

**CUMBERLAND COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – DECEMBER 2, 2021
ELECTRONICALLY
11:00 AM**

Meeting called to order by Chairperson Barber. Open Public Meetings notice read into record.

ROLL CALL OF COMMISSIONERS:

Darlene Barber	Present
Kim Wood	Present
Gerald Seneski	Present

ALTERNATE FUND COMMISSIONER:

Jody Hirata	Present
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FUND PROFESSIONALS PRESENT:

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

Anthony Bontempo, Cumberland County
Paige Desiere, Cumberland County
John Carr, Cumberland County
Robert Carlson, Cumberland County Utility Authority
Christina Violetti, Hardenbergh Insurance Group
Danielle Colaianni, Hardenbergh Insurance Group
Scott Brown, SGRisk LLC
Veronica George, Inservco
Amy Zeiders, Inservco
Yvonne Frey, Inservco
Surretha Hobbs, Inservco
Karen Beatty, Qual-Lynx
Chris Roselli, Qual-Lynx
Jennifer Conicella , PERMA
Brandon Tracy, PERMA
Glenn Prince, JA Montgomery
Edward Cooney, Conner Strong & Buckelew

PUBLIC PRESENT:

Nancy Ridgway

APPROVAL OF MINUTES: OPEN SESSION OF OCTOBER 7, 2021 AND NOVEMBER 4, 2021

Moved: Commissioner Hirata
Second: Commissioner Wood
Vote: Unanimous

CLOSED SESSION OF OCTOBER 7, 2021 AND NOVEMBER 4, 2021

Moved: Commissioner Hirata
Second: Commissioner Wood
Vote: Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

2022 Property & Casualty Budget Introduction – Attached on **Page 3** for your review and discussion is the 2022 proposed Property and Casualty Budget in the amount of \$3,653,550. The introductory budget represents a 6.24% increase compared to the 2021 budget. Proposed Assessments at the meeting.

Executive Director reviewed the budget and said the loss funds have been reviewed by the actuary and after a lengthy review the increase in loss funds are at .50%. Property and liability went down and auto liability is up 10.5%. Overall, the loss funds are at an \$8,000 increase. The CEL Finance Committee met numerous times to go over the numbers. Executive Director said Edward Cooney CEL Underwriting Manager will touch on the renewal process in his report. The renewal season has been difficult with the pandemic and hurricanes which is why the increase is at 12.08% on the CEL side. On the MEL side the situation was similar with a 10% increase. The total loss funds are at 5.76% and expense and contingency shows a 2% contractual increase for professionals. Ancillary coverages show cyber is up 75%, which was expected. On the municipal side the increase was 100%. Employed lawyers is up significantly and pollutions is down 30%. Total ancillary coverages are up over 20%, details on this will be discussed later in the report. Overall, the budget is at 6.24%. Executive Director also reviewed the assessments.

Underwriting Manager Edward Cooney discussed the renewal process and said marketing over the last two years have been problematic. Although it is hard to tell the market is somewhat leaning towards stabilizing it doesn't mean prices are going down but it does mean less dramatic swings. Changes the areas that are still problematic is cyber. There are problems in liability and property driven by more immediate loss claim trends, such as the hurricane back in the fall, but otherwise cyber has been the most problematic area. In response to Fund Commissioner Kim Wood, Mr. Cooney said the insurance companies do look at the safeguards a client has in place for cyber. The application completed by members during the renewal process ask for all the safeguards in place and there is a supplemental questionnaire application that all the insurers are requiring, very specific to ransomware controls. Mr. Cooney said the cyber will balance out eventually as these things happen in different coverages. The CEL Task Force has stepped up with the cyber risk management program back in the fall and the municipalities have been working those controls for five years so we are really ahead of the game.

With no comments or questions, being heard the Executive Director said a motion to introduce the 2022 budget and schedule a public hearing would be in order.

Motion to introduce the 2022 Property and Casualty Budget in the amount of \$3,653,550 and schedule a public hearing on February 3, 2022 at 11:00 AM.

Moved: Commissioner Wood
Second: Commissioner Seneski
Roll Call Vote: 3 Ayes, 0 Nays

NJ Counties Excess Joint Insurance Fund (NJCE) (Pages 4-11) – The NJCE met on October 28, 2021. A written summary report of the meeting is included in the agenda on pages 7-17. The NJCE Finance Committee met on November 15, 2021 to further review the proposed 2022 budget and 2021 dividend options. The NJCE also met again on November 18, 2021 and introduced the 2022 Budget. The NJCE is scheduled to meet on December 16, 2021 at 9:30 AM via Zoom Audio/Video. A Public Hearing for the 2022 Budget will be held at this meeting.

NJCE Dividend –The NJCE Board of Commissioners reviewed dividend options and is recommending the Fund release a **\$750,000** dividend. The Commissioners delayed the distribution aspect of the dividend until the NJCE December Board Meeting. Depending on the result of the excess renewal marketing the Commissioners may consider a portion of the dividend to be applied as a credit to the 2021 budget.

Members will have an option of taking their dividend as a check or as an offset to their 2021 assessment. The Fund Office will send a letter to each member entity to find out their preference. **(Page 12 & 13)**

Professional Services - The Fund Office issued Request for Proposals for Claims Administration and Managed Care Services that were due back this past Tuesday. As expected, we received multiple responses for Managed Care Services. In order to give our office along with our Claims Team and Risk Manager time to evaluate the responses, we will need to schedule a special meeting to make those appointments. Executive Director said the fund office will send proposed dates to schedule the special meeting most likely the last week in December.

Proposed Amendment to the Commission’s Rules and Regulations – At the October meeting, a first reading of proposed changes to the Fund’s Rules & Regulations were discussed. The changes are in response to recent legislation that changes the title of “Chosen Freeholder” to “County Commissioner” and all “Board of Chosen Freeholders” to “Board of County Commissioners. The proposed changes appear in **Appendix II**. This is the public Hearing on the proposed changes.

Motion to open the Public Hearing of the proposed changes to the Fund’s Rules & Regulations.

Moved: Commissioner Wood

Second: Commissioner Barber
Vote: Unanimous

Discussion of proposed changes – Public Comments: None

Motion to Close the Public Hearing

Moved: Commissioner Wood
Second: Commissioner Seneski
Vote: Unanimous

Motion to adopt the changes to the Funds Rules & Regulations.

Moved: Commissioner Wood
Second: Commissioner Seneski
Roll Call Vote: 3 Ayes, 0 Nays

Certificate of Insurance Issuance Report: Attached on **Pages 14-15** is the Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of October 1, 2021 to October 31, 2021. There were 5 certificates of insurance issued during this period.

Motion to approve the certificate of insurance report.

Moved: Commissioner Wood
Second: Commissioner Seneski
Roll Call Vote: 3 Ayes, 0 Nays

Financial Fast Track – Included on **Pages 16 thru 19** of the agenda are the Financial Fast Tracks reports for the Cumberland County Insurance Commission for August & September. As of September 30, 2021, the Commission has a deficit of \$633,344. The cash amount is \$5,337,786.

NJ CEL Property and Casualty Financial Fast Track (Pages 20 & 21) – Included in the agenda is a copy of the NJCE Financial Fast Track Report for the month of August. As of August 30, 2021, the NJCE has a surplus of \$14,419,676. Line 7 of the report “Dividend” represents the amount of dividends released by the NJCE in the amount of \$5,107,551. The cash amount is \$28,849,936.

Next Meeting – A reminder that our next meeting is on February 3, 2022 at 11 AM, which is the Reorganization Meeting. Executive Director also reminded members the need for a Special Meeting the end of December.

SAFETY COMMITTEE REPORT: Paige Desiere said the last Safety and Accident Review Committee met on October 13th and reviewed the workers comp claims for August and September. The workers comp claims were low again with only 8 claims reported during that period, five of which were from the Public Works Department and three within law enforcement. All of the law enforcement claims were not preventable. Any preventable claims were discussed by the Committee to come up with an action plan and corrective action. Six of the eight claims were no time loss and two did have days out attached to them for a total of 24 days.

Emergency action plans and policies for each department and building have been developed. All non-tactical training has been completed, and tactical training will begin in 2022. The learning management system training continues for updates to the mandatory and statutory requirements. Information has been sent to all departments and training is underway. The next Safety and Accident meeting is scheduled for December 8th.

CLAIMS COMMITTEE: Jennifer Conicella of PERMA Claims said the claims will be discussed in Executive Session. Ms. Conicella discussed the Claims Sweep letter on page 22 of the agenda and reminded members to make sure any claims for ancillary lines of coverage are reported since they must be reported within the policy year before it expires.

TREASURER:

REPORT: Treasurer reported the October bills list was included in the agenda.

MOTION TO APPROVE RESOLUTION 20-21 DECEMBER BILLS LIST IN THE AMOUNT OF \$18,074.69

Motion:	Commissioner Seneski
Second:	Chairman Wood
Roll Call Vote:	3 Ayes, 0 Nays

CEL SAFETY DIRECTOR: Safety Director Glenn Prince reviewed the Safety Director's report as well as future training opportunities offered by JA Montgomery Risk Control and said any member or department that desires to participate in virtual training can do so by coordinating with your training coordinator Dr. Hickman. Mr. Prince said Paige and her team have done a phenomenal job with updating the emergency action plans and getting that that project completed and we continue to work closely with Paige and her team for other written programs.

RISK MANAGER: Risk Manager Christina Violetti discussed the Wellness Incentive Grant Program and said so far in 2021 there were five wellness grant submissions received from the county. One department was not able to complete their activity. All other departments were able to complete their items and activities and for most departments the cost was slightly less than what was approved. Ms. Violetti said all bills were provided and will make sure they are paid this month to reimburse each department. In addition, when the safety and Accident Review Committee met on October 13th it was discussed whether this grant should be continued for 2022. It was unanimous that the Committee would like to continue the program if the Insurance Commission would be

willing to continue to fund the wellness grant for 2022. The cost would remain the same. Ms. Violetti respectfully requested a motion to authorize \$5,000 for the wellness incentive program for 2022.

MOTION TO AUTHORIZE \$5,000 FOR WELLNESS INCENTIVE PROGRAM FOR 2022

Motion: Commissioner Wood
Second: Commissioner Barber
Roll Call Vote: 3 Ayes, 0 Nays

Ms. Violetti said the 2022 meeting schedules for both the safety review Committee and the Claims Committee were included in the agenda.

MOTION TO APPROVE THE ACCIDENT AND SAFETY REVIEW COMMITTEE AND CLAIMS COMMITTEE MEETING SCHEDULES FOR 2022

Motion: Commissioner Wood
Second: Commissioner Seneski
Vote: Unanimous

MANAGED CARE: Karen Beatty reviewed the Cumulative Savings report and the PPO Penetration Report. Ms. Beatty said as of October 2021 there was a 68% savings, overall saving the Commission \$322,983. Ms. Beatty said they are closely monitoring the managed care fee as it is approaching the cap of \$45,000.

CLAIMS SERVICE: Claims Manager Veronica George said there was not report for Open Session there are claims to be discussed in Executive Session.

MOTION TO GO INTO EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES FOR PERSONNEL, SAFETY, PUBLIC PROPERTY OR LITIGATION IN ACCOURDANCE WITH THE OPEN PUBLIC MEETINGS ACT - PAYMENT AUTHORIZATION REQUESTS

Motion: Commissioner Wood
Second: Commissioner Seneski
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Seneski
Second: Commissioner Wood
Roll Call Vote: 3 Ayes, 0 Nays

Workers Compensation PAR/SAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001471 IN THE AMOUNT OF \$85,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770001000 IN THE AMOUNT OF \$13,664.70

Motion: Commissioner Wood
Second: Commissioner Seneski

Auto Liability SAR

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770001460 IN THE AMOUNT OF \$4,237.81

Motion: Commissioner Wood
Second: Commissioner Seneski

General Liability SAR

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770001485 IN THE AMOUNT OF \$500.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770001501 IN THE AMOUNT OF \$2,584.59

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770000653 IN THE AMOUNT OF \$10,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770000514 IN THE AMOUNT OF \$129,350.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE THE PARS AND SARS AS DISCUSSED IN EXECUTIVE SESSION IN THE TOTAL AMOUNT OF \$245,337.10

Motion: Commissioner Wood
Second: Commissioner Seneski
Roll Call Vote: 3 Ayes, 0 Nays

OLD BUSINESS: None.

NEW BUSINESS: None

MOTION TO OPEN PUBLIC SESSION

Motion: Commissioner Wood
Second: Chairman Seneski
Vote: Unanimous

PUBLIC COMMENT: Nancy Ridgeway was present at the meeting and had no public comment.

MOTION TO CLOSE PUBLIC SESSION

Motion: Commissioner Wood
Second: Chairman Seneski
Vote: Unanimous

MOTION TO ADJOURN:

Motion: Commissioner Seneski
Second: Chairman Wood
Vote: Unanimous

MEETING ADJOURNED: 12:14 PM

NEXT MEETING: WILL BE HELD ON FEBRUARY 2, 2022 AT 11:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary