

**BURLINGTON COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING –March 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. Christina Grabowski
	Conner Strong & Buckelew Michelle Leighton
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. Rob Henry
Risk Manager	EJA Capacity Insurance Agency

ALSO PRESENT:

Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF FEBRUARY 1, 2018

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF FEBRUARY 1, 2018

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

CORRESPONDENCE: NONE

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on December 14th and was scheduled to meet again on March 15th. Mr. Prince advised the Committee would discuss a variety of topics including the seasonal flu virus, the new CDL Opioid drug testing rules that went into effect in January, the most commonly cited citations from PEOSHA and the 2018 Training Schedule.

CLAIMS COMMITTEE: Mr. Hunt reported the Claims Committee met on February 20, 2018 and advised there were five claims to present during closed session.

EXECUTIVE DIRECTOR REPORT: Executive Director advised a copy of his report was included in the agenda and he had two action items.

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported on the Certificate of Insurance report for the month of January. Executive Director advised there were 91 certificate of insurances issued during the month.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

EMPLOYEE DISHONESTY COVERAGE: Executive Director advised the Employee Dishonesty Coverage policy with Selective Insurance Company renewed on April 5, 2018. Executive Director stated the policy covered the positions of Executive Director, Third Party Administrator and Treasurer. The limit per loss was \$1,000,000 with a \$10,000 deductible. Executive Director advised the premium was \$1,616 which was \$65 less than last year's premium. Executive Director noted the premium for the renewal was included on the bill list and would be paid out of the Miscellaneous and Expense Account. Executive Director asked if anyone had any questions regarding the policy.

MOTION TO RENEW THE EMPLOYEE DISHONESTY COVERAGE WITH SELECTIVE INSURANCE COMPANY FOR THE PERIOD OF 4/5/18 TO 4/5/19 WITH AN ANNUAL PREMIUM OF \$1,616

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

NJ COUNTIES EXCESS INSURANCE FUND (NJCE): Executive Director advised the NJCE held their Reorganization meeting February 22, 2018 and the next meeting was scheduled for April 26, 2018 at the Camden County College Regional Emergency Training Center. Executive Director referred to a copy of the summary report which was included in the agenda. Executive Director advised Ross Angilella of Camden County would continue as the Chairman and Jack Kelly of Ocean County as the Secretary. In addition it was reported Burlington, Atlantic and Cumberland Counties all renewed their membership in the NJCE for another 3 years. Union County also formed an underlying Commission as of January 1st. Executive Director reported the NJCE started the new payroll audit procedure and the Board of Fund Commissioners authorized the Executive Director to draft and release a Request for Qualifications for an online Risk Management System. Executive Director explained the first phase was the collection of underwriting data followed by claims data. Executive Director noted the online system would eliminate completion of the excel spreadsheets at renewal time.

BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the December Financial Fast Track was included in the agenda. Executive Director noted there was a gain in the surplus of \$143,000 and was hoping the trend was turning favorable. Executive Director noted PMA had some data to share with the Commission during their report to support the increase in surplus.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the December Financial Fast Track for the NJCE was included in the agenda. As of December 31, 2017 the NJCE had a surplus of \$10,565,661. Executive Director noted the total cash amount was \$23,477,242.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included two claim monitoring reports as of December 31, 2017. Executive Director advised he reviewed the Claims Activity Report and did not see any anomalies. Executive Director referred to the Claims Management Report for Fund Year 2017 and noted the actuary's projection was 68.42% and the actual amount was 66.95% which correlated to the improvement of the Financial Fast Track. Executive Director noted 2018 was off to a good start, however there were already property claims in the amount of \$163,305.

2018 PROPERTY & CASUALTY ASSESSMENTS: Executive Director advised in accordance with the Commission's By Law's the property and casualty assessment bills were e-mailed to the member entities. Executive Director noted the first installment was due on March 15, 2018 and future installments were due on May 15th and October 15th.

NJCE BULLETIN 18-07: Executive Director referred to a copy of NJCE Bulletin 18-07 which was included in Appendix III of the agenda. Executive Director advised the Employment Practices Liability and Cyber Coverage were renewed with a new carrier, Chubb Insurance Company, as of

January 1, 2018. Executive Director noted Burlington does not participate in the Employment Practices Liability coverage but did for the Cyber coverage.

2018 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES: Executive Director reported the NJCE renewal policies would again be available electronically through the Conner Strong & Buckelew website for authorized representatives. Executive Director stated the NJCE Underwriting Manager was in the process of reviewing the policies and would release an e-mail with instructions on how to access the website when the policies were available. Executive Director noted the limit schematics and Plan of Risk Management would also be available on the website. The policies should be available by April 1, 2018.

2018 MEETING SCHEDULE: Executive Director advised the Commission was not scheduled to meet in April and the next meeting was on May 3, 2018 at 2:00 PM.

Executive Director advised that concluded his report unless there were any questions. Executive Director asked Mr. Laracy to present the Health Benefits Report.

Executive Director's Report Made Part of Minutes

FINANCIAL FAST TRACK: Mr. Laracy reported the Financial Fast Track as of January 31, 2018 was included in the agenda. Mr. Laracy advised for all years combined the health benefits surplus was \$2,706,702. Mr. Laracy noted there were modest deficits in the last two years however, they were in the process of reviewing the IBNR. Mr. Laracy thought the formulas were generating too much IBNR.

RFP RESPONSE – PROGRAM MANAGER AND ACTUARY: Mr. Laracy advised the Fund office released an RFP for a Program Manager and Actuary for the benefits program. Mr. Laracy advised the Program Manager agreement would be for 30 months, July 1, 2018 through December 31, 2020. Mr. Laracy reported the Program Manager’s quote was consistent with the budget and was flat for the next 30 months. Mr. Laracy noted there was only one proposal received for the Program Manager position from Innovative Risk Solutions and Assured Partners, LLC, the incumbent.

Mr. Laracy reported there was one proposal received for the actuary position from the incumbent, John Vataha. Mr. Laracy advised the agreement was for a one year period beginning on July 1, 2018 through June 30, 2019. Mr. Laracy noted the proposal fee amount was higher than the budget, however he discussed the fee with vendor and the fee was reduced within the budget guidelines. Mr. Laracy advised Resolution 25-18 was included in the agenda for the Commissioners’ consideration.

MOTION TO ADOPT RESOLUTION 25-18, APPOINTING PROFESSIONALS AND AWARDING CONTRACTS FOR FUND YEAR 2018

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

Lastly Mr. Laracy advised they would be receiving \$95,000 for the retiring drug subsidiary program for 2016 along with similar monies for 2017. Mr. Laracy noted the retiring drug subsidiary program would be eliminated as more subsidiaries would be included in the premiums. Mr. Laracy advised that concluded his report unless anyone had any questions.

TREASURER REPORT: Mr. Troy reported he reviewed the Property & Casualty Bill List and recommended the payment. Mr. Troy advised he just received the Health Bill List which he just reviewed and also recommended payment.

**MOTION TO APPROVE RESOLUTION 23-18 FEBRUARY BILL LIST,
RESOLUTION 26-18 MARCH PROPERTY & CASUALTY BILL LIST
AND RESOLUTION 27-18 MARCH HEALTH BILL LIST**

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

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

ATTORNEY: Mr. Baxter advised the appointed defense counsel panel attorneys were signing the agreements and he would forward the agreement to Chairman Collins to sign on behalf of the Commission.

CLAIMS SERVICE. Ms. Grabowski advised PMA's monthly reports were included in the appendix section of the agenda. Ms. Grabowski reported 2017 was trending to be a better year for worker compensation claims as there were fewer claims in 2017. In 2016 there were 186 claims compared to 164 in 2017. Ms. Grabowski noted the amount of loss time claims in 2017 were 50 while in 2016 there were 60 claims. Ms. Grabowski reported the County Jail and County Health saw a decline of claims from 2016 to 2017. Ms. Grabowski stated another reason 2017 was trending better was based on a reduction in claim severity. There was only one worker compensation claim for 2017 with an incurred over \$100,000 compared to four open worker compensation claims from 2016 and eight open from 2015 with an incurred over \$100,000.

Ms. Grabowski reported the auto was similar. During 2017 there were 35 claims with an incurred amount of \$116,000 compared to 37 claims in 2016 with an incurred amount of \$130,000. Ms. Grabowski advised the liability claims were also down on both claim counts and incurred, 65 claims in 2017 compared to 78 in 2016. Ms. Grabowski noted there were over 100 claims for each of the three prior years. Ms. Grabowski noted the incurred for 2017 was only \$469,000 and was still developing however, in previous years the incurred was at or close to \$1,000,000.

Ms. Grabowski referred to the Year to Date Containment Savings Report which was included in the agenda for the period of 1/1/18 to 2/1/18 and advised PMA billed charges were in the amount of \$78,777. Ms. Grabowski indicated the total net savings was \$38,133. Ms. Grabowski noted the network penetration remained at 99% which was excellent. Ms. Grabowski 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. Ms. Grabowski advised that concluded her report unless anyone had any questions.

CEL SAFETY DIRECTOR: Mr. Prince advised his report was included in the agenda and reviewed the Risk Control Activities for February & March. Mr. Prince reported he had a loss control visit scheduled on March 9th with Mr. John Janis of the Bridges and Road Department. Mr. Prince stated the monies for the 2017 BRIT Safety Grant was received and have been distributed to the County. Mr. Prince advised the 2018 Safety Grant was increased to \$45,000 and the NJCE Board of Fund Commissioners agreed with a suggestion to split the total funding into nine grants of

\$5,000. Mr. Prince noted the un-used funds would be allocated proportionately at year-end to those members that were approved for funding. Mr. Prince advised he would talk to Mr. Burke to see if there were any new potential items the County might be interested in. In response to Executive Director's inquiry, Mr. Prince said Mr. Burke requested a variety of items such as safety vests, masks and personal protective equipment. Mr. Prince also referred to two Safety Director Bulletins, "Annual Reminder to Post 300A Summary Injury Logs" and "Safe Patient Lifting Resources for Emergency Response Agencies" which were included in the agenda. Mr. Prince advised that concluded his report unless anyone had any questions.

In response to Ms. Cullinan inquiry, Mr. Prince advised the CDL testing was expanded to include drug testing for Oxycontin, Percodan, Percocete and Vicodin.

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 27-18, 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.

MOTION TO APPROVE RESOLUTION 27-18 FOR CLOSED SESSION

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

MOTION TO APPROVE THE PARS PRESENTED DURING CLOSED SESSION EXCEPT FOR THE PROPERTY DAMAGE CLAIM OF 1/14/18 WHICH WAS TABLED

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

MOTION TO ADJOURN:

Moved:	Commissioner Cullinan
Second:	Commissioner Burke
Vote:	3 Ayes, 0 Nays

Chairman Collins advised the next Commission meeting was scheduled for May 3, 2018 at 2:00 PM.

MEETING ADJOURNED: 2:28 PM

Minutes prepared by:
Cathy Dodd, Assisting Secretary