

**BURLINGTON COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – November 1, 2018
County Administration Building
49 Rancocas Road
Mt. Holly, NJ 08060
2:00 PM**

Meeting was called to order by Chairman Collins. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Kendall J. Collins	Present
Eve A. Cullinan	Present
Damon Burke	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Services	PMA Management Corp. Justin Wilkinson
	Conner Strong & Buckelew Christine Baroudi
Attorney	CraigAnninBaxter Law Robert Baxter, Esq.
Treasurer	Edward Troy
Underwriting Manager	Conner Strong & Buckelew
Safety Director	J.A. Montgomery Risk Control Glenn Prince
Employee Benefits	PERMA Risk Management Services Paul Laracy
	AJM Insurance Management Greg D’Orazio Innovative Risk Solutions, Inc.
Risk Manager	EJA Capacity Insurance Agency
Auditor	Bowman & Company, LLP

ALSO PRESENT:

Tom Stenberg, Assured Partners
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF OCTOBER 4, 2018

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF OCTOBER 4, 2018

Moved:	Chairman Collins
Second:	Commissioner Burke
Vote:	3 Ayes, 0 Nays

CORRESPONDENCE: NONE

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on September 13, 2018 and was scheduled to meet again on December 13, 2018. Mr. Prince advised he would meet with Mr. Burke to discuss the 2019 Meeting Schedule and would distribute a copy with the minutes at the next meeting. Mr. Prince advised that concluded his report unless anyone had any questions.

CLAIMS COMMITTEE: Ms. Baroudi reported the Claims Committee last met on October 16th and reviewed 5 claims for authority which would be presented during closed session. Ms. Baroudi advised the 7th Annual Best Practice Workshop was held yesterday and included a wide variety of topics. Ms. Baroudi stated some of the topics included the Opioid Epidemic, Legalization of Marijuana and its Impact on the Workplace and Workers' Compensation, Body Worn Cameras in Law Enforcement and Controlled Insurance Programs. Mr. Burke commented he thought the presentation of marijuana was helpful as he was working with the supervisor of the highway department regarding this topic. Ms. Baroudi advised that concluded her report unless anyone had any questions.

EXECUTIVE DIRECTOR REPORT: Executive Director advised a copy of his report was included in the agenda.

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported on the Certificate of Insurance report for the month of September. Executive Director advised there were 6 certificate of insurances issued during September. In response to Chairman Collins' inquiry, Mr. Burke advised he reviewed the certificates that were issued for the County.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Chairman Collins
Second:	Commissioner Cullinan
Vote:	3 Ayes, 0 Nays

RFQ FOR PROFESSIONAL SERVICES: Executive Director advised the RFQ's for the Property & Casualty Actuary, Health Actuary, Auditor, Commission Attorney and Defense Panel

were advertised on October 2, 2018. Executive Director reported the responses were due on October 23, 2018 and a summary of the responses received was included in the agenda. Chairman Collins advised he would schedule a date with the Commission Attorney to review and evaluate the responses for the Defense Panel positions.

NJ COUNTIES EXCESS JOINT INSURANCE FUND: Executive Director reported the NJCE met on October 25, 2018 and introduced the 2019 budget. Executive Director advised a summary report of the meeting was included in the agenda. Executive Director reported there was a 7.1% increase over the 2018 budget. Executive Director explained the Fund Actuary was projecting a 12% increase to the loss funds as the NJCE was taking responsibility for property claims up to \$250,000 less the \$100,000 underlying retention. Executive Director also advised there would be an increase in premium from Zurich, the Excess Property carrier, due to the property losses and high loss ratios over the past three years. Executive Director stated the budget also included funds for a Property TPA and funds for a new online underwriting and claims data platform system with Origami. In response to Chairman Collins' inquiry, Executive Director advised Origami would work with PMA on the claims mapping. Mr. Wilkinson commented that his office currently works with Origami on some other accounts.

NJCE DIVIDEND: Executive Director reported the NJCE Commissioners also discussed the available 2018 Dividend Options ranging from \$300,000 to \$1,000,000. Executive Director advised the agenda included a copy of the five dividend options. Executive Director stated the NJCE suggested each Commission review the options available and make a recommendation of the dividend amount. Mr. Laracy, Executive Director of the NJCE, indicated all of the options were prudent, the \$300,000 option was much more conservative than the \$1,000,000 option. Mr. Laracy advised the options would be voted on at the next meeting. Chairman Collins advised he did have an opportunity to review the options with Ed Troy prior to the meeting and they agreed to recommend the \$500,000 option.

MOTION TO RECOMMEND A NJCE DIVIDEND IN THE AMOUNT OF \$500,000

Moved:	Chairman Collins
Second:	Commissioner Burke
Vote:	3 Ayes, 0 Nays

2019 BCIC PROPERTY & CASUALTY BUDGET: Executive Director reported the BCIC Property & Casualty Budget would be introduced at the December 6, 2018 meeting. Executive Director advised he would discuss a draft copy of the budget with the Chairman and Treasurer prior to the introduction.

BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director reported the August Financial Fast Track was included in the agenda. Executive Director advised a little surplus was lost during the month of August, however he was not too concerned as the actuary would true up at the end of the quarter. Executive Director noted the months in between were based on a formula.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the July Financial Fast Track for the NJCE was included in the agenda. As of August 31, 2018 the NJCE had a surplus of \$13,959,607. Executive Director noted the total cash amount was \$30,173,634.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included two claim monitoring reports as of August 31, 2018. Executive Director noted Fund Year 2017 was running well, and advised the actuary's projection was 83% however the actual amount was 67%. Executive Director reviewed Fund Year 2018 and advised it was running slightly higher but noted 2017 started the same way and was hopeful 2018 would also be a good year.

2018 PROPERTY & CASUALTY ASSESSMENTS: Executive Director advised the third and final assessment payment was due on October 15th and the Treasurer's office advised payment was received from all of the member entities.

2019 AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE: Executive Director advised the 2019 auto ID cards and WC Posting Notices would be sent to each member entity representative for distribution the beginning of December.

PMA 2018 STEWARDSHIP REPORT: Executive Director reported PMA would present the Stewardship Report during closed session.

Executive Director's Report Made Part of Minutes

FINANCIAL PROCEDURES – Mr. Laracy reviewed the Financial Fast Track as of September 30, 2018 which showed a surplus \$8,396,052. Mr. Laracy noted the IBNR was reduced by one million dollars as Amerihealth had a delay in claims payments for the first part of the year. Mr. Laracy advised there was no longer a back log of claim payments.

2019 BUDGET – Mr. Laracy advised last month the 2019 draft budget was introduced and today was the public hearing to adopt the budget. Mr. Laracy referred to a copy of the introduced budget and a copy of the budget for adoption which was included in the agenda. Mr. Laracy explained there were 2 differences between the budgets, the first difference was on the reinsurance stop loss coverage. Mr. Laracy reported Mr. D'Orazio was projecting the reinsurance line to raise by 6.4% instead of 10% as indicated on the introduced budget. Mr. Laracy advised they failed to budget a line item for the A4 retiree surcharge in the expense portion of the budget. Mr. Laracy reported the savings on the reinsurance line was used to partially fund that line item. Mr. Laracy advised the total budget amount was still the same as the proposed budget from last month. Mr. Laracy also referred to a copy of the Assessments by Member which was included in the agenda. Mr. Laracy asked if anyone had any questions and if not asked the Chairman to proceed with the Public Hearing and adoption.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2019 BUDGET

Moved:	Chairman Collins
Second:	Commissioner Burke
Vote:	3 Ayes, 0 Nays

Chairman Collins asked if anyone had any questions. In response to Mr. Troy's inquiry regarding the reinsurance, Mr. D'Orazio advised there were no changes and the 2 lasers remained. Mr. D'Orazio stated he had one more offer pending from Berkshire Hathaway and would report on that at the next meeting.

MOTION TO CLOSE THE PUBLIC HEARING ON THE 2019 BUDGET

Moved: Chairman Collins
Second: Commissioner Cullinan
Vote: 3 Ayes, 0 Nays

MOTION TO APPROVE THE 2019 BURLINGTON COUNTY INSURANCE COMMISSION BUDGET IN THE AMOUNT OF \$50,268,171, RESOLUTION 51-18

Moved: Chairman Collins
Second: Commissioner Cullinan
Vote: 3 Ayes, 0 Nays

REQUEST FOR QUALIFICATIONS: Mr. Laracy advised the incumbent Health Benefits Actuary was the only one who responded to the RFQ. Mr. Laracy reported Mr. Vataha included a 2% increase which tied into the 2019. Mr. Laracy advised the Fund Office would prepare a resolution for approval.

HEALTH BENEFITS STOP LOSS POLICY: Mr. Laracy reported as Mr. D’Orazio mentioned his office was still negotiating the Stop Loss Policies. Mr. Laracy advised the amount reserved in the budget was sufficient and if the negotiated assessment was less, the savings would go into surplus. Mr. Laracy noted the policy was time sensitive and asked for a motion to authorize Assured Partners to negotiate and bind the 2019 Stop Loss Policy for the Commission.

MOTION TO AUTHORIZE ASSURED PARTNERS TO BIND THE 2019 STOP LOSS POLICY AT AN AMOUNT NOT TO EXCEED THE 2019 REINSURANCE BUDGET

Moved: Chairman Collins
Second: Commissioner Cullinan
Vote: 3 Ayes, 0 Nays

TREASURER REPORT: Mr. Troy reported he reviewed the November Property & Casualty Bill List and recommended payment. In response to Mr. Troy’s inquiry, Ms. Dodd advised the November Health Bill List was not finished and asked that Resolution 53-18 be tabled until next month. Chairman Collins asked if anyone had any questions or concerns.

MOTION TO APPROVE RESOLUTION 52-18 NOVEMBER P&C BILL LIST

Moved: Chairman Collins
Second: Commissioner Cullinan
Vote: 3 Ayes, 0 Nays

MOTION TO TABLE RESOLUTION 53-18 NOVEMBER HEALTH BILL LIST

Moved: Chairman Collins
Second: Commissioner Burke
Vote: 3 Ayes, 0 Nays

Executive Director advised the Treasurer’s monthly reports were included in the agenda.

ATTORNEY: Mr. Baxter advised he would meet with the Chairman to review the Defense Panel RFQ’s.

CLAIMS SERVICE: Mr. Wilkinson reviewed the overall worker compensation claim volume report which was included in the agenda. Mr. Wilkinson reported they were projecting the claim count to be slightly higher than 2017. Mr. Wilkinson advised the County projection was 152 claims compared to 144 in 2017. The Board of Social Services had 14 claims in 2017 and for 2018 PMA was projecting 16 claims. Mr. Wilkinson reported the Bridge Commission claims dropped in half with 8 claims in 2017 and 4 claims were projected for 2018.

Mr. Wilkinson referred to the Year to Date Containment Savings Report which was included in the agenda for the period of 1/1/18 to 10/1/18 and advised PMA billed charges were in the amount of \$634,944. Mr. Wilkinson indicated the total net savings was \$255,940. Mr. Wilkinson noted the network penetration of 97% was outstanding. Mr. Wilkinson also reviewed the Accident Cause Group Report and WC Claims Frequency and Severity by Location, Top 5 Locations by Claim Frequency and Top 5 Cause Group by Claims Frequency reports which were included in the agenda. Mr. Wilkinson asked if anyone had any questions and concluded his report.

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the October - November Risk Control Activity Report which was included in the agenda. Mr. Prince referred to a copy of a memo which was included in the agenda “Media Library Has Been Updated and Expanded”. Mr. Prince reported significant additions have been made to the DVD library. Mr. Prince noted some of the highlights included older titles that did not reflect current regulations were removed, titles on emerging risk control topics were added along with a law enforcement series, “In the Line of Duty”. Mr. Prince also advised a “Distracted Driving”, “Dealing with the Irate Customer” and “Social Media at Work” videos were added. Mr. Prince encouraged all leaders and department heads to review the safety videos that were available. In response to Mr. Troy’s inquiry, Mr. Prince advised his report included the video usage. Mr. Burke advised most people are using the BRIT online programs. Ms. Cullinan asked for the link to the program so she could discuss at a meeting next week. Mr. Prince also discussed the Fast Track Program which would be implemented in 2019. Mr. Prince advised that completed his report unless anyone had any questions.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

Moved: Chairman Collins
Second: Commissioner Burke
Vote: 3 Ayes, 0 Nays

Seeing no members of the public wishing to speak, Chairman Collins asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE MEETING TO THE PUBLIC

Moved: Chairman Collins
Second: Commissioner Burke
Vote: 3 Ayes, 0 Nays

CLOSED SESSION: Chairman Collins read Resolution 54-18, Resolution for Closed Session, and requested a Motion for Executive Session (in accordance with the Open Public Meetings Act, N.J.S.A 10:4-12) to discuss payment authority requests and contracts.

MOTION TO APPROVE RESOLUTION 54-18 FOR CLOSED SESSION

Moved: Chairman Collins
Second: Commissioner Cullinan
Vote: 3 Ayes, 0 Nays

MOTION TO APPROVE THE PARS/SARS THAT WERE PRESENTED DURING CLOSED SESSION

Moved: Chairman Collins
Second: Commissioner Burke
Vote: 3 Ayes, 0 Nays

MOTION TO ADJOURN:

Moved: Chairman Collins
Second: Commissioner Cullinan
Vote: 3 Ayes, 0 Nays

Chairman Collins advised the next Commission Meeting was scheduled for December 6, 2018 at 2:00 PM.

MEETING ADJOURNED: 3:01 PM

Minutes prepared by:
Cathy Dodd, Assisting Secretary