

**CUMBERLAND COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – DECEMBER 1, 2022
ELECTRONICALLY
11:00 AM**

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

ROLL CALL OF COMMISSIONERS:

Darlene Barber	Present
Jeff Ridgway	Present
Jody Hirata	Present

ALTERNATE FUND COMMISSIONER:

FUND PROFESSIONALS PRESENT:

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

Anthony Bontempo, Cumberland County
Paige Desiree, Cumberland County
John Carr, Cumberland County
Jumba Mugwanya, Cumberland County
Kathy Doran, Cumberland County
Jerry Velazquez, Cumberland County Improvement Authority
Robert Carlson, Cumberland County Utilities Authority
Christina Violetti, Hardenbergh Insurance Group
Danielle Colaianni, Hardenbergh Insurance Group
Christopher Powell, Hardenbergh Insurance Group
Amy Zeiders, Inservco
Veronica George, Inservco
Yvonne Frey, Inservco
Surretha Hobbs, Inservco
Chris Roselli, Qual-Lynx
Karen Beatty, Qual-Lynx
Ben Newville, SG Risk
Robyn Walcoff, PERMA
Jennifer Conicella, PERMA
Jennifer Davis, PERMA
Brandon Tracy, PERMA
Glenn Prince, JA Montgomery

PUBLIC PRESENT:

Nancy Ridgway

APPROVAL OF MINUTES: OPEN SESSION OF OCTOBER 6, 2022

Moved:	Commissioner Hirata
Second:	Commissioner Ridgway
Vote:	Unanimous

CLOSED SESSION OF AUGUST 4, 2022

Moved:	Commissioner Hirata
Second:	Commissioner Ridgway
Vote:	Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

2023 Property & Casualty Budget Introduction – Attached on **Page 3** for your review and discussion is the 2023 proposed Property and Casualty Budget in the amount of \$4,012,834. The introductory budget represents a 7.80% increase compared to the 2022 budget. Proposed Assessments will be presented at the meeting.

Executive Director said the primary focus of the meeting is the introduction of the 2023 Budget. The early indication for the 2023 Budget was a double-digit increase, but after meeting with the actuary several times the budget was reduced to a 7.8% increase. The Executive Director reviewed the actuary’s projections which gives a range from low, mid to high. In the current state of the insurance industry the actuary recommended the middle loss funds, which is what the budget has been built around.

The Executive Director reviewed the 2023 budget and said the loss funding is at \$1.69 million which is an 8.8% increase, driving that is the liability side, which is up to 18% and workers comp is up 6.5%. The CEL JIF is at 7.26% which is a little below the average for other members. NJCE Executive Director Joseph Hrubash reviewed the CEL JIF budget and said the CEL introduced the budget at 9.9% increase with a lot of factors affecting the CEL budget such as covid as the weekly benefit has gone up 9.9% on workers comp, along with other factors. There have been fewer summary judgements due to the attitude change in the New Jersey courts with respect to workers comp. On the property side, there has been one hurricane after another, even though our state may have only been affected by some of those storms, when it effects the entire country, it also affects the carriers the CEL does business with and is the reason for the increases.

Executive Director revised expenses and contractual increases which most are at 2%, claims administration is at 3% per their RFP a few years back. The ancillary coverages are placed outside of the Commission. Cyber is up almost 21% and Med Mal is at 17.5%. Overall, the 2023 budget is

at 7.8% increase which is \$4,012,834. Executive Director reviewed the 2023 assessments and asked if there were any questions or comments on the 2023 Budget. In response to Commissioner Ridgway, CEL Executive Director Hrubash said the driving factor on the cyber increase is that public entities right now are one of the top three or four targets for cyber-crimes. There has been a lot of activity in the country where carriers are dropping out of the marketplace leaving only a handful of carriers left and those carriers are looking for significant increases. Executive Director Hrubash said it has been more severe on the municipal side the MEL is forming a Cyber JIF. It is very unique and probably the only one in the country that will begin operation on January 1, 2023 and is being offered to MEL member JIFs. However, we anticipate if the by-laws allow this can be opened up to other JIFs in the State of New Jersey including the County JIFs, so this is something to look at down the road. The Cyber JIF is a combination of sharing loss, training and education that is built into the assessment and a cyber security expert the Chertoff Group was hired and carriers look at them as being experts in this area. Executive Director Hrubash the last time the MEL did something similar was when the Environmental Joint Insurance Fund was created, which today is still cutting edge and very successful. This Insurance Commission could receive anywhere from \$35,000 to \$50,000 in dividends depending on the option chosen, so there is a little more relief coming.

Motion to introduce the 2023 Property and Casualty Budget in the amount of \$4,012,834 and schedule a public hearing on February 2, 2023 at 11:00 AM.

Moved: Commissioner Ridgway
Second: Commissioner Hirata
Roll Call Vote: 3 Ayes, 0 Nays

2023 Professional Contract Renewals – Several of the Fund’s professional services contracts expire at the end of the year. All of the contracts have annual renewals if the Commissioners are desirous to renew for Fund Year 2023. Resolution 21-22 appears on **Page 4** re-appointing the Professionals. Chairwoman Barber said the County is having a major change in party for management of the County. Commissioner Ridgway said since there is such a drastic change in the makeup of the Commission since Chairwoman Barber and Deputy Administrator Jody Hirata are leaving it would be appropriate to table this resolution for the next meeting in 2023. Executive Director Stokes said PERMA and some of the other partners would be glad to attend any meetings that Commissioners feel necessary.

Motion to Table Resolution 21-22 until the next 2023 Commission Meeting

Moved: Commissioner Ridgway
Second: Commissioner Hirata
Roll Call Vote: 3 Ayes, 0 Nays

NJ Counties Excess Joint Insurance Fund (NJCE) – The NJCE met on October 27, 2022. Attached in the agenda on pages 6-8 is a written summary report. The Finance Sub-Committee met on October 17th to review the 2023 budget and 2022 dividend options. On pages 9-13 there is a summary of that meeting. The Finance Committee also met on November 14th to further review the budget.

The NJCE met again on November 18th to introduce the 2023 Budget. A Public Hearing and adoption of the 2023 Budget is scheduled for Thursday, December 15th at 2:00 PM.

NJCE Executive Director Hrubash said these documents would be helpful with the transitioning of the new leadership.

Certificate of Insurance Issuance Report - Included on **Pages 14-16** is the Certificate of Insurance Issuance Reports from the CEL listing those certificates issued for the period of September 1, 2022 to November 1, 2022. There were 11 certificates of insurance issued during this period.

Motion to approve the certificate of insurance report.

Moved:	Commissioner Ridgway
Second:	Commissioner Hirata
Vote:	Unanimous

Financial Fast Track – Included on **Pages 17-20** of the agenda are the Financial Fast Tracks for the Cumberland County Insurance Commission for August & September. As of **September 30, 2022**, the Commission has a statutory deficit of **\$31,277**. Executive Director said there was a big reserve change in 2018 of approximately \$250,000 that was a big hit for August. In September things levelled out somewhat with a small loss of \$341 as well as some reserve changes and some positive IBNR that help offset those reserve changes. Total cash on hand is \$4,812,871.

NJCE Property and Casualty Financial Fast Track – Included in the agenda on **Pages 21-23** is the NJCE Financial Fast Track Report for August. As of **August 30, 2022**, the report indicates the Fund has a surplus of **\$15,162,108**. Line 7 of the report, “Dividend” represents the dividend figure released by the NJCE of **\$5,857,551**. The total cash amount is **\$20,384,593**. Executive Director said there was a slight decrease of approximately \$129,000, all of the years showed a slight decrease and small reserve change with a very sound \$15.1 million in surplus and over \$20 million in cash.

Claims Tracking Report (Page 24-26) – Included in the agenda are the Claims Activity Reports for July, August & September that tracks open claims. Executive Director said claims activity reports showing open claims from one month to the next June through July with 26 more open claims of which 14 were workers comp. The August report shows two more open claims than the previous month and a good trend for September with eight less open claims than the previous month.

Executive Director Stokes wished everyone a great holiday season. Since it is the last scheduled meeting of the year Executive Director Stokes thanked Director Barber and Commissioner Hirata for their service on the Commission and said it was a pleasure working with both Commissioners and their support and dedication to the Board is greatly appreciated and wished both Commissioners the best in the future.

SAFETY COMMITTEE REPORT: Paige Desiree said the Safety and Accident Review Committee last met on October 12 to review claims for August and September, there were 10 new claims two of which were not preventable, two were report only. Overall time lost was only eight days for the two-month time frame. The main leading cause of the workplace injuries were due to trips, slips and falls. The County will continue to focus on those two areas and intends to increase training in this area to reminding people to slow down and be cautious of their surroundings. Two additional claims were from an individual that was in the Police Academy

CLAIMS COMMITTEE: Jennifer Davis said the claims committee met last on November 15th and we will be discussing claims further in closed session.

TREASURER:

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

MOTION TO APPROVE RESOLUTION 22-22 DECEMBER BILLS LIST IN THE AMOUNT OF \$20,218.67 AND BILLS LIST 23-33 SUPPLEMENTAL BILLS LIST IN THE AMOUNT OF \$4,087.84

Moved:	Commissioner Hirata
Second:	Commissioner Ridgway
Vote:	3 Ayes, 0 Nays

CEL SAFETY DIRECTOR: Safety Director Glenn Prince reported earlier the Executive Director focused on some financials which involved a lot of workers comp claims. In 2023 the focus again will be on reducing those claims and continuing with in-person training. Mr. Prince said he was at Public Works to talk about safety showers, eye wash stations, first aid kits, and eye protection. The class was well attended and a lot of interaction. Mr. Prince also met with Paige Desiree regarding the 2023 training opportunities which will include six in person classes for public works, confined space, flag work on safety excavation, trenching and ensuring. These programs are important to employees people safe while performing their job duties. The County has submitted several submissions for the Munich RE safety grant and has been awarded \$8,852.00 and funding for three different agencies. Chairperson Barber thanked the Safety Director for the award and said it is very important to have the cameras up and running and it will definitely help to reduce claims.

RISK MANAGER:

Risk Manager Christina Violetti said there was a meeting on Tuesday to discuss the possibility of a 2023 Safety Expo and is working with Dr. Hickman and Paige Desiree on the Expo and will keep Commissioners updated. There were nine submissions for the 2022 Wellness Incentive Program. Two departments were unable to complete their wellness activities. All documentation and been submitted for reimbursement to the seven departments that completed their activities. At the October Safety and Accident View Committee meeting the Wellness Incentive Grant was discussed

and the amount of \$5,000 with \$1,000 per grant was requested for 2023. A motion to approve and authorize the \$5,000 was requested. Commissioner Hirata made the motion to approve the amount of \$5,000 with the condition that the dates be reviewed earlier in the year so every department completes the submission.

MOTION TO APPROVE AMOUNT NOT TO EXCEED \$5,000 FOR 2023 WELLNESS INCENTIVE TRAINING

Motion: Commissioner Hirata
Second: Chairman Ridgway
Roll Call Vote: 3 Ayes, 0 Nays

Ms. Violetti said information was provided to the departments that received funding for the safety grants and since 2015 the Insurance Commission has received \$59,375.71 from the NJCE. Ms. Violetti said the members have been reminded to advise the Risk Manager's office with any knowledge of any claims or possible claims that may arise under the claims made policies.

Ms. Violetti reported the 2023 Safety and Accident Committee and Claims Committee meeting schedules were included in the agenda and a motion to approve those schedules was requested.

MOTION TO APPROVE CLAIMS COMMITTEE AND SAFETY AND ACCIDENT COMMITTEE MEETING SCHEDULES.

Motion: Commissioner Hirata
Second: Chairman Ridgway
Roll Call Vote: 3 Ayes, 0 Nays

MANAGED CARE: Karen Beatty reviewed the Cumulative Savings report for 2022 and the PPO Penetration Report.

CLAIMS SERVICE: Executive Director reported there was no report for Open Session.

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

Motion: Commissioner Ridgway
Second: Commissioner Hirata
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Ridgway
Second: Commissioner Hirata

Vote: Unanimous

General Liability PAR/SAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001229 IN THE AMOUNT OF \$35,782.40

Motion: Commissioner Hirata
Second: Commissioner Ridgway

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001479 IN THE AMOUNT OF \$40,000.00

Motion: Commissioner Hirata
Second: Commissioner Ridgway

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001447 IN THE AMOUNT OF \$85,000.00

Motion: Commissioner Hirata
Second: Commissioner Ridgway

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001515 IN THE AMOUNT OF \$50,000.00

Motion: Commissioner Hirata
Second: Commissioner Ridgway

Workers Compensation PAR/SAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001476 IN THE AMOUNT OF \$38,007.70 AND SETTLEMENT AUTHORIZATION IN THE AMOUNT OF \$27,864.00

Motion: Commissioner Hirata
Second: Commissioner Ridgway

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770001217 IN THE AMOUNT OF \$31,058.30 AND SETTLEMENT AUTHORIZATION OF \$12,500.00

Motion: Commissioner Hirata
Second: Commissioner Ridgway

Auto Property Damage/PAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001731 IN THE AMOUNT OF \$33,572.67

Motion: Commissioner Hirata
Second: Commissioner Ridgway

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS IN THE AMOUNT OF \$313,421.07

Motion: Commissioner Ridgway
Second: Commissioner Hirata
Roll Call Vote: 3 Ayes, 0 Nays

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUESTS IN THE AMOUNT OF \$40,468.00

Motion: Commissioner Hirata
Second: Commissioner Ridgway
Roll Call Vote: 3 Ayes, 0 Nays

OLD BUSINESS: None.

NEW BUSINESS: In response to Chairwoman Barber, Executive Director said the League of Municipalities convention was very productive and there was a great turn out.

MOTION TO OPEN PUBLIC COMMENT:

Motion: Commissioner Ridgway
Second: Chairman Hirata
Vote: Unanimous

PUBLIC COMMENT: Mrs. Ridgway from Upper Deerfield Township said Happy Holidays to everyone and said she always invites public to attend meetings with her.

Chairwoman Barber wished Mrs. Ridgway happy holidays on behalf of the Commission and thanked the Insurance Commission for working hard for the county to keep insurance rates as low

as possible and surely will continue to do so. Chairwoman Barber thanked Jody Hirata for her hard work and a wonderful job for the County.

MOTION TO CLOSE PUBLIC COMMENT:

Motion:	Commissioner Ridgway
Second:	Chairman Hirata
Vote:	Unanimous

MOTION TO ADJOURN:

Motion:	Commissioner Ridgway
Second:	Chairman Hirata
Vote:	Unanimous

MEETING ADJOURNED: 12:04 PM

NEXT MEETING: WILL BE HELD ON FEBRUARY 8, 2023 AT 11:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary