIONS	
I. Claims and Excess Insurance	
Claims	
Property	69,905
Liability	274,500
Auto	45,900
Workers' Comp.	887,500
Subtotal - Claims	1,277,805
Premiums	
CEL JIF	577,248
SubTotal Premiums	577,248
Total Loss Fund	1,855,053
II. Expenses, Fees & Contingency	
Claims Adjustment	94,269
Safety Director	-
General Expense	-
Exec. Director	84,206
Actuary	7,583
Auditor	5,663
Attorney	5,550
Treasurer	2,500
Secretary	2,000
Misc. Expense & Contingency	17,492
Total Fund Exp & Contingency	219,264
Risk Managers	151,059
CEL JIF Ancillary Coverage	
POL/EPL	115,772
XS POL/EPL	-
Excess Liability	166,635
Crime Policy	14,700
Medical Malpractice	28,260
Pollution Liability	-
Employed Lawyers Liab	8,096
Total FUND Disbursements	2,558,838

2013 ADDITIONAL ASSESSMENTS BY MEMBER - CUMBERLAND				
Member Name				Total
Cumberland County				\$12,226
Cumberland County Improvement Authority				\$498
Cumberland County Bd of Social Services				\$4,113
				\$16,837

RESOLUTION NO. 24 -13

CUMBERLAND COUNTY INSURANCE COMMISSION

**UTILIZING CUMBERLAND COUNTY APPROVED COUNSEL FOR THE
CUMBERLAND COUNTY INSURANCE COMMISSION**

WHEREAS, the Cumberland County Insurance Commission is responsible for providing a defense to certain claims brought against its members in accordance with the Commission's coverage documents; and

WHEREAS, the County of Cumberland has appointed law firms in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.; and maintains an approved counsel list for the County to defend its various departments and employees, and

WHEREAS, the Cumberland County Insurance Commission has a need for the services for various law firms to defend the Commission in various third party liability and workers compensations cases, and

WHEREAS, the Board of Commissioners of the Cumberland County Insurance Commission are desirous to utilizing the approved counsel list of the County,

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Cumberland County Insurance Commission that the Commission agrees to utilize the approved counsel list of Cumberland County for its defense of certain claims against Commission members as may be adopted from time to time.

ADOPTED by the CUMBERLAND COUNTY INSURANCE COMMISSION at a properly noticed meeting held on October 3, 2013.

ADOPTED:

By: _____
TONY SURACE, CHAIRMAN

ATTEST:

GREGORY FACEMYER, VICE CHAIRMAN

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: September 26, 2013

To: Executive Committee
Cumberland County Insurance Commission

From: PERMA Risk Management Services

Subject: New Jersey Counties Excess Meeting Report

December 31, 2012 Audit & Actuarial Valuation: The Board of Fund Commissioners reviewed the final financial audit for the period ending December 31, 2012, as well as the Actuarial Valuation as of December 31, 2012. Upon review, the Board adopted a resolution approving the year-end financials and executing the Group Affidavit. The fund office will file the final report with the State following the meeting.

2014 Budget: Executive Director reported the 2014 budget would be introduced at the November 7th meeting with a public hearing to be scheduled for the December 12th meeting. Executive Director said actuarial projections on the loss fund are a 4% increase in the Liability and Auto lines and no increases in workers' compensation for an overall 1.2% increase in the loss funds. Executive Director said the preliminary 2014 budget will be within a 2% - 4% increase.

Marketing Report: Executive Director reported that both Mercer and Cape May counties are being presented a proposal for a January 1, 2014 effective date. A detailed underwriting review of the counties will be distributed to the Board for action at the November 7th meeting. Executive Director reported that Hudson County had indicated interest in membership and the fund office will prepare that proposal in the coming months.

Property Insurance changes: Underwriting Manager said Zurich is modifying their 2014 offering and making changes to the property form, which may include stricter guidelines on unscheduled locations as a result of lessons learned from Sandy. At the time when the primary property carrier was transferred to Zurich from Lexington the fund retained Lexington's policy form; however, it will be updated to Zurich's form for renewal in order to clarify intentions of coverage. Underwriting Manager reported no significant changes are expected, but focus will be placed on a comprehensive schedule of property values.

2013 Risk Management Plan Revision: The Board of Fund Commissioners adopted a resolution amending the 2013 Risk Management Plan which was updated to reflect the excess liability transition.

New Jersey Counties Excess Joint Insurance Fund – Joint Insurance Claims Committees Best Practices Workshop: A workshop for the member Insurance Commissions of the NJCE JIF has been developed whose focus will be liability and workers’ compensation cost containment strategies. The workshop is scheduled for October 1, 2013 at the Conner Strong & Buckelew office in Marlton, NJ.

Risk Control: Safety Director reviewed a report reflecting the risk control activities from July through October 2013 and reported the 2014 safety course schedule was currently in development.

Claims Administrator: A summary report of open claims to date was reviewed and a payment authority request was approved during Closed Session.

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

Next Meeting: The next meeting of the NJCE fund is scheduled for November 7, 2013 at 1:00PM at the Camden County Emergency Training Center.

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

AS OF JUNE 30, 2013

ALL YEARS COMBINED

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1. UNDERWRITING INCOME	224,072	1,279,420	502,003	1,781,423
2. CLAIM EXPENSES				
Paid Claims	32,657	81,248	1,302	82,550
Case Reserves	(25,043)	22,510	22,298	44,808
IBNR	73,936	429,243	47,400	476,643
Discounted Claim Value	(4,593)	(32,435)	(5,304)	(37,739)
Total Claims	76,957	500,566	65,696	566,262
3. EXPENSES				
Excess Premiums	86,728	455,356	169,580	624,936
Administrative	24,186	147,639	23,781	171,420
Total Expenses	110,914	602,994	193,361	796,355
4. UNDERWRITING PROFIT (1-2-3)	36,201	175,859	242,946	418,805
5. INVESTMENT INCOME	16	217	14	231
6. STATUTORY PROFIT (4+5)	36,216	176,076	242,960	419,036
7. Investment in Joint Venture	3,755	32,902	13,716	46,618
8. STATUTORY SURPLUS (6+7)	39,971	208,978	256,676	465,654

SURPLUS (DEFICITS) BY FUND YEAR

2012	(12,537)	(13,845)	256,676	242,831
2013	52,509	222,823	-	222,823
TOTAL	39,971	208,978	256,676	465,654

CLAIM ANALYSIS BY FUND YEAR

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
FUND YEAR 2012				
Paid Claims	1,311	28,297	1,302	29,599
Case Reserves	3,547	(4,603)	22,298	17,695
IBNR	8,692	(10,693)	47,400	36,707
Discounted Claim Value	(780)	1,499	(5,304)	(3,805)
Total Claims	12,770	14,500	65,696	80,196
FUND YEAR 2013				
Paid Claims	31,346	52,951	-	52,951
Case Reserves	(28,590)	27,113	-	27,113
IBNR	65,244	439,936	-	439,936
Discounted Claim Value	(3,813)	(33,934)	-	(33,934)
Total Claims	64,187	486,066	-	486,066
COMBINED TOTAL CLAIMS	76,957	500,566	65,696	566,262

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

AS OF JULY 31, 2013

ALL YEARS COMBINED

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1. UNDERWRITING INCOME	213,237	1,492,656	502,003	1,994,659
2. CLAIM EXPENSES				
Paid Claims	10,457	91,706	1,302	93,008
Case Reserves	(6,109)	16,401	22,298	38,699
IBNR	45,901	475,144	47,400	522,544
Discounted Claim Value	(2,963)	(35,398)	(5,304)	(40,702)
Total Claims	47,286	547,853	65,696	613,549
3. EXPENSES				
Excess Premiums	75,893	531,248	189,580	700,828
Administrative	24,243	171,882	23,781	195,663
Total Expenses	100,136	703,130	193,361	896,491
4. UNDERWRITING PROFIT (1-2-3)	65,815	241,674	242,946	484,620
5. INVESTMENT INCOME	20	238	14	252
6. STATUTORY PROFIT (4+5)	65,835	241,911	242,960	484,871
7. Investment in Joint Venture	10,416	43,318	13,716	57,034
8. STATUTORY SURPLUS (6+7)	76,251	285,229	256,676	541,905

SURPLUS (DEFICITS) BY FUND YEAR

2012	13,679	(165)	256,676	256,511
2013	62,572	285,395	-	285,395
TOTAL	76,251	285,229	256,676	541,905

CLAIM ANALYSIS BY FUND YEAR

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
FUND YEAR 2012				
Paid Claims	-	28,297	1,302	29,599
Case Reserves	(4,468)	(9,072)	22,298	13,226
IBNR	(10,282)	(20,975)	47,400	26,425
Discounted Claim Value	1,019	2,519	(5,304)	(2,785)
Total Claims	(13,731)	769	65,696	66,465
FUND YEAR 2013				
Paid Claims	10,457	63,408	-	63,408
Case Reserves	(1,640)	25,473	-	25,473
IBNR	56,183	496,119	-	496,119
Discounted Claim Value	(3,983)	(37,917)	-	(37,917)
Total Claims	61,017	547,083	-	547,083
COMBINED TOTAL CLAIMS	47,286	547,853	65,696	613,549

RESOLUTION NO. 25 -13

**CUMBERLAND COUNTY INSURANCE COMMISSION
BILLS LIST – SEPTEMBER/OCTOBER**

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

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

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

FUND YEAR 2012

CheckNumber	VendorName	Comment	InvoiceAmount
001022			
001022	FORD SCOTT & ASSOCIATES	AUDITOR FEE FOR 2012 - 7/29/13	5,000.00
			5,000.00
		TOTAL PAYMENTS FY 2012	5,000.00

FUND YEAR 2013

CheckNumber	VendorName	Comment	InvoiceAmount
001023			
001023	INSERVCO INSURANCE SERVICES	CLAIMS ADMIN - 09/2013	4,500.00
001023	INSERVCO INSURANCE SERVICES	CLAIMS ADMIN - 08/2013	4,500.00
			9,000.00
001024			
001024	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 07/2013	1.72
001024	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR - 4TH QTR 2013	19,903.26
			19,904.98
001025			
001025	HARDENBERGH INSURANCE GROUP	RMC FEE 4TH QTR 2013 - CCIA	6,250.00
001025	HARDENBERGH INSURANCE GROUP	RMC FEE 4TH 2013 – BOSS	3,000.00
001025	HARDENBERGH INSURANCE GROUP	RMC FEE 4TH QTR'13 COUNTY	26,125.00
			35,375.00
		TOTAL PAYMENTS FY 2013	64,279.98

TOTAL PAYMENTS ALL FUND YEARS \$69,279.98

TONY SURACE, CHAIRPERSON

GREGORY FACEMYER, VICE CHAIRMAN

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

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

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: September 27, 2013

**June – September 2013
 RISK CONTROL ACTIVITIES**

JIF MEETINGS ATTENDED / TRAINING PRESENTED

- **June 6:** Attended the CUIC meeting in Cumberland.
- **July 17:** Attended the CUIC Claims Committee meeting via conference call.

UPCOMING JIF MEETINGS / TRAINING PLANNED

- **July 30:** Plan to attend the CUIC Safety Committee meeting in Bridgeton.
- **August 1:** Plan to attend the CUIC meeting in Cumberland.
- **August 21:** Plan to attend the CUIC Claims Committee meeting.
- **September 24:** Two sessions of Conflict Resolution is scheduled for CUIC.
- **September 26:** Three sessions of Conflict Resolution is scheduled for CUIC.

TRAINING CALENDAR FOR September 2013

9/24/13	Cumberland – BOSS	Conflict Resolution	10:00 – 11:30 am
9/24/13	Cumberland – BOSS	Conflict Resolution	1:00 – 2:30 pm

9/26/13	Cumberland – BOSS	Conflict Resolution	8:30 – 10:00 am
9/26/13	Cumberland – BOSS	Conflict Resolution	10:30 – 12:00 pm
9/26/13	Cumberland – BOSS	Conflict Resolution	1:00 – 2:30 pm

CEL VIDEO LIBRARY

CUIC - CEL Media Library usage:

2012

<u>MONTH</u>	<u># of Videos</u>
October	2

2013

<u>MONTH</u>	<u># of Videos</u>
January	2
February	3
March	0
April	5
May	4
June	11
July (as of 7/23)	1



Post Office Box 8000 · Marlton, New Jersey 08053
856.489.9100 · 856.489.9101 Fax · www.hig.net

MEMORANDUM

TO: Commissioners of the Cumberland County Insurance Commission (CCIC)
CC: Brad Stokes, CCIC Executive Director
FROM: Christopher Powell and Bonnie Rick, Risk Management Consultant
DATE: 9/30/13
RE: Risk Management Consultant's Report

Below is an overview of activities performed from July 26, 2013 through September 29, 2013:

Training

Attached is the Commission's Training Calendar. Please note the following:

- *"How to discipline employees properly"* and *"I was just promoted to Supervisor – Now what do I do?"*
As previously reported we received a proposal from Cynthia Marconi-Hickman of Cumberland County College. The total cost for the training would be \$5,600. However, in the interim, we have been advised that the County has already contracted with Ms. Hickman to conduct "Organizational Leadership" seminars throughout October. Each session is 8 hours (2 topics per day) and there are 3 sessions in the series.

We want to wait until the County employees go through this training to determine if there is still a need for additional training on this subject. If so, we will ask Ms. Hickman to revise her proposal accordingly.

Please note that the County has advised that we can extend the invitation to attend this training series to the Improvement Authority. The Authority is very appreciative and wants to send a couple of employees. We will provide this information to the Executive Director of CCBOSS so that she can contract directly with the College if so desired.
- *County - Anti Harassment*
County Counsel Ted Baker has offered to conduct the training seminars on anti-harassment for the remainder of 2013 as Esther Nevarez, trainer at the NJ Division of Civil Rights is unavailable. The target Departments are Office of Emergency Management and Cumberland Area Transit System. Dates are in the process of being scheduled.
- *Best Practices in Snow Removal*
J.A. Montgomery is able to provide this training. We have reached out to the various member departments to determine if they would like the training.
- *2014 Training Calendar*
We will be asking members of the Safety and Accident Review Committee for their 2014 training topics at the next committee meeting which is scheduled for Friday, October 11, 2013.

Serving Families and Businesses of the Delaware Valley since 1954

Main Office
8000 Sagemore Drive, Suite 8101
Marlton, NJ 08053

Gibbstown
618 E. Broad Street
Gibbstown, NJ 08027

Marlton
1000 Lincoln Drive East, Suite 2A
Marlton, NJ 08053

Northfield
450 Tilton Road, Suite 201
Northfield, NJ 08225

Philadelphia
PO Box 40901
Philadelphia, PA 19107



Post Office Box 8000 · Marlton, New Jersey 08053
856.489.9100 · 856.489.9101 Fax · www.hig.net

- **On Line Training**
The NJCEL is hosting a Best Practices seminar on October 1, 2013 and the on line training will be discussed. A verbal report will be given at the meeting.

Underwriting

- **2014 Underwriting Applications**
We have been working with the three members and their various departments over the past month to get the 2014 underwriting applications completed and auto-property-equipment schedules updated for the NJCEL. We expected all information to be completed by Friday, October 4, 2013.

Risk Management

- **Litigation Management Plan**
Enclosed is the Litigation Management Plan which was approved by the Claims Committee on August 21, 2013. The Plan sets the procedures defense counsel must file for workers' compensation, auto liability, general liability and law enforcement liability claims.

Action Requested: *Motion* to adopt the Litigation Management Plan.

The Commission Attorney will be asking the Commissioners to approve a resolution approving a defense counsel panel at the meeting. The panel is the same as the County's 2013 defense panel.

Once the Litigation Management Plan and defense counsel panel are formally approved by the Commission, all defense counsel will be provided with a copy of the Plan.

- **Safety & Accident Review Committee**
Attached are the meeting minutes from the July 29, 2013 meeting. The next meeting is scheduled for October 11, 2013.
- **First Managed Care Savings Report**
Attached are the July and August savings report.
- **Construction Projects involving the County and Improvement Authority**
We have been working with both entities on the insurance requirements for the various bid specification packets to the upcoming construction projects.

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**CUMBERLAND COUNTY INSURANCE COMMISSION
2013 TRAINING SCHEDULE
Updated: 9/30/2013**

MONTH/DAY	TOPIC	START TIME	LOCATION	INSTRUCTOR	REMARKS (I.E PEOSH REGULATION)	TARGET DEPARTMENTS	NUMBER OF ATTENDEES
April 1st	Work Zone Safety /Flagger	7:30 AM	Fire Training Center	JA Montgomery	23 CFR 630 Subpart J	PW/Road Department	22
April 5th	Chipper Safety	7:30 AM	Fire Training Center	JA Montgomery		PW/Building & Grounds	19
April 10th	Chipper Safety	7:30 AM	Fire Training Center	JA Montgomery		PW/Building & Grounds	15
April 18th	Work Zone Safety /Flagger	7:30 AM	Fire Training Center	JA Montgomery	23 CFR 630 Subpart J	PW/Road Department	15
April 22nd	Ladder Safety	7:30:00 AM and 10AM	Fire Training Center	JA Montgomery		PW/Building & Grounds	44
May 30th	Conflict Resolution	10:00 AM & 1:00 PM	637 Bridgeton Avenue	JA Montgomery		Departments dealing with clients/residents	42
July 15th	Anti Harassment	11:00 AM	637 Bridgeton Avenue	NJ Division of Civil Rights		All Department and members	18
July 18th	Anti Harassment	11:00 AM	637 Bridgeton Avenue	NJ Division of Civil Rights		All Department and members	27
August 14th	NJPEOSH	10:00AM & 1:00 PM	637 Bridgeton Avenue	NJ DOH/NJDOL		All Department Supervisors	36
October 15th	Conflict Resolution	8:45 AM, 10:30 AM & 1:30 PM	BOSS	JA Montgomery		Board of Social Services	
October 17th	Conflict Resolution	8:45 AM & 10:30 AM	BOSS	JA Montgomery		Board of Social Services	
Late October / Mid November	Anti Harassment	TBD	Fire Training Center	County Counsel		CATS / OEM	

NOTES:

1. **Target Audience** is employees who should attend; however all employees are invited to all training sessions.
2. 10/15/13 & 10/17/13 training sessions are for **CCBOSS employees only**.

CUMBERLAND COUNTY INSURANCE COMMISSION

Safety and Accident Review Committee Meeting Minutes July 30, 2013

- I. Call to Order – Craig Atkinson, Chairman
Chairman Atkinson called the meeting to order at 10:05 am.

II. Roll Call

<u>Committee Members:</u>	<u>Member</u>	<u>Present/Absent</u>
Craig Atkinson	Cumberland County Insurance Commission (Chair)	Present
Gloria Noto	Cumberland County - County Clerk	Present
Barbara Nedohon	Cumberland County - Aging/Administration	Present
Barbara Young	Cumberland County - Human Services/Alcohol	Present
William Johnson	Cumberland County - Prosecutor/Administration	Present
Elizabeth Hoffman	Cumberland County - Sheriff	Present
George Santorio	Cumberland County - Health	Absent
Ginger Supernavage	Cumberland County - Office of Employment/Training	Absent
Henrietta Barreras	Cumberland County - Human Resource	Present
James Matlock	Cumberland County - Emergency Management	Present
Rick Lupson	Cumberland County - Public Works	Present
Robert Balicki	Cumberland County - Jail	Present
Theresa VanSant	Cumberland County - CATS	Present
Veronica Surrency	Cumberland County - Juvenile Detention Center	Present
Don Olbrich	Cumberland County - Public Works	Present
Craig Truitt	Cumberland County Improvement Authority	Present
Betty Rodriguez	Cumberland County Board of Social Services	Absent

Commission Professionals:

Brad Stokes	Executive Director
Glenn Prince	NJCEL Safety Director / JA Montgomery
Dave McHale	NJCEL Safety Director / JA Montgomery
Bonnie Rick	Hardenbergh Insurance Group

- III. Chairman's Report – Overview of Committee – Craig Atkinson
Chairman Atkinson welcomed all Committee members and asked that they introduce themselves.

IV. Risk Management Consultant's Report

A. Overview of the Risk Management Consultant's Role

Ms. Rick advised the Committee that Hardenbergh Insurance Group is the Risk Management Consultant for the three members of the Cumberland County Insurance Commission. She gave an overview of the Risk Manager's role, noting they assist the members in their risk management programs. She cited a few examples such as transferring risk through certificates of insurance and hold harmless language in contracts, purchasing insurance for specific exposures, coordinating training seminars and providing guidance to reduce the County's liability.

B. Training Schedule

The training schedule which was included in the agenda packet was reviewed. Ms. Rick advised Committee members that if they had any requested training to please contact either Lori Peterson or her as Hardenbergh Insurance Group coordinates and maintains the training calendar for the Commission. She indicated that JA Montgomery will provide most of the training to the Commission; however her office will contact various governmental agencies as well as the Commission's insurers to provide training that is not offered by JA Montgomery.

C. Video Library

Members were advised of the video library and the procedure to request a video. It was stated that all rentals are at no cost.

CUMBERLAND COUNTY INSURANCE COMMISSION

- D. On Line Training
Members were advised that although the Commission does not currently offer on-line training, the NJCEL Safety Director is reviewing a program offered by the NJCEL's insurer (BRIT) and the goal is to be able to offer on line training to members within the next six months.
- E. Safety Equipment Needs
Members were advised that the Commission's budget does contain funds which can be used for safety related purchases. It was stated that these funds are not to replace a Department's safety budget or equipment that must be provided to an employee by an employer. Committee members were asked to contact Ms. Rick with any requests and she would include such requests on the next Committee's meeting agenda. She indicated the procedure would have the Committee review the request and if they approved such, it would be presented to the Insurance Commission's Commissioners for final approval.
- V. NJCEL Safety Director's Report
- A. Overview of the NJCEL Safety Director's Role
Mr. Prince advised the Committee that JA Montgomery is the Safety Director for the Insurance Commission. He gave an overview of the Safety Director's role, noting they assist the members in their safety programs. He cited a few examples such as providing training, conducting hazard assessments of members' properties, and assisting with complying with PEOSH as well as other governmental safety regulations applicable to public entities.
- B. Supervisor's Accident Investigation Form
He reviewed the form included in the agenda packet noting the importance of fully completing the form. He stated by completing the form future accidents can be avoided. He also noted that these forms can provide a strong defense against claims from third parties. The County indicated they currently have a supervisor's report and an incident report. It was agreed that J.A. Montgomery and Hardenbergh Insurance Group would compare the three forms and provide comments to Ms. Barreras and Chairman Atkinson and all collectively would determine the next step as Committee members indicated they would like to have only one form if possible.
- VI. Presentation of Supervisor's Accident Investigation Forms for Review – Chairman Atkinson
Chairman Atkinson indicated that there were none to be reviewed by the Committee at this time. He noted that he will present the forms from the County to the Committee each month. It was stated that with respects to the Improvement Authority and Board of Social Services, those members will continue to forward their forms to Hardenbergh Insurance Group and Ms. Rick will forward such forms to Mr. Atkinson prior to the next regularly scheduled meeting.
- VII. New Business
- A. Workers' Compensation - Occupational Claims
Discussion ensued among Committee members on how to handle workers' compensation occupational claims such as carpal tunnel syndrome and respiratory illnesses. It was agreed that if an employee stated they believed they had an occupational illness, it is to be filed with the Commission pursuant to the workers' compensation claim procedures and the Commission's third party administrator, Inservco Claim Services would handle accordingly and contact the employee and provide direction.
- B. NJCEL Video Library
Mr. Matlock noted that several of the videos on Emergency Management and Supervision are still in a VHS format. He noted this presents a problem as the County does not own a VHS player. Mr. Prince stated he will look into getting the videos converted to DVDs.
- C. Committee's Safety Charter
Ms. Rick reviewed the Charter with Committee Members.
- D. Workers' Compensation – Modified Duty
Mr. Stokes spoke briefly to Committee members on the importance of ensuring each Department has a modified duty program relative to workers' compensation claims. He stated that when an injured employee can return to work per physician's orders to accommodate their "short term" restrictions it reduces an overall cost of a claim significantly. He stated that the workers' compensation physicians will provide specific restrictions applicable to an employee and if they do not, the Supervisor should request such. He also advised the Committee that modified duty should only be

CUMBERLAND COUNTY INSURANCE COMMISSION

offered to employees who have workers' compensation injuries and that modified duty should not be offered to any employee with a non-work related injury.

E. Hazard Assessments

Mr. Prince stated that he is available to conduct hazard assessment of any building and/or operation. He noted the purpose is to identify existing hazards and offer suggestions to eliminate or reduce such to avoid injury to employees, visitors and residents of the Members. Mr. Truitt asked that an assessment be scheduled for the Improvement Authority and Mr. Balicki asked that an assessment be scheduled for the Corrections Facility.

VIII. Adjournment

Motion to adjourn the meeting.

Moved: Warden Balicki

Seconded: Gloria Noto

Vote: Aye: Unanimous Nay:

The meeting was adjourned at 11:15 am.



First Managed Care Option, Inc.

First MCO Bill Review Services
 Cumberland County Insurance Commission
 Medical Savings by Month

NJ

Month of Medical Services	Provider Billed Amount	First MCO Repriced	U & C 75th / Fee Schedule	Savings	% of Savings	# of Bills	In Network	Out Of Network	% PPO Penetration	# of Appeals	First MCO Fee
Feb-13	\$2,186.89	\$1,135.34	\$2,319.68	\$1,051.55	48.08%	8	8	0	100.00%	0	\$210.31
Mar-13	\$9,062.06	\$6,210.22	\$9,339.35	\$2,851.84	31.47%	22	22	0	100.00%	0	\$570.37
Apr-13	\$19,284.51	\$10,695.61	\$16,537.69	\$8,588.90	44.54%	29	25	4	86.21%	0	\$1,717.76
May-13	\$7,274.43	\$3,080.34	\$6,554.92	\$4,194.10	57.66%	19	19	0	100.00%	0	\$838.83
Jun-13	\$17,052.71	\$12,950.20	\$17,595.82	\$4,102.52	24.06%	17	17	0	100.00%	0	\$820.53
Jul-13	\$25,213.30	\$6,925.98	\$12,973.06	\$18,287.32	72.53%	18	16	2	88.89%	0	\$3,657.48
Total 2013	\$80,073.90	\$40,997.69	\$65,320.52	\$39,076.21	48.80%	113	107	6	94.69%	0	\$7,815.28
Total to Date	\$80,073.90	\$40,997.69	\$65,320.52	\$39,076.21	48.80%	113	107	6	94.69%	0	\$7,815.28

Report Run Date:08/01/2013

CCI





First Managed Care Option, Inc.

First MCO Bill Review Services
 Cumberland County Insurance Commission
 Medical Savings by Month

NJ

Month of Medical Services	Provider Billed Amount	First MCO Repriced	U & C 75th / Fee Schedule	Savings	% of Savings	# of Bills	In Network	Out Of Network	% PPO Penetration	# of Appeals	First MCO Fee
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Apr-13	\$19,284.51	\$10,695.61	\$16,537.69	\$8,588.90	44.54%	29	25	4	86.21%	0	\$1,717.76
May-13	\$7,274.43	\$3,080.34	\$6,554.92	\$4,194.10	57.66%	19	19	0	100.00%	0	\$638.83
Jun-13	\$17,052.71	\$12,950.20	\$17,595.82	\$4,102.52	24.06%	17	17	0	100.00%	0	\$820.53
Jul-13	\$25,213.30	\$6,925.98	\$12,973.06	\$18,287.32	72.53%	18	16	2	88.89%	0	\$3,657.48
Aug-13	\$13,612.24	\$8,566.30	\$13,267.22	\$5,045.94	37.07%	30	26	4	86.67%	0	\$1,009.20
Total 2013	\$93,686.14	\$49,563.99	\$78,587.74	\$44,122.15	47.10%	143	133	10	93.01%	0	\$8,824.48
Total to Date	\$93,686.14	\$49,563.99	\$78,587.74	\$44,122.15	47.10%	143	133	10	93.01%	0	\$8,824.48

Report Run Date:09/03/2013

CCI



**CUMBERLAND COUNTY INSURANCE COMMISSION
AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

WHEREAS, the CCIC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality, and

WHEREAS, it is necessary and appropriate for the CCIC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

WHEREAS, the CCIC is a public agency which must comply with the Open Public Records Act (OPRA) N.J.S.A. 47: 1A-1 to -13; and

WHEREAS, the CCIC must comply with OPRA and reported New Jersey Case Law interpreting same; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said Cumberland County Insurance Commission pursuant to both the Open Public Meetings Act and the Open Public Records Act as follows:

The attached financial transaction logs generated by third party administrator Inservco Insurances Inc. for the periods 7/1/13 to 8/30/13, and related to all non-workers compensation payments are hereby approved for distribution to the listed claimants and for disclosure to the general public

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

TONY SURACE, CHAIRMAN

ATTEST:

GREGORY FACEMYER, VICE CHAIRMAN

CCIC - 377
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
07/01/2013 Thru 07/31/2013

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

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

CCIC - 377
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
07/01/2013 Thru 07/31/2013

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amnt. Requested	Amnt. Paid
Coverage: Property										
C	3213187	3770000027 001	COUNTY OF CUMBERLAND	06/27/2013	06/27/2013	SUBROTECH CLAIM SERVICES LLC	07/24/2013	INV S037212	85.00	85.00
Total for Coverage: Property							Number of entries: 1		85.00	85.00
Total for CCIC - 377							Number of entries: 1		85.00	85.00

CCIC - 377
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
08/01/2013 Thru 08/31/2013

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

Reporting Name	Business Name	Business Description
Amount/Amnt Paid	Amount Paid	Amount actually paid or received
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Trans Date	Transaction Date	Issue date for computer issued payments and add date for all other type entries

CCIC - 377
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
08/01/2013 Thru 08/31/2013

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amnt. Requested	Amnt. Paid
Coverage: General Liability										
C	3219087	377000041 001	BERGEN, MICHAEL	8/7/2013	8/7/2013	MICHAEL BERGEN	8/14/2013	FULL/FINAL SETTLEMENT ALL CLAIMS	500.00	500.00
C	3222715	377000069 001	CROSS, TONI			TONI MARIE CROSS	8/28/2013	FULL/FINAL SETTLEMENT ALL CLAIMS	500.00	500.00
Total for Coverage: General Liability							Number of entries: 2		1,000.00	1,000.00
Total for CCIC - 377							Number of entries: 2		1,000.00	1,000.00

APPENDIX I – MEETING MINUTES

**CUMBERLAND COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – AUGUST 1, 2013
709 E. COMMERCE STREET
BRIDGETON, NJ 11:00 AM**

Meeting called to order by Chairman Tony Surace. Open Public Meetings notice read into record.

ROLL CALL OF COMMISSIONERS:

Tony Surace,	Present
Gregory Facemyer	Present
Ken Mecouch	Absent

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Bradford Stokes, Karen A. Read
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Treasurer	Anthony Bontempo
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Attorney	Ted Baker
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CEL Underwriting Manager	Conner Strong & Buckelew Joseph Hrubash
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Claims Service	Inservco Pamela Reed-Gibson
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	Conner Strong & Buckelew Robyn Walcoff Michelle Leighton
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Risk Management Consultant	Hardenbergh Insurance Group Bonnie Rick
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Safety Director	JA Montgomery Risk Control Glenn Prince
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ALSO PRESENT:

Craig Atkinson, Cumberland County
Henrietta Barreras, Cumberland County
Robert Swartz, Ford, Scott & Associates
Mrs. Ridgeway, Public
Dean Hank

APPROVAL OF MINUTES: OPEN SESSION OF JUNE 6, 2013

**MOTION TO APPROVE THE OPEN MINUTES OF JUNE 6, 2013
AS AMENDED**

Moved: Commissioner Surace
Second: Commissioner Facemyer
Vote: Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Certificate of Insurance Issuance Report: Executive Director reported on page 3 of the agenda are the certificates of insurance issuance reports from the CEL listing those certificates issued for the period of May 22, 2013 to July 21, 2013. There were 14 certificates of insurance issued during this period.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Surace
Second: Commissioner Facemyer
Vote: Unanimous

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

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

Joseph Hrubash said the new carrier is requiring for certificates were we extended additional insured status that the wording in the agenda be used. They want to be sure when we are extending that status it ties back to some form of a written agreement. In response to Bonnie Rick, Mr. Hrubash said the key words in the description is “other written agreement” and we questioned the underwriter because we said we could come across a situation where another entity requires additional insured and it may not be a written agreement. The underwriter said a fax or an email would fall under the description “other written agreement”.

Audit Report as of December 31, 2012 – Executive Director reported the Auditor’s Report as of December 31, 2012 has been sent to Fund Commissioners under separate cover. Robert Swartz from Ford – Scott & Associates will be at the JIF meeting to review the Audit Report. Following the presentation and approval of the report, both **Resolution 19-13 and the Group Affidavit** must be executed.

Mr. Swartz said the Fund started out very well and ended up with a profit of about \$256,000. The report included the IBNR and the case reserves the actuary has determined. The auditor said this is important to always keep an eye on because each year of your financial statement must stand on it's own. Mr. Swartz said from an insurance point of view when you have a limited geographic area that you are insuring it creates more risk for you. So it is very important that you have a good actuary, which you do, because monitoring that type of thing is critical to be able to determine your annual budget and how much you need to collect from each participants of the Commission each year so you stay ahead of the curve. Mr. Swartz said they looked at the background of the Actuary and the Executive Director and was very satisfied that there is very good team which is critical of the Commission's success and in the Comments section of the Audit there were no findings or recommendations to report.

In response to Commissioner Facemyer, Mr. Swartz said the Commission's investment portfolio is governed by New Jersey statutes for governmental entities so can only invest in fixed income securities. Commissioner Facemyer said the range of tolerance is tight because you have look at each year standing on its own so we will not see big spikes or low valleys from the investment side of our reserves. Mr. Swartz said the most important thing is to protect the surplus you have generated. The Commission generated a little over \$250,000 last year.

In response to Commissioner Facemyer, the Executive Director said if an entity leaves the Commission and they later have a claim specific to that entity there will be reserves set aside to cover those claims. As the CEL matures, they most likely will be looking a establishing a residual claim fund that would take these types of claims that could arise after an entity leaves the Commission. It would be similar to what the Municipal Joint Insurance Funds created.

MOTION TO APPROVE YEAR-END FINANCIALS AS OF DECEMBER 31, 2012 AS PRESENTED, ADOPT RESOLUTION 19-13 AND EXECUTE THE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT

Moved: Commissioner Facemyer
Second: Commissioner Surace
Roll Call Vote: 2 Ayes, 0 Nays

NJ Excess Counties Insurance Fund (CELJIF) - Executive Director said the CEL met on June 27, 2013. A summary report of their meeting is included in the agenda on pages 11-12. At the meeting the CEL Executive Director presented three options with respect to the Commissions' additional assessments due to the replacement of the Meadowbrook program as of 7/1/13. The Board discussed the options and unanimously voted for option A which applied the additional assessments proportionally based on their previous excess premiums. The additional assessments would be due on January 15, 2014 and are as follows:

Cumberland County	\$12,226
CC Improvement Authority	\$ 498
CC Board of Social Services	\$ 4,113

Executive Director said the CEL Director has reported that there is a possibility that the CEL would be able to absorb this in this year's budget. If they can not, it is something we will take a look at to either pay through surplus this year or something we can raise next year as we begin the budget process later as we go along. The Fund Auditor was also present at the meeting to review the draft copy of the 2012 Audit. The auditor advised there were no findings.

Amendment to the 2013 Plan of Risk Management – Executive Director said the Plan of Risk Management was amended to reflect changes in the CEL excess casualty program effective 7/1/13. All changes are highlighted in yellow.

Joseph Hrubash said the Risk Management Plan is basically a program summary for coverage and claims handling. This document is required by the state. It reflects the changes in the excess program effective 7/1/2013. All the changes that were made from to prior Risk Management Plan are highlighted in yellow. As you know, Meadowbrook was the carrier for the CEL and they are getting out of the public entity business. They had agreed renewed to renew up to 1/1/2014 however, because they were on financial watch by AM Best the CEL decided the program should be replaced as soon as possible. It was an eight month remarketing process. We approached more than twenty insurers. Meadowbrook's program was unique in that it was a package policy and provided both the excess comp and excess liability and there were no other carriers that provided that type of concept or set up. We now have two separate insurers on the excess liability it is Lloyds of London and on the excess comp it is Safety National. Underwriting Manager said the CEL and secured an eighteen month program for this piece guaranteeing the rate for more than twelve months. The intent was to mirror the limits and retention to the Meadowbrook program however the aggregate limit had to be pro rated to become an eighteen month aggregate so that we were not losing any coverage. Cumberland had carried a \$5 million occurrence \$10 million aggregate and you will see in the Risk Management plan a \$5 million occurrence \$15 million aggregate because it is an eighteen month program.

In response to Commissioner Facemyer, Risk Manager said there is coverage for employment lawyers' liability which is included in the CEL master program and pollution coverage is not included. Mr. Hrubash asked for the effective date of the employment lawyers' liability so it can be reflected in the Risk Management Plan.

MOTION TO APPROVE RESOLUTION 20-13 REVISION TO THE PLAN OF RISK MANAGEMENT TO REFLECT CHANGES IN THE CEL EXCESS CASUALTY PROGRAM EFFECTIVE 7/1/13

Moved:	Commissioner Facemyer
Second:	Commissioner Surace
Roll Call Vote:	2 Ayes, 0 Nays

2013 Property & Casualty Assessment – Executive Director reported the second assessment payments were due on July 15, 2013. Treasurer Bontempo said everyone is paid up to date. The third assessment of 30% is due on September 15, 2013. Assessment invoices will be sent at the appropriate time.

Financial Fast Track – Executive Director reported included in the agenda was the first Financial Fast Track for the Cumberland County Insurance Commission. As of May 31, 2013 the Commission has a statutory surplus of \$425,683. Executive Director said that is actually a very good number for the short time the Commission has been in existence. This is a credit to what you have done prior to the Commission with the safety program and keeping your claims down and certainly what we have seen since. We had a great meeting on Tuesday with the new claims and accident review committee. As we discussed at that meeting we were very impressed before we even started this as Glenn Prince and I came down in July and learned that you already have so much of this already in place and what we are doing now is only complementing that and with everyone’s help including the Risk Manager it has really shown in this number so far. Line 7 of the report, “Investment in Joint Venture” is the Commission’s share of the equity in the CEL

Commissioner Facemyer said when we were doing our due diligence whether to establish the commission or not there were words of caution that initially things will probably look a lot rosier but as claims come in and we are in this longer we need to make sure we have the adequate surplus. Executive Director agreed with Commissioner Facemyer and said that it is so early in the game and we should let the good years build up in the surplus and so far so good.

SAFETY COMMITTEE: Craig Atkinson reported there was an organizational meeting on July 30, 2013. All county departments and Cumberland Count Board of Social Services and Cumberland County Improvement Authority were all represented at the meeting.

We conducted an overview of the Committee the Risk Management consultant’s role was discussed the Safety Director’s report was discussed. We also discussed the Charter was developed and several training opportunities that are on the horizon as well as opportunities for safety purchases. In future we will be discussing accident and injuries as well as any type of prevention and training that may be necessary to prevent any type of re-occurrence of those injuries.

CLAIMS COMMITTEE: Bonnie Rick reported the Committee met on the July17th telephonically there was one payment authorization that was reviewed and will be present in closed session. The Litigation Management Plan was presented and the Claims Committee would like a little additional time to approve it and we will put it on the agenda in October for your approval. This Litigation Management Plan is only applicable to general liability, law enforcement legal, auto liability and workers compensation. Conner Strong at the CEL level will be conducting a Best Practices Seminar on claims, which is going to be in October and we will ask members from this Commission to attend the meeting. Robyn Walcoff said the seminar is scheduled for October 1, 2013. We are looking for representatives to put together a planning committee and we will have a meeting in August to roundtable those issues you are seeing on a regular basis that you would like to see a seminar on.

TREASURER:

REPORT: Mr. Bontempo reported the August Bills List was included in the agenda and recommended for approval.

MOTION TO APPROVE RESOLUTION 21-13 AUGUST 2013 BILLS LIST IN THE AMOUNT OF \$67,440.23

Moved:	Commissioner Facemyer
Second:	Commissioner Surace
Vote:	2 Ayes, 0 Nays

Executive Director said at the last meeting we discussed the investment return we were getting from Sun Bank. We discussed possibly getting the same return on our investments that the County is getting. Treasurer Bontempo reported he has reached out to Sun Bank and has not had any luck in this regard but will reach out to Sun Bank again.

SAFETY DIRECTOR: Safety Director reported they are formulating the 2014 training calendar at this time. Anyone that would like to host or participate in a training program we would respectfully request that they start to think about this now and contact us so we can accommodate their needs. Safety Director said he will be reaching out to Mr. Aldridge and relaying that information to him and will talk about what we think they should be considering at this time. We will also work with Mr. Atkinson to make sure those training opportunities are met.

RISK MANAGER: Bonnie Rick reviewed the Risk Management Consultant Report that was included in the agenda. Ms. Rick reported we are making progress on the How to Discipline Employees Properly and I Was Just Promoted to a Supervisor training. We have been in contact with a community college and they have presented us with a proposal earlier this week. Once we take a look at it and make sure it will meet with everyone's needs we will report back to the Commission and we are very hopeful it will cost absolutely no money to the Commissions. We are looking to do this through a grant with the college. We also have our upcoming PEOSH Recommended and Required Policies training scheduled for August 14, 2013. Ms. Rick said they are currently looking into Defensive Driving Courses for CATS drivers. Each employee is eligible to receive a two point reduction on the license after their completion.

Risk Manager said Selective committed they will absorb the cost for the decals from Safety First. Any future invoices that come in from Safety First can go to Bonnie Rick and she will forward to Selective and that should be out of the budget for 2014.

Risk Manager reported they have been advised that the NJCEL's new liability carrier has an online training program. We will review to see if this training will meet our needs and that it is specific to New Jersey, but we are cautiously optimistic that by the first of the year we will be able to offer your department heads some online training for their employees that are not able to get into the classroom. Mr. Atkinson said we will need to insure the County server and intranet has the compatibility with the programs being offered. Mr. Hrubash said there are two aspects to the loss control the team format in having the training modules on the internet being linked to the website so forth, the second item which is a contribution of \$10,000 towards special projects and the Commissioner JIF would contribute \$10,000 and it would have to be something very special and unique. Mr. Hrubash said he had further conversations with BRIT and found that the \$10,000 contribution right now may be only one \$10,000 for this whole CEL group. Mr. Hrubash said he is trying to negotiate something better than that because initially we thought it was \$10,000 per member commission. Mr. Atkinson said the County would like to add camera to their CATS buses and that maybe something we would look into through this program.

Risk Manager reported on underwriting exposures and said they were able to secure the medical malpractice coverage for the juvenile detention nurses and the coverage was bound on July 17, 2013. Ms. Rick said CATS auto liability and physical damage coverage has been replaced with Selective/General Star. In addition, Selective will be providing training. This coverage will be remarketed to the CEL next year. Ms. Rick said for the Office on Aging and Disable we needed to secure coverage for volunteers assisting the residents with their checking accounts. We secured the applicable crime bond coverage for loss to a third party in the amount of \$35,000 per loss, effective 6/17/2014. The cost of the bond coverage is \$250.

Ms. Rick reviewed the Emergency Response Contacts list included in her report and said this is really for after hour emergencies. This does not replace the regular reporting requirements this is only for after hour emergencies. In response to Mr. Atkinson, Ms. Rick said this information can be posted on the County intranet.

CLAIMS SERVICE: Executive Director said last month we discussed about having a resolution for the liability claims check register. Since this is public money being spent on the claims a formal resolution should be in place. We only had one claim from last month but this will put it on record that we are making the payments and that it is authorized by resolution.

MOTION TO APPROVE RESOLUTION 22-13 AUTHORIZING DISCLOSURE OF CLAIMS CHECK REGISTER

Moved: Commissioner Facemyer
Second: Commissioner Surace
Roll Call Vote: 2 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO GO INTO CLOSED SESSION FOR CERTAIN SPECIFIED PURPOSES OF PAYMENT AUTHORIZATION REQUEST TO DISCUSS THE MARINO MATTER:

Moved: Commissioner Facemyer
Second Commissioner Surace
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Facemyer
Second: Commissioner Surace
Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR MARINO MATTER IN THE AMOUNT OF \$26,955.29

Moved: Commissioner Facemyer
Second: Commissioner Surace
Roll Call Vote: 2 Ayes, 0 Nays

MOTION TO ADJOURN:

Motion:	Commissioner Facemyer
Second:	Chairman Surace
Vote:	Unanimous

MEETING ADJOURNED: 11:53 AM

NEXT MEETING: WILL BE HELD ON OCTOBER 3, 2013 AT 11:00

Minutes prepared by: Karen A. Read, Assisting Secretary

APPENDIX II

RISK MANAGEMENT PLAN

RESOLUTION 23-13

Cumberland County Insurance Commission 2013 Plan of Risk Management

BE IT RESOLVED by the Insurance Commission's governing body that effective 7/1/13 the 2013 Plan of Risk Management shall be:

- 1.) The perils or liability to be insured against.
 - a.) The Insurance Commission insures the following perils or liability:
 - Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
 - General Liability including Law Enforcement Liability and Employee Benefits Liability.
 - Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
 - Property, Auto Physical Damage and Boiler & Machinery.
 - b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).
 - Excess Workers' Compensation
 - Excess General Liability
 - Excess Auto Liability
 - Excess Property including Boiler and Machinery
 - Public Officials Liability/School Board Legal/Employment Practices Liability
 - Crime
 - Pollution Liability NOT PURCHASED
 - Medical Professional and General Liability
 - 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 \$10,750,000 excess of the Insurance Commission's \$250,000.
 - USL&H – \$250,000 less NJ State benefits excess of member's SIR of \$250,000.
 - Harbor Marine/Jones Act - \$250,000 less NJ State benefits excess of member's SIR of \$250,000.

NJC retains limits of \$250,000 excess \$250,000 for Workers Compensation and Employers Liability. NJC purchases from Wesco Insurance Company \$500,000 excess \$500,000 each occurrence/employee and purchases from Safety National Casualty Company 'Statutory' Workers Compensation limits excess of \$1,000,000 and \$5,000,000 excess of \$1,000,000 for Employers Liability. Additional Employers Liability limits of \$5,000,000 excess of \$6,000,000 are purchased from Underwriters at Lloyds.

b.) General Liability limits.

- The Insurance Commission covers \$250,000 per occurrence.
 - Law Enforcement - included in the General Liability limits.
 - Employee Benefits Liability - included in the General Liability limits.

- Subsidence - \$250,000 per occurrence
 - Owned Watercraft 32' in length or less - \$250,000.
 - Garagekeepers Legal Liability - \$250,000
- The NJC covers excess liability claims as follows:
 - General Liability - \$20,250,000 excess the Insurance Commission's \$250,000. The \$5,000,000 excess \$500,000 commercial excess layer is subject to a \$15,000,000 per member insurance commission 18 month aggregate limit (7/1/13-1/1/15). The \$15,000,000 excess \$5,500,000 commercial excess layer is subject to a \$15,000,000 annual aggregate limit (1/1/13-1/1/14) shared with the Camden County, Burlington County, Gloucester County and Salem County Insurance Commissions.
 - Law Enforcement - included in the NJC's excess General Liability limits.
 - Employee Benefits Liability - included in the NJC's excess General Liability limits.
 - Subsidence - \$750,000 per occurrence excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member's retention.
 - Owned Watercraft 32' in length or less - \$750,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member's retention.
 - Garagekeepers Legal Liability - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member's retention.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$5,000,000 per occurrence and a \$15,000,000 18 month aggregate (7/1/13-1/1/15) excess over and above \$500,000. NJC also purchases from Starr Indemnity & Liability Insurance Company limits of \$15,000,000 per occurrence and a \$15,000,000 annual aggregate (1/1/13-1/1/14) excess over and above the \$5,000,000/\$15,000,000 with Underwriters at Lloyds.

c.) Automobile Liability limits.

- The Insurance Commission covers automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of \$250,000.
 - The Insurance Commission covers \$250,000 for Personal Injury Protection (PIP) per Addendum I of this Plan.
 - The Insurance Commission covers \$15,000/\$30,000/5,000 for Underinsured/Uninsured Motorists Liability per Addendum II of this Plan.
- The NJC covers excess automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims excess of the Insurance Commission's \$250,000 CSL limit. Included in the NJC's excess General Liability limits as shown above.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$5,000,000 per occurrence and a \$15,000,000 18 month aggregate (7/1/13-1/1/15) excess over and above \$500,000. NJC also purchases from Starr Indemnity & Liability Insurance Company limits of \$15,000,000 per occurrence and a \$15,000,000 annual aggregate (1/1/13-1/1/14) excess over and above the \$5,000,000/\$15,000,000 with Underwriters at Lloyds.

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

The excess general liability, auto liability and law enforcement liability limit of \$5,000,000/\$15,000,000 and employers liability limit of \$5,000,000/\$5,000,000 excess \$6,000,000 with Underwriters at Lloyds are shared limits amongst CUIC member entities. The limits of \$15,000,000/\$15,000,000 excess of the \$5,000,000/\$15,000,000 with Starr Indemnity Liability Company, are shared with the Burlington County, Camden County, Gloucester County and Salem County Insurance Commissions other member commissions of the NJC.

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

- The NJC via the commercial market covers public officials liability, school board legal liability (where applicable) and employment practices liability as follows:
 - \$10,000,000 each claim and in the annual aggregate on a claims made basis per member Insurance Commission subject to the deductibles as outlined below:
 - Cumberland County - \$100,000 POL/\$250,000 EPL
 - Cumberland BOSS - \$10,000 SBL/\$25,000 EPL
 - Cumberland County IA - \$15,000 SBL/\$25,000 EPL

e.) Excess Public Officials Liability/Employment Practices Liability/School Board Legal Liability:

- The NJC does not purchase an additional excess public officials liability/school board legal liability/employment practices liability program.

f.) Property/Boiler & Machinery

Property Limits/Sub-limits

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

PROPERTY PER OCCURRENCE LIMITS:

- A. \$100,000,000 PER OCCURRENCE WITH ZURICH
- B. \$150,000,000 PER OCCURRENCE WITH RSUI
- C. \$260,000,000 PER OCCURRENCE TOTAL PROGRAM LIMIT

- Earthquake - \$100,000,000 (Annual Aggregate)
- Flood - \$50,000,000 (Annual Aggregate) Except;
- Flood Inside 100-Year Flood Zone - \$25,000,000
- Asbestos Cleanup - \$50,000 (Annual Aggregate)
- Valuable Paper And Records - \$10,000,000
- Accounts Receivable - \$10,000,000

- Demolition & Increased Cost of Construction- \$25,000,000
- Business Interruption -\$30,000,000 (Business Income On Revenue Producing Property Only)
- Extra Expense – \$10,000,000
- Transit- \$1,000,000 Per Conveyance/\$1,000,000 Per Occurrence
- Fine Arts - \$1,000,000 (Owned And Non Owned)
- Pollution And Contamination Cleanup (Limited) - \$250,000 (Annual Aggregate)
- Miscellaneous Unnamed Locations - \$5,000,000
- Builders' Risk - \$25,000,000 (\$1,000,000 sub-limit for soft costs)
- Newly Acquired Locations - \$25,000,000 (90 day reporting)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage (including Overhead Transmission Lines within one mile of insured premises, 24 hour waiting period)
- Ingress/Egress - \$5,000,000 Or 30 Days Whichever Is Less
- Debris Removal -\$25,000,000 or 25% of the covered loss, whichever is less
- Civil Government Authority – \$5,000,000 or 30 days, whichever is less
- Leasehold Interest - \$15,000,000
- Loss of Rents - \$15,000,000
- Contingent Time Element - \$5,000,000
- Loss Adjustment Expense - \$500,000 Per Claim/ \$1,000,000 Aggregate
- Extended Period of Indemnity – 365 Days
- Auto Physical Damage - \$500,000 Per Scheduled Vehicle
- Fungus, Wet Rot, Dry Rot Or Bacteria - \$500,000 Per Occurrence (Named peril coverage only.)
- Underground Piping - \$10,000,000 (only if within 1,000' of a pump station, process plant, metering pit, wells or similar operational locations which are owned, leased, used occupied or intended for use by the member entity).
- EDP Equipment – No sub-limit
- Outdoor Property - \$5,000 per item, no sub-limit
- Boiler And Machinery - \$100,000,000
 - Business Interruption - \$10,000,000 (Business Income On Revenue Producing Property Only)
 - Contingent Business Income - \$5,000,000
 - Loss Of Rents - \$15,000,000

- Newly Acquired - \$5,000,000
- Demolition & Increased Cost Of Construction - \$25,000,000
- Hazardous Substance - \$5,000,000
- Expediting Expenses- \$5,000,000
- Perishable Goods - \$5,000,000
- Service Interruption - \$5,000,000 Combined Time Element and Property Damage (including Overhead Transmission Lines within 1,000' of insured premises, 24 hour waiting period)
- Data Restoration - \$1,000,000
- Miscellaneous Unnamed Location (Property Damage Only) - \$5,000,000
- Extended Period Of Indemnity - 180 Days

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

Property Deductibles

- The standard member insurance commission retention is \$100,000 per occurrence less member entity per occurrence deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).
 - Cumberland County - \$5,000 Property and Auto Physical Damage Comprehensive
 - Cumberland County IA- \$1,000 Property and Auto Physical Damage
 - Cumberland County BOSS - \$500 Property and 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:

- Cumberland County – \$1,000,000
- Cumberland County BOSS - \$1,000,000

Deductible per occurrence:

- Cumberland County – \$25,000
- Cumberland County BOSS - \$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 CUIC 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 SCIC.
- Member Entity Deductibles GL and PL:
 - Cumberland County Outpatient Clinic – \$50,000
 - Cumberland Juvenile Center Nurses - \$50,000 effective 7/17/13

NJC does not retain any risk as it is fully insured in the commercial market.

j.) **Employed Lawyers Professional Liability effective 2/22/13**

The NJC via the commercial market provides employed lawyers professional liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for employed lawyers' professional liability):

- **Limit per claim and annual aggregate:**
\$5,000,000/\$10,000,000
- **Member Entity Self Insured Retentions:**
 - Cumberland County \$25,000
 - All Other Entities: Not applicable

NJC does not retain any risk as it is fully insured in the commercial market.

All policy aggregates limits are shared by all NJC member Commissions and their respective member entities.

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
 - e.) Public Officials Liability/School Board Legal/Employment Practices Liability - None
 - f.) Property/APD - \$100,000 per occurrence less member deductibles.
 - g.) Crime – None
 - h.) Pollution Liability – None
 - i.) Medical Professional General Liability – None
 - j.) 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 four major excess insurers (i.e. Underwriters at Lloyds, Starr Indemnity for excess liability; Wesco Insurance Company and Safety National Casualty Company for workers' compensation). Every three years, the NJC's internal auditors also conduct an audit.
- b.) 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 3rd day of October 2013.

TONY SURACE, CHAIRMAN

ATTEST:

GREGORY FACEMYER, VICE CHAIRMAN

ADDENDUM 1

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

e. **Funeral Expense Benefits**

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

B. Exclusions

1. **Personal Injury Protection**

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

- a. To a person whose conduct contributed to the **bodily injury** in any of the following ways:
 - (1) While committing a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer; or
 - (2) While acting with specific intent to cause injury or damage to himself or herself or others;
- b. To any person who, at the time of the **occurrence**, was the owner

- or registrant of a **private passenger auto** registered or principally garaged in New Jersey that was being operated without Personal Injury Protection Coverage;
- c. To any person who is not occupying a covered **auto**, other than the **named insured** or any **family member** or a resident of New Jersey, if the **occurrence** occurs outside of New Jersey;
 - d. Arising out of the ownership, maintenance or use, including loading or unloading, of any vehicle while located for use as a residence or premises other than for transitory recreational purposes;
 - e. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or CONDITION incident to any of the foregoing;
 - f. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material;
 - g. To any person, other than the **named insured** or any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** or **family member** under the terms of any other Policy with respect to such coverage;
 - h. To any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** under the terms of another Policy; or
 - i. To any person operating or occupying a **private passenger auto** without the permission of the owner or the **named insured** under the Policy insuring that **auto**.
 - j. To any person who is convicted of, or pleads guilty to:
 - (1) Operating a motor vehicle; or
 - (2) Allowing another person to operate a motor vehicle owned by that **insured** or in that **insureds** care, custody or control;
while the **insured** or that other person:
 - (1) Is under the influence of intoxicating liquor or a narcotic, hallucinogenic or habit-producing drug; or
 - (2) Is later found to have a blood alcohol concentration by weight of alcohol in excess of the legal limit of the jurisdiction where the violation occurred.
 - k. To any person who refused to submit to a chemical test after being arrested for operating a motor vehicle while under the influence of intoxicating liquor or a narcotic hallucinogenic or habit-producing drug.

- I. 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 indentified and that hits, or causes an accident resulting in bodily injury without hitting:
 1. An individual Named Insured or any family member;
 2. A vehicle that the Named Insured or any family member, if the Named Insured is an individual, and occupying; or
 3. a covered auto.

However, uninsured motor vehicle does not include any vehicle:

- i. Owned by or furnished or available for the regular use of the Named Insured or any family member, if the Named Insured is an individual;
- ii. Owned or operated by a self –insured under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- iii. Owned by any government unit or agency;
- iv. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation;
- v. Operated on rails or crawler treads;
- vi. Designed for use mainly off public roads while not on public roads;
- vii. Whiled located for use as a residence or premises.