

**BURLINGTON COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – August 2, 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 Justin Wilkinson
	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 Paul Shives
Employee Benefits	PERMA Risk Management Services Emily Koval
	AJM Insurance Management Greg D’Orazio Innovative Risk Solutions, Inc. Rob Henry
Risk Manager	EJA Capacity Insurance Agency

Auditor

Bowman & Company, LLP
James Miles
Dennis Skalkowski

ALSO PRESENT:

Tom Czerniecki, Rowan College at Burlington County
Michelle Russell, Rowan College at Burlington County
Laura Bezich, Rowan College at Burlington County
Stephanie Bain, Rowan College at Burlington County
Janine Smiley, Rowan College at Burlington County
Tom Narolewski, Assured Partners
Ryan Dumbach, Assured Partners
Alex LaBella, Assured Partners
Anthony Giacobetti, Conner Strong & Buckelew
Brad Stokes, PERMA Risk Management Services
Robin Walcoff, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF JUNE 7, 2018 AND JUNE 28, 2018

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF JUNE 7, 2018 AND JUNE 28, 2018

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

Executive Director introduced Tom Czerniecki of Rowan College at Burlington County. Executive Director advised Mr. Czerniecki would be the College's representative. Executive Director asked everyone to introduce themselves to Mr. Czerniecki.

CORRESPONDENCE: NONE

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported he would present the Safety Committee Report and the CEL Safety Director Report. Mr. Prince advised the Committee met on June 21, 2018 and discussed the most common PEOSH citations along with the summer training courses. Mr. Prince noted the next meeting was scheduled for September 13, 2018 at 10:00 AM.

Mr. Prince referred to the Risk Control Activity Report for June through August which was included in the agenda. Mr. Prince advised the agenda also included the "Preparing for the 2018 Hurricane Season" Safety Bulletin. Mr. Prince reported Mr. Burke submitted three submissions for the 2018 BRIT Safety Grant and was pleased to announce the training for the Sheriff's Office was approved. Mr. Prince noted he would work with Mr. Burke to obtain the necessary documentation. In response to Mr. Troy's inquiry, Mr. Prince advised he did not have the figures with him, however the grant was a 50% reimbursement and the training approved was elevator extraction and special training for special operations of the Sheriff's Department.

CLAIMS COMMITTEE: Ms. Leighton advised the Claims Committee met on July 17th and advised the claims would be presented during closed session. Ms. Leighton reported there was recently a planning call to discuss the Best Practice Workshop. Ms. Leighton advised the Workshop was scheduled for Wednesday, October 31, 2018 and asked everyone to save the date.

EXECUTIVE DIRECTOR REPORT: Executive Director advised a copy of his report was included in the agenda and there were 5 actions. Executive Director he would skip over the 2017 Audit Report until Mr. Miles arrived and noted he had already introduced Mr. Czerniecki of the College. Executive Director noted the College joined the Commission on July 1, 2018.

AMENDED 2018 PROPERTY & CASUALTY BUDGET: Executive Director referred to a copy of the amended 2018 Property & Casualty Budget which was included in the agenda. Executive Director reported the budget was increased in the amount of \$332,491 for the addition of the College. Executive Director advised the budget was also amended as the Board of Social Services also purchased Medical Malpractice insurance. Executive Director advised an update budget was distributed at the start of the meeting. Executive Director stated the amount of the budget did not change but some of the figures had to be re-aligned. Executive Director asked if anyone had any questions on the budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE AMENDED 2018 PROPERTY & CASUALTY BUDGET

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

MOTION TO CLOSE THE PUBLIC HEARING

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

MOTION TO ADOPT THE AMENDED 2018 PROPERTY & CASUALTY BUDGET IN THE AMOUNT OF \$5,163,302

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

REVISED RISK MANAGEMENT PLAN: Executive Director referred a copy the revised 2018 Plan of Risk Management was included in the Appendix II section of the agenda. Executive Director advised the changes were highlighted in yellow. Executive Director reported the College did not purchase the excess limits from Argonaut. Executive Director referred to the Public Officials Liability/School Board Legal/Employment Practices Liability section and advised a deductible buy back coverage was secured for Rowan College at Burlington County with ACE American Insurance Company at limits of \$400,000 per claim/aggregate, excess of \$100,000. Executive Director noted the College did not purchase the excess quota-share programs, excess of Zurich. Executive Director advised the College had a \$5,000 property deductible which reflects their expiring program. Executive Director reviewed the Crime and Pollution Liability changes as

noted on page 10 of the Plan along with the Cyber limits and deductibles on page 12. Executive Director noted the last change was on page 13 and referred to the amount of risk to be retained by the Insurance Commission for Public Officials Liability/School Board Legal/Employment Practices Liability which was reflected in the loss funds and the Crime coverage. Executive Director asked if anyone had any questions on the Plan of Risk Management. In response to the Chairman's inquiry, Mr. Burke advised he had reviewed the Plan previously.

MOTION TO APPROVE RESOLUTION 39-18, REVISED 2018 PLAN OF RISK MANAGEMENT

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

REVISED CLAIMS COMMITTEE CHARTER: Executive Director referred to a copy of the revised Claims Committee Charter which was included in the agenda. Executive Director advised the Charter was revised to include Tom Czerniecki of Rowan College at Burlington County as a Committee Member.

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported on the Certificate of Insurance report for the months of May and June. Executive Director advised there were 7 certificate of insurances issued during May and 38 for the month of June.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

RFP FOR PROFESSIONAL SERVICES: Executive Director advised the service agreements for the Actuary, Auditor, Commission Attorney, and Defense Panel expire as of December 31, 2018. Executive Director advised the Fund Office would issue draft copies of the RFP. Commission Attorney advised traditionally RFQ's were done for the attorneys. Ms. Dodd advised she would review the past documents which were issued, update, and send to the Commission Attorney for his review and approval before there advertised.

MOTION TO AUTHORIZE THE FUND OFFICE TO ADVERTISE REQUEST FOR QUALIFICATIONS FOR THE POSITIONS OF ACTUARY, AUDITOR, COMMISSION ATTORNEY AND DEFENSE PANEL

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

NJ COUNTIES EXCESS JOINT INSURANCE FUND: Executive Director advised the NJCE met on June 28, 2018 and a summary report of the meeting was included in the agenda. Executive Director reported some of the highlights of the meeting were Bowman & Company reviewed a draft copy of the December 31, 2017 Audit and there were no recommendations or findings. Bowman also continues to survey the members for the 2017 payroll verification. Executive Director advised

the Fund Attorney reported the sub-committee rejected the RMIS responses and is allowing PERMA to contract directly with the vendor, Origami. Executive Director the next NJCE meeting was scheduled for September 27, 2018 at 1:00 PM at the Camden County College Regional Training Center.

BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the May Financial Fast Track was included in the agenda. Executive Director advised there was some additional surplus picked up in the month of May.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the May Financial Fast Track for the NJCE was included in the agenda. As of May 31, 2018 the NJCE had a surplus of \$10,876,473. Executive Director noted the total cash amount was \$26,329,728.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included two claim monitoring reports as of May 31, 2018. Executive Director advised he reviewed the Claims Activity Report and did not see any anomalies. Executive Director noted Fund Year 2017 was running well, however 2015 & 2016 were hardship years.

2018 PROPERTY & CASUALTY ASSESSMENTS: Executive Director advised the third assessment payment for 2018 was due on October 15, 2018. Executive Director reported the Fund Office would send out Statement of Accounts the first week in September. Checks should be made payable to the Burlington County Insurance Commission and should be sent to Edward Troy, Treasurer.

2019 RENEWALS: Executive Director reported the Fund Office sent the 2019 Renewal Data Schedule and Ancillary Renewal Applications to all member entities for completion. Executive Director advised the updated documents should be returned by e-mail to Ms. Dodd no later than Friday, August 24, 2018. Executive Director noted the budget process was dependent on the timely receipt of the renewal data and asked for the members' cooperation in meeting the due dates.

PMA STEWARDSHIP REPORT: Executive Director advised PMA will present the Stewardship Report at the October 4th meeting. Executive Director noted the report would outline trends and results that have an impact on the worker compensation and liability claims.

2018 MEETING SCHEDULE: Executive Director stated the Commission was not scheduled to meet in September. The next meeting was scheduled for October 4, 2018 at 2:00 PM.

2017 AUDIT REPORT AS OF DECEMBER 31, 2017: Mr. Miles distributed draft copies of the December 31, 2017 audit and advised he would provide some highlight of the audit. Mr. Miles noted the audit would be finalized at the October meeting. Mr. Miles advised pages 1 through 3 was the Independent Auditor's Report and he advised it was a clean audit and did not expect any changes. Mr. Miles referred to page 9 of the report and indicated the figures for the health and property and casualty were separated. Mr. Miles advised the combined net position of \$2,411,334, and the property and casualty had a deficit of \$497,993. Mr. Miles pointed out the deficit was not that alarming as the case reserves and IBNR of over \$5 million takes a while to play out. Mr. Miles continued to review the financial highlights of the report and said there were no recommendations or findings. Mr. Miles asked if anyone had any questions regarding the audit and expressed his appreciate for the opportunity to serve the Commission.

MOTION TO APPROVE RESOLUTION 38-18 CERTIFICATION OF ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2017

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

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

Executive Director's Report Made Part of Minutes

FINANCIAL PROCEDURES – Ms. Koval reviewed the financial fast track through June 2018 which showed a significant surplus for that month which was a result of a \$1.6 million income of formulary rebates from Express Scripts. In addition, the IBNR is still higher than normal due to the delay in claim payments from AmeriHealth. Ms. Koval said that AmeriHealth has reported to her that the claims have normalized in July. She said typically, IBNR is 7-10% of the monthly claims spend, but the past 6 months have almost doubled that estimate.

COBRA ENROLLMENT - The County is recommending that the entire Commission utilize the current enrollment system to administer its COBRA and retiree billing. The recommendation is to move all groups from their current arrangement to the Benefits Express system through PERMA on October 1, 2018. There is a minimal set up charge of \$4,200 and the PEPM cost will remain the same at \$0.50 per month.

In response to Commissioner Cullinan, Ms. Koval said the main reason for this transition is to streamline the enrollment and COBRA administration systems. This will also eliminate delays in COBRA billing and reporting amongst all Commission groups. Mr. Troy said he was involved in these discussions and highly recommends this transition for all groups. Chair Collins said that the County should reach out to the existing contracts to notify them of termination.

MOTION TO APPROVE THE TRANSITION OF ALL CURRENT AND FUTURE COBRA AND DIRECT BILLED RETIREE ENROLLMENT AND BILLING TO BENEFITS EXPRESS AT A ONE TIME SET UP FEE OF \$4,200 AND \$0.50 PER EMPLOYEE, PER MONTH WHICH WILL BE AN AMENDMENT TO THE EXECUTIVE DIRECTOR FOR HEALTH BENEFITS CONTRACT EFFECTIVE OCTOBER 1, 2018.

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

WELLNESS UPDATE - At the previous meeting there was discussion about a wellness program resulting from the RFP process where there is a wellness contribution available from Amerihealth. The program managers are working directly with AHA to develop a custom program for the Commission members. More details will be available for the September meeting.

2019 BUDGET - The Actuary has the Commission data through June 30, 2018 and reviewing for his projection for 2019. We will introduce the budget at the October meeting.

TREASURER REPORT: Mr. Troy reported he reviewed bill lists and recommended payment.

**MOTION TO APPROVE RESOLUTIONS 40-18, 41-18, 42-18 & 43-18,
JULY P&C BILL LIST, JULY HEALTH BILL LIST, AUGUST P&C BILL
LIST AND AUGUST 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 did not have anything to report this month.

CLAIMS SERVICE. Ms. Grabowski advised PMA's monthly reports were included in the Appendix III section of the agenda. Ms. Grabowski reviewed the Worker Compensation Claims by Quarter report valued as of 7-1-18. Ms. Grabowski advised the claims were trending a little higher for the County and Bridge Commission compared to 2017, however the Board of Social Services was lower.

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 7/1/18 and advised PMA billed charges were in the amount of \$408,109. Ms. Grabowski indicated the total net savings was \$168,432. Ms. Grabowski noted the Commission continued to have a high network penetration of 97% which was outstanding. 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. Mr. Prince noted he was out to the Animal Shelter per the request of Mr. Burke to do an assessment on lifting and hazards and was developing a safe lifting training presentation. The presentation would also include slip, trip and falls, facility issue and how to perform certain tasks such as lifting pallets of food. Ms. Grabowski advised she included some additional reports in the agenda for auto, liability and property claims. Ms. Grabowski reviewed the charts with the Commission. Ms. Grabowski asked if anyone had any questions and concluded her report.

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 44-18, 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 44-18 FOR CLOSED SESSION

Moved: Chairman Collins
Second: Commissioner Burke
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 August 2, 2018 at 2:00 PM.

MEETING ADJOURNED: 2:58 PM

Minutes prepared by:
Cathy Dodd, Assisting Secretary