

**CUMBERLAND COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – JUNE 3, 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
-------------	---------

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Bradford Stokes, Joseph Hrubash, Karen Read
--------------------	--

ALSO PRESENT:

Anthony Bontempo, Cumberland County
Paige Desiree, Cumberland County
John Carr, Cumberland County
Melissa Strickland, Cumberland County
Christina Violetti, Hardenbergh Insurance Group
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
Jonathan Czarnecki, JA Montgomery

PUBLIC PRESENT:

Nancy Ridgway

APPROVAL OF MINUTES: OPEN SESSION OF APRIL 1, 2021

Moved:	Commissioner Wood
Second:	Commissioner Seneski
Vote:	Unanimous

CLOSED SESSION OF APRIL 1, 2021
Moved: Commissioner Wood
Second: Commissioner Seneski
Vote: Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Amendments to the 2021 Plan of Risk Management – Since we adopted the Fund’s Plan of Risk Management at our February meeting, there has been several updates. Attached in Appendix III are highlighted changes. Executive Director reviewed the updates to the Risk Management Plan. Pollution coverage was added for the Improvement Authority. The Underwriting Manager made the recommendation to remove the limits for cyber liability coverage from the Plan since this was a target for hackers to look at the Commission’s limits and realize we could have deep pockets because of the coverage. The address for the Food Specialization Redevelopment Corp. was updated to 355 Martin Luther King Jr. Way, Bridgeton, NJ 08032. Cyber coverage was added for the Empowerment Zone and public officials and employment practices liability coverage was added for the Food Specialization Redevelopment Corp. Executive Director asked if there were any questions or comments. With none being heard a motion to approve the Amended 2021 Plan of Risk Management was requested.

MOTION TO APPROVE RESOLUTION 15-21 AMENDING THE 2021 PLAN OF RISK MANAGEMENT.

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

Certificate of Insurance Issuance Report: Certificate of Insurance Issuance Report: Attached on **Pages 3-5** is the Certificate of Insurance Issuance Report from the CEL listing those certificates issued for the period of March 1, 2021 to April 30, 2021. There were 10 certificates of insurance issued during this period.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.

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

NJ Counties Excess Joint Insurance Fund (NJCE) – The NJCE Finance Sub-Committee met on April 9, 2021 to discuss the NJCE budget delta of \$2,535,244 and review procurement responses for various JIF professional services. A copy of the minutes are included in **Appendix II** of the agenda.

The NJCE met on April 22, 2021 and a written summary of the meeting is included in the agenda on **Pages 6-9**. At the meeting, the Finance Sub-Committee recommended an option to declare an additional assessment for the premium portion of the delta of \$609,437. Cumberland County Insurance Commission's share of the delta is \$66,187.

The NJCE met again on May 27 to introduce a budget amendment adding the additional assessment into the 2021 budget. The next meeting of the NJCE will be on June 24th at 9:30 AM.

Executive Director Stokes said CELJIF Executive Director Hrubash will touch on some points from the meetings. Mr. Hrubash said there were a number of options presented to the Finance Committee on how to address the delta, which was approximately \$2.5 million. The Finance Committee recommended for 2021 to bill for the premium portion of the delta of \$609,437 and spread it out amongst the members in a separate and third installment this year just before the counties amend their budgets in the fall. CELJIF Executive Director Hrubash said he thought it was a good resolution and the balance is in loss fund dollars, and if the CEL continues to perform well as in the past it can chew that down and maybe never have to bill for it. This will be reevaluated on an annual basis. Executive Director Stokes said the County's portion of the delta is \$66,187 and will be sent out in November. If the County needs to make any transfers in the budget and if there is a reason to extend the deadline even until next year we can certainly entertain that. In response to Commissioner Barber, Commissioner Seneski said he was fine with billing decision.

Commissioner Wood asked CELJIF Executive Director Hrubash to explain what the hard market means, for members of the public. CELJIF Executive Director Hrubash said the hard market reared its ugly head for the 2020 renewal, and it happened in December of 2019 when our second layer of excess liability carrier decided to get out of the business. In order to replace that layer of coverage, it was going to cost an extra million dollars, so that was the first indication that there were some rough waters ahead. This is a national problem, a lot worse for individual insureds that buy from the commercial market, and a lot less volatile for public entities that are in joint insurance funds or insurance commissions. The delta which was at \$1 million, has already been cut down to \$650,000, which comes back to how well the commissions in the NJCEL are performing with claims management and safety. Mr. Hrubash said moving into the renewal period we know we are in a hard market. This hard market is different from the last one, which goes back into the mid 1980s. This particular hard market affected every line item of coverage. The NJCEL had a couple of issues in the past one being property and the other the liability carrier getting out of the market, and managed to survive with slightly higher than 2% budget where individual risks were going up 50%. The current situation is similar and with being aggressive on the budget the NJCEL chose an 8% budget even though indications were that it was going to be more like 15%. The underwriting manager was charged with doing the best job he could with a combination of negotiating in the commercial markets and with the NJCEL chipping in by increasing the self-insured retention. The CEL is very strong financially and can withstand the higher retention which was not an option back in 2010 and 2011 when the NJCEL was just starting out. Mr. Hrubash said when the finance committee chose to stick with the 8% budget the CEL ended up with a \$2.5 million delta, of that \$600,000 is the commercial piece, which we is going to billed as an additional assessment. The balance of that is all loss fund related and if we continue to do well the delta will decrease over time. If that does not happen

the Finance Committee will need to do another additional assessment that would be payable over 10 years as to not have a major effect on the county budgets. Mr. Hrubash said the next piece the CEL is up against it to adjust the budget to make up for the delta. As we normally try to keep the budget no more than 2%. Next year it will be higher. We are hoping the marketplace will start to improve and start to see signs that it might be coming around again or at least level off. Mr. Hrubash said at the suggestion of Commissioner Wood, the NJCE will set up another Finance Committee meeting to review the benefits of a joint insurance commission vs. being out in the commercial market. This report can help our commissioners going to their county commissioners if necessary, to let them know they are in the right place, and it may not be a good year for the budget but it could have been worse if not in this program. Commissioner Wood thanked Mr. Hrubash and said it does make a difference, and it is important for the Board of Commissioners and the public to see the benefits.

CELJIF Executive Director Hrubash said on behalf of himself and Executive Director Stokes he would like to thank Commissioner Wood because she help the CEL with NJAC Association to get in front of them with presentation on some of the great things our program does and it looks like it is going to work out.

Financial Fast Track – Included on **Pages 10 & 11** of the agenda is the Financial Fast Track reports for the Cumberland County Insurance Commission for February. As of February 28, 2021, the Commission has a statutory surplus of **\$236,784**. Executive Director said the financial fast track appears on page 10. As of February 28th the report shows over \$236,000 in surplus which is a \$84,000 increase from the prior month and over 3.3 million in cash on hand. Executive Director said this was a nice February report and hopefully that trend continues.

NJ CEL Property and Casualty Financial Fast Track (Pages 12-13) – Included in the agenda on pages 18-19 is a copy of the NJCE Financial Fast Track Report for the month of February. As of February 28, 2021 the NJCE has a surplus of \$15,349,550. 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 \$19,534,623. Executive Director said the financial fast track shows a \$15.3 million surplus a small \$24,000 dip from the prior month but still in very sound financial shape with \$19.5 million in cash.

2021 Property & Casualty Assessments – The second assessment payments will be due July 15, 2021.

2021 MEL, MRHIF & NJCE Educational Seminar – The 10th Annual Educational Seminar was held virtually on May 14 and May 21. There were over 200 attendees for each session. CELJIF Executive Director Hrubash said there was great feedback and many people liked the two half day sessions and we were able to obtain a record amount of attendance as much as we like in person many more people were able to join the virtual format. Many of the attendees though the speakers were relevant and one session was a panel discussion and another had some polling questions which made it interactive. Executive Director Stokes the polling session was a great portion and it kept everyone involved.

Zoom Meeting Access Numbers - Meetings until further notice will be conducted virtually via Zoom using the Call in Number: 929-205-6099 and the Meeting ID: 925 2640 9529 or by video link <https://permainc.zoom.us/j/92526409529>.

Next Meeting – A reminder that our next meeting is on August 5, 2021.

SAFETY COMMITTEE REPORT: Paige Desire said the last safety and accident review committee met on April 14th and reviewed the workers comp claims for February and March. There were 21 new claims reported during that period. Over 40% of those claims were weather or ice related so we are optimistic we will see a decrease in claims for the next period but certainly an area we want to address and develop training and reminders for the winter season. The Committee reviewed five wellness grant submissions for various initiatives within the departments. We received on submission for the Munich Safety grant so far and the deadline for the grant submission is September 1st.

CLAIMS COMMITTEE: Jennifer Conicella said the Claims Committee met on May 18th and reviewed the PARs and SARs that will be discussed today in Executive Session.

TREASURER:

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

MOTION TO APPROVE RESOLUTION 16-21 JUNE BILLS LIST IN THE AMOUNT OF \$8,947.00

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

CEL SAFETY DIRECTOR: Safety Consultant Jonathan Czarnecki reviewed the Safety Director’s report as well as future training opportunities offered by JA Montgomery Risk Control. and said as always, any member or department that desires to participate in training can do so by going to the website and register by clicking on the link. Mr. Czarnecki said there is a big uptick in PEOSH activities in terms of inspections so please be aware that they are back out and about. In response to Commissioner Barber, Mr. Czarnecki said the inspections were not Covid related.

RISK MANAGER:

Risk Manager Christina Violetti discussed the 2021 Wellness Grant Program Submissions and requested approval of all the submission with the exception of the portion from the Department of Human Services submission that requested to go on a cruise on the Maurice River. Ms. Violetti said from a risk management standpoint we get nervous around water so it may not be something to include in the program. After a discussion the Commissioners agreed that it would be best to forgo the cruise.

MOTION TO APPROVE WELLNESS GRANT PROGRAM SUBMISSION WITH THE EXCEPTION OF THE CRUISE ON THE MAURICE RIVER OF THE CUMBERLAND COUNTY DEPARTMENT OF HUMAN SERVICES SUBMISSION.

Motion: Commissioner Seneski
Second: Commissioner Wood
Vote: Unanimous

Ms. Violetti reported that it is renewal time once again and the Risk Manager will be reaching out to members to help with the process.

MANAGED CARE: Karen Beatty reviewed the Cumulative Savings report as of June 2021 and the PPO Penetration Report. Ms. Beatty said in April there were 73 bills repriced for a savings of \$20,060 or 57% year to date there is a 70% savings or \$177,029.

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 #3770001309 IN THE AMOUNT OF \$155,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001127 IN THE AMOUNT OF \$21,911.82 AND SETTLEMENT AUTHORIZATION IN THE AMOUNT OF \$12,300.00

Motion: Commissioner Wood
Second: Commissioner Seneski

General Liability PAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001344 IN THE AMOUNT OF \$25,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001040 IN THE AMOUNT OF \$52,500.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001316 IN THE AMOUNT OF \$30,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001317 IN THE AMOUNT OF \$20,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

Property PAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001431 IN THE AMOUNT OF \$17,561.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE THE PARS AND SARS AS DISCUSSED IN EXECUTIVE SESSION IN THE AMOUNT OF \$321,972.82

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 Seneski
Second: Chairman Wood
Vote: Unanimous

PUBLIC COMMENT: Nancy Ridgeway was present at the meeting and wished the Commission and nice summer and said she had no questions at this time.

MOTION TO CLOSE PUBLIC SESSION

Motion: Commissioner Seneski
Second: Chairman Wood
Vote: Unanimous

MOTION TO ADJOURN:

Motion: Commissioner Seneski
Second: Chairman Wood
Vote: Unanimous

MEETING ADJOURNED: 12:11 PM

NEXT MEETING: WILL BE HELD ON AUGUST 5, 2021 AT 11:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary