

**CUMBERLAND COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – OCTOBER 1, 2020
ELECTRONICALLY
11:00 AM**

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

ROLL CALL OF COMMISSIONERS:

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| Jack Surrency | Present |
| Gerald Seneski | Present |
| Kim Wood | Present |

ALTERNATE FUND COMMISSIONER:

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| Jody Hirata | Present |
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FUND PROFESSIONALS PRESENT:

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| Executive Director | PERMA Risk Management Services Joseph Hrubash, Karen A. Read |
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ALSO PRESENT:

Anthony Bontempo, Cumberland County
Craig Atkinson, Cumberland County
John Carr, Cumberland County
Melissa Strickland, Cumberland County
Jerry Valasquez,
Christina Violetti, Hardenbergh Insurance Group
James Miles, Bowman & Company
Dennis Skalkowski, Bowman & Company
Scott Brown, SGRisk
Ben Newville, SGRisk
Veronica George, Inservco
Amy Zeiders, Inservco
Yvonne Frey, Inservco
Surretha Hobbs, Inservco
Karen Beatty, Qual-Lynx
Chris Roselli, Qual-Lynx
Robyn Walcoff, PERMA
Jennifer Conicella , PERMA
Glenn Prince, JA Montgomery
Edward Cooney, Conner Strong & Buckelew

PUBLIC PRESENT:

Nancy Ridgway

APPROVAL OF MINUTES: OPEN AND CLOSED SESSION OF AUGUST 6, 2020

Moved: Commissioner Wood
Second: Commissioner Seneski
Vote: Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

2019 Audit Report – A draft copy of the 2019 Audit was distributed to Fund Commissioners under separate cover. Representatives of the Commission’s auditor, Bowman & Company, will attend the meeting to formally present the audit. Included in the agenda on **Pages 3-5** is Resolution 19-20, Certification of Annual Audit Report for the Period ending December 31, 2019 along with the Group Affidavit Form.

Executive Director said the first action item on the agenda is the 2019 Audit report. A draft copy was distributed to Commissioners. Representatives from Bowman & Company were present to provide a formal presentation on the audit. James Miles of Bowman & Company said the audit was complete and the draft copy distributed with the agenda found the financial statements to be fairly stated in all material respects, with no finding or recommendations.

Dennis Skalkowski of Bowman & Company gave a brief overview of the financials and said there are no findings or recommendations in the report with clean opinions. On page nine the Statement of Net Position shows an ending net position of \$834,866, which was a decrease of roughly \$272,000 over the prior year. On page 10 the Statement of Revenues, Expenses and Changes in Net Position show how the auditors arrive at that number. The Commission had an operating loss of \$406,034, which is net of the operating revenues and operating expenses, non-operating revenues of \$201,110, added to that is the net position of last year of \$1,106,547, subtracted from that is the return with surplus, which is the NJCEL dividend of \$66,737, ending with a net position of \$834,886. Mr. Skalkowski reviewed Page 20 the Summary of the Changes in Unpaid Claim Liabilities reflecting total claim payments all fund years of \$1,076,789 and an ending liability of \$4,089,683 for the Commission, which is an increase over prior year. Mr. Skalkowski asked if there were any questions and expressed appreciation for the opportunity to serve the Commission. With no questions, a motion to approved Resolution 19-20 was requested by Chairman Surrency. Executive Director noted the correction to the Resolution number on page 3 which should read 19-20.

Motion to approve Resolution 19-20 Certification of Annual Audit Report for Period Ending December 31, 2019

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

Certificate of Insurance Issuance Report: Certificate of Insurance Issuance Report: Attached on **Pages 6 & 7** was the Certificate of Insurance Issuance Report from the CEL listing those

certificates issued for the period of July 1, 2020 to August 31, 2020. There were 6 certificates of insurance issued during this period.

Motion to approve the certificate of insurance report.

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| Motion: | Commissioner Seneski |
| Second: | Chairman Wood |
| Vote: | Unanimous |

NJ Excess Counties Insurance Fund (CELJIF) – NJ Counties Excess Joint Insurance Fund (CELJIF) - The NJCE met on September 24, 2020 via a zoom conference. A summary report of the meeting is included in the agenda on **Pages 8-11**. The next NJCE meeting is scheduled for October 22, 2020 at 9:30 AM.

Financial Fast Track – Included on **Pages 12-15** of the agenda are the Financial Fast Track reports for the Cumberland County Insurance Commission for June and July. As of **July 31, 2020**, the Commission has a statutory surplus of **\$236,669**.

NJ CEL Property and Casualty Financial Fast Track (Pages 16 & 17) – Included in the agenda is the NJ CEL Financial Fast Track Report for January. As of **July 31, 2020**, the CEL has a surplus of **\$16,698,018**.

2020 Property & Casualty Assessments – The third and final assessment bills for 2020 were e-mailed to member entities on August 26, 2020. Payments were due on September 15, 2020.

2021 Renewal – Underwriting Data Collection – The Origami System was launched as part of the 2021 Exposure Renewal Process. The 2021 Property and Casualty Budget is reliant on a number of factors including updated renewal applications and exposure data. The deadline to complete the renewal process was September 9, 2020. We ask that any outstanding items be completed within the next few days. We want to thank everyone involved in uploading the renewal information into the Origami System.

NJCE Best Practices Workshop, 2020 Virtual Edition – The 9th Annual NJCE Best Practices Workshop is scheduled to be a Zoom Webinar on Thursday, October 29, 2020. The workshop will be approximately 2.5 to 3 hours.

Topics are the NJCE JIF Renewal Overviews and Recommendations, BRIT Safety Grant Successes and Future Projects and implications of COVID-19. We ask you to save the date and more information will follow. Jennifer Conicella said the program focuses mainly on Covid-19, the success of the NJCE program, all the great things that the BRIT safety grant has brought, and how it has helped NJCE members.

2020 New Jersey Association of Counties Conference: This annual conference rescheduled for October has been replaced with a series of educational virtual workshops on COVID-19 matters to be held between September 30th and November 11th.

NJCE 10TH Year Anniversary: 2020 marks the 10th anniversary since the Fund's inception. We hope to schedule a luncheon meeting honoring this milestone in early 2021.

Next Meeting – A reminder that our next meeting is on December 3rd .

In response to Commissioner Seneski, Executive Director said the underwriting data is looking good. We do not have any specific numbers yet from the marketplace. Underwriting Manager Ed Cooney and the underwriting team are working on that right now. In terms of a timeline, as the CEL has in the past, will introduce a budget at the meeting in late October and that will give our underlying conditions, an idea of what to expect from the CEL and indications at the Commission level. In terms of the loss funds - things look good there. Executive Director said the CEL is a Joint Insurance Fund so they will introduce in October based on regulatory guidelines. The Insurance Commissions are not subject to the same regulations so they typically introduce in November or December and may some introduce in January. Commissioner Seneski said he is looking forward to receiving the information at the December meeting. Executive Director said the 2021 budget will be available at that time.

SAFETY COMMITTEE:

Mr. Atkinson reported on the statistical analysis for this year with 15 at property damage accidents; nine at fault which is a 60% average. In 2020 the County suffered 5 lost time personal injury accidents and suffered a total of 27 total lost days. There were 11 total modified duty personal injury accidents for an excess of 99 modified duty days. The next Safety and Accident Review Committee is scheduled for October 12th which will be held virtually.

Mr. Atkinson reported training conducted by the Training and Development office. The County has taken advantage of the online training made available virtually by JA Montgomery throughout our departments as far as the safety topics are concerned. Mr. Atkinson reported the County completed their safety management system plan for the CATS Department. This was a federal mandate, under the Federal Transit Administration and it will go into effect on December 1 2020. Barbara Nedeon, Director of Aging wrote the plan individually. Mr. Atkinson reviewed the plan and said it coincides with the regulations that the County will make effective December 1.

CLAIMS COMMITTEE: Jennifer Conicella reported the Claims Committee met on September 15th and those claims will be discussed further in closed session.

TREASURER:

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

MOTION TO APPROVE RESOLUTION 20-20 OCTOBER BILLS LIST IN THE AMOUNT OF \$41,151.70

Motion: Commissioner Surrency
Second: Chairman Wood

Roll Call Vote: 3 Ayes, 0 Nays

CEL SAFETY DIRECTOR: Safety Director Glenn Prince reviewed the Safety Director's report and the Safety Director Bulletins issued by JA Montgomery Risk Control. Safety Director said included in the Safety Director's report is the webinar training program schedule of topics and instructions. As Mr. Atkinson mentioned earlier, JA Montgomery has transitioned from instructor led training at this time due to Covid 19 and have placed the entire training calendar in a webinar format. Included on page 23 was the training program being conducted on October 15th, which is the designated employer representative training for all CDL employers. Included on page 24 was the 2021 initiatives. Safety Director said previously the landscape safety program was a four hour program. It is now broken down into one hour blocks of instruction for mower safety, chainsaw safety, chipper safety and utility vehicle operation. If an employee only requires one of those modules, they can attend an hourly session as opposed to a four-hour session. There are two webinars for confined space entry and in 2021 there will be a work zone and flagger safety training for work zone construction and temporary traffic control.

Safety Director said the BRIT Safety Grant deadline for submissions has been extended from September 30th to October 30, 2020. A submission has been received from Cumberland County for a truck-mounted attenuator. A very important piece of equipment that is used in temporary traffic control situations and work zones to protect not just the public, but also the employees that are that are operating within that work zone.

RISK MANAGER:

Christina Violetti said there was a plan that came out of the Safety an Accident Review Committee to hold a Safety Expo for all the members of the insurance commission. The committee met many times via zoom throughout the year and decided that due to Covid 19 restrictions, to hopefully move this idea forward in 2022. The Expo would allow the Cumberland County Insurance Commission members to have their employees come out and provide a full day of training on a variety of topics that could be taken all in one day. The Safety and Accident Review Committee hopes to move forward with this goal for 2022. Ms. Violetti said in regards to the 2020 underwriting renewal data all the information has been entered into origami for all of the members. Ms. Violetti reviewed the 2020 Wellness Incentive Grant Program submissions. The Office of Elections and the County Clerk's office went in on their grant submissions together, which was originally for yoga classes. They have reached out to request a change in their wellness activity to more of a stretching focused class with no change in cost.

Mr. Hrubash thanked Hardenbergh Insurance for meeting the timeline in terms of having the underwriting data back. This is critical in order for us to stay within the timeline and get budget numbers out to the membership in a timely manner.

MANAGED CARE: Karen Beatty reviewed the Cumulative Savings report for 2020 and the PPO Penetration Report. The Cumulative Savings Report shows that so far this year the Commission saved 54% and the bills repriced to the savings of \$149,496 to the Commission.

UNDERWRITING MANAGER:

Executive Director Hrubash asked the Underwriting Manager Mr. Ed Cooney, from Connor Strong & Buckelew to give a brief overview of the marketplace.

Mr. Cooney said the underwriting office starts the renewal process in June, resulting in a presentation for the directors in August. This year the insurance market has accelerated, as well as over the last couple of years, and it is more than fully in a hard market. This means that rates are increasing, coverage terms are getting tighter and more restricted, and there is much less capacity in the marketplace, especially on certain coverages driven by a whole host of factors. The property markets have been tightening for a while now which means fewer carriers are willing to put up limits or significant amounts of limits available. This is similar to supply and demand, and that has increased pricing and terms are getting tighter throughout the market. The NJCE may start to see stabilization in the multiyear trend in the next two years or so, but it is still going up at this point because of historic losses that carriers have been experiencing. Underwriting Manager said the liability side is the next biggest area affecting all the markets and public entity is one of the hardest hit areas across the country, driven by social inflation. All costs and settlements are tripling and it is affecting carriers due to under collected premium or inappropriate premium for that type of loss history, so now carriers are playing catch up. This does not mean that the Commission is assuming that but it is affected by the overall insurance market. The same thing is happening in the property space. The rates are going up, coverage terms are being more restricted, and capacity has decreased drastically.

Underwriting Manager said those are the two hardest hit areas, but certainly the whole insurance market is on a similar trend. The Underwriting office has been putting out tremendous effort this year by collecting more and better renewal information for all the carriers from all the Commissions. Underwriting Manager said they will be looking at all of these areas for this year’s renewal trying almost everything in the marketplace, alternative program structures and new markets coming into the NJCE program in order to save more money and create a more stable program in this new market that we are experiencing now. Underwriting Manager said most likely, this is not just a high trend. It is probably a new normal.

CLAIMS SERVICE: Claims Manager Veronica George said the Claims report will be 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 Seneski
Second: Commissioner Wood
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Seneski
Second: Commissioner Wood
Vote: Unanimous

Workers Comp PAR/SAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001227 IN THE AMOUNT OF \$70,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001295 IN THE AMOUNT OF \$97,500.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001107 IN THE AMOUNT OF \$21,508.60; SETTLEMENT AUTHORIZATION \$12,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE SETTLEMENT AUTHORIZATION REQUEST FOR CLAIM #3770000639 IN THE AMOUNT OF \$141,500.00

Motion: Commissioner Surrency
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001088 IN THE AMOUNT OF \$16,863.92; SETTLEMENT AUTHORIZATION \$12,500.00

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001106 IN THE AMOUNT OF \$27,008.00; SETTLEMENT AUTHORIZATION \$25,000.00

Motion: Commissioner Wood
Second: Commissioner Seneski

Workers Comp PAR

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST FOR CLAIM #3770001272 IN THE AMOUNT OF \$91,000.00 LEGAL EXPENSE ONLY

Motion: Commissioner Wood
Second: Commissioner Seneski

MOTION TO APPROVE THE PARS/SARS

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

OLD BUSINESS: None.

NEW BUSINESS: None

MOTION TO OPEN THE PUBLIC PORTION OF THE MEETING

Motion: Commissioner Wood
Second: Commissioner Seneski
Vote: Unanimous

PUBLIC COMMENT: Mrs. Ridgway requested the amounts for the PARs and SARs. In response, Ms. Read of PERMA provided the amounts of the PARs/SARS approved in Executive Session. Mrs. Ridgway wished Commission members a Happy Thanksgiving

MOTION TO CLOSE THE PUBLIC PORTION OF THE MEETING

Motion: Commissioner Wood
Second: Commissioner Seneski
Vote: Unanimous

MOTION TO ADJOURN:

Motion: Commissioner Wood
Second: Chairman Seneski
Vote: Unanimous

MEETING ADJOURNED: 12:23 PM

NEXT MEETING: WILL BE HELD ON DECEMBER 3, 2020 AT 11:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary