

**GLOUCESTER COUNTY INSURANCE COMMISSION
AGENDA AND REPORTS
THURSDAY, JULY 25, 2013**

**115 BUDD BLVD.
LARGE CONFERENCE ROOM
WOODBURY, NJ
9:30 AM**

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I. Sending sufficient notice to South Jersey Times and Courier Post, NJ**
- II. Filing advance written notice of this meeting with the Commissioners of the Gloucester County Insurance Commission,**
- III. Posting notice on the Public Bulletin Board of at the office of the County Clerk.**

**GLOUCESTER COUNTY INSURANCE COMMISSION
AGENDA
OPEN PUBLIC MEETING: July 25, 2013
WOODBURY, NJ
9:30 AM**

- MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ROLL CALL OF COMMISSIONERS**
- APPROVAL OF MINUTES:** June 27, 2013 Open MinutesAppendix I
June 27, 2013 Closed MinutesHandout

- CORRESPONDENCE**

- COMMITTEE REPORTS**
 - Safety Committee:**Verbal
 - Claims Committee:**Verbal

- EXECUTIVE DIRECTOR/ADMINISTRATOR - PERMA**
 - Executive Director’s Report.....Pages 4-19

- EMPLOYEE BENEFITS – Conner Strong & Buckelew**
 - Monthly ReportPages 20-24

- TREASURER – Gary Schwarz**
 - Resolution **48-13** July Bill List – Motion RequiredPages 25-26
 - Resolution **49-13** Benefit July Bill List – Motion RequiredPage 27
 - May Monthly Treasurer Reports.....Pages 28-29

- CLAIMS SERVICE – Inservco Insurance Services, Inc.**
 - Resolution **50-13** Authorizing Disclosure of Liability Claims Check RegisterPages 30-31
 - Liability Claim Payments – 6/01/13 to 6/30/13.....Pages 32-33

- MANAGED CARE – Consolidated Services Group, Inc., Jennifer Pard**
 - CSG Monthly Summary ReportPage 34

- CEL SAFETY DIRECTOR – J.A. Montgomery Risk Control**
 - Monthly Report.....Pages 35-36

- RISK MANAGERS REPORT, UNDERWRITING SERVICES DIRECTOR
Hardenbergh Insurance Group**
 - Monthly Report.....Handout

- ATTORNEY – Long Marmero & Associates, LLP..... Verbal**

- OLD BUSINESS**
- NEW BUSINESS**
- PUBLIC COMMENT**

- CLOSED SESSION – Payment Authorization Requests (PARS)Pages 37-39**
Resolution [51-13](#) Executive Session for purpose as permitted by the Open Public Meetings Act, more specifically to discuss PARS related to pending or anticipated litigation as identified in the list of claims prepared by third-party claim administrator Inservco Insurance Services, Inc. and attached to this agenda. Also the possible settlement of John Carrar vs. Gloucester County, # 2012-129, 1 Glenna Nichols vs. Gloucester County, # 2011-8515 and Donald Holmes vs. Gloucester County, # 2012-39120 and discussion on Voluntary Settlements.

- Motion for Executive Session
-

MEETING ADJOURNMENT

NEXT SCHEDULED MEETING: [September 26, 2013, 9:30 AM, 115 Budd Blvd., Woodbury, NJ](#)

GLOUCESTER COUNTY INSURANCE COMMISSION

9 Campus Drive, Suite 16, Parsippany, NJ 07054

Telephone (201) 881-7632

Fax (201) 881-7633

Date: July 25, 2013

Memo to: Commissioners of the Gloucester County Insurance Commission

From: PERMA Risk Management Services

Subject: Executive Director's Report

August 22, 2013 Commission Meeting (Page 7) It was agreed that the August Commission meeting would be cancelled. Attached on page 7 is Resolution 46-13 authorizing the Commission Treasurer to Process Contracted Payments and Expenses for the month of August. PERMA will send a copy of the August Bill List to Chairman White and the Treasurer for review in August and then the payments will be ratified at our September meeting. Our next meeting is scheduled for September 26, 2013 at 9:30 a.m.

Motion to approve Resolution 46-13 Authorizing the Commission Treasurer to Process Contracted Payments and Expenses

NJ Excess Counties Insurance Fund (CELJIF) (Pages 8-9) – The CEL met on June 27, 2013. A summary report of the meeting is included in the agenda on pages 8-9. At that meeting the CEL Executive Director presented three options with respect to the Commissions' additional assessments due to the replacement of the Meadowbrook program as of 7/1/13. The Board discussed the options and unanimously voted for option A which applied the additional assessments proportionally based on their previous excess premiums. The additional assessments would be due on January 15, 2014. The Fund Auditor was also present at that meeting to review the draft copy of the 2012 Audit. The Auditor advised there were no findings.

Budget Amendment (Pages 10-11) – Included in the agenda on page 10 is the amended budget to reflect the changes in the CEL budget as a result of the change in the CEL insurance program effective 7/1. The 2013 budget change for the GCIC is an increase of \$13,428 or .53%. The new 2013 budget amount is \$5,741,634. Also, included in the agenda on page 11 is a breakdown of the additional assessment by member entity. The CEL Executive Director has indicated that the additional assessment will not be billed till January 2014.

Motion to amend the 2013 budget by \$13,428 for a total of \$5,741,634 and certify the additional assessments for each member entity to be due on January 15, 2014.

- ❑ **Amendment to the 2013 Plan of Risk Management (Appendix II)** - The Plan of Risk Management was amended to reflect changes in the CEL excess casualty program effective 7/1/13. All changes are highlighted in yellow.
 - ❑ **Motion to approve Resolution 47-13 revision of the 2013 Plan of Risk Management to reflect changes in the CEL excess casualty program effective 7/1/13.**

- ❑ **CSG Additional Services for GC Inmate Health Program Addendum (Pages 12-15)** Included in the agenda on pages 12-15 is a copy of the addendum to the Consolidated Services Group (CSG) Agreement prepared by the Commission Attorney to allow for additional services to be provided by CSG as respects to the GC Inmate Health Program.
 - ❑ **Motion to approve the addendum to the CSG Agreement to allow for certain specialized services to be provided by CSG as respects to the GC Inmate Health Program.**

- ❑ **Certificate of Insurance Report (Page 16)** - Attached on page 16 is the certificate of insurance issuance reports from the CEL listing those certificates issued for the period 6-19-13-13 to 7-21-13. There were 2 certificates of insurance issued during this period.

- ❑ **Certificate of Insurance New Wording** – As we have previously discussed the excess general liability and auto liability coverage insured through the Meadowbrook Program was replaced on 7/1/13. The new carrier requires different language for any certificates issued with additional insured wording. Below is the updated language that will be used for certificate holders who requested additional insured wording.

“Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement.”

- ❑ **GCIC Property and Casualty Financial Fast Track (Page 17)** - Included in the agenda on page 17 is a copy of the Property & Casualty Financial Fast Track Report as of **May 31, 2013**. As of **May 31, 2013**, there is a statutory surplus of **\$1,698,095**. Line 7 of the report, “Investment in Joint Venture” is the Gloucester County Insurance Commission’s share of the equity in the CEL. GCIC’s current equity in the CEL is **\$810,902**.

- ❑ **NJ CEL Property and Casualty Financial Fast Track (Page 18)** – Included in the agenda on page 18 is a copy of the NJ CEL Financial Fast Track Report as of **May 31, 2013**. As of May 31, 2013 there is a statutory surplus of **\$3,018,700**.

- ❑ **Health Benefits Financial Fast Track (Page 19)** – Included in the agenda on page 19 is a copy of the Health Benefits Financial Fast Track as of **May 31, 2013**. As of **May 31, 2013** there is a statutory surplus of **\$84,020**.
- ❑ **2012 Audit Report as of December 31, 2012**– Mr. Jim Miles of Bowman & Company reviewed a draft copy of the audit at the June meeting. The final version of the 2012 Audit prepared by Bowman & Company LLP will be provided at the September meeting. The report was not ready for presentation for the July meeting as Mr. Miles is awaiting some final documentation from health benefits vendors. There will be no material changes to the final version.
- ❑ **Claims Committee Charter** – A proposed Charter Amendment for Voluntary Settlements will be discussed during closed session. The Commission Attorney has prepared two options for the amendments which will be distributed for the closed session of the meeting.

RESOLUTION NO. 46-13

**GLOUCESTER COUNTY INSURANCE COMMISSION
AUTHORIZING COMMISSION TREASURER TO PROCESS
CONTRACTED PAYMENTS AND EXPENSES**

WHEREAS, the Gloucester County Insurance Commission (hereinafter “the Commission”) is duly constituted as an insurance commission and is subject to all applicable laws and regulations of the State of New Jersey; and

WHEREAS, the Board of Commissioners has deemed it necessary and appropriate to provide authorization to the Commission Treasurer to pay certain Commission contracted payments and expenses during the month of April as the Commission is not meeting; and

WHEREAS, payment by the Commission Treasurer of contracted payments and expenses for the month of April in which the Commission does not meet shall be ratified by the Commission at its next regularly scheduled meeting; now, therefore,

BE IT RESOLVED by the Board of Commissioners of the GLOUCESTER COUNTY INSURANCE COMMISSION that the Commission Treasurer is hereby authorized to process the contracted payments and Commission expenses for the month of April.

BE IT FURTHER RESOLVED that the Board of Commissioners of the GLOUCESTER COUNTY INSURANCE COMMISSION shall ratify the contracted payments and Commission expenses so paid by the Commission Treasurer pursuant to the within Resolution at its next regularly scheduled monthly meeting.

ADOPTED by THE GLOUCESTER COUNTY INSURANCE COMMISSION at a properly noticed meeting held on July 25, 2013.

ADOPTED:

BY: _____
GERALD A . WHITE, CHAIRPERSON

ATTEST:

DEAN R SIZEMORE, VICE-CHAIRPERSON

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

9 Campus Drive – Suite 16

Parsippany, NJ 07054-4412

Telephone (201) 881-7632 Fax (201) 881-7633

Date: June 27, 2013

To: Executive Committee
Gloucester County Insurance Commission

From: PERMA Risk Management Services

Subject: New Jersey Counties Excess Meeting Report

2013 Budget amendment: Last month, the Underwriting Manager presented a report on the remarketing of the excess casualty program. The Board of Fund Commissioners accepted the recommendations of the Underwriter and Executive Director and made a motion to bind coverage effective 7/1/13 for an 18-month program with Underwriters at Lloyd's (Brit) for Excess Liability coverage and AmTrust and Safety National for the layered Excess Workers' Compensation and Employer's Liability coverage. The Board memorialized last month's action by adopting Resolution 21-13 authorizing the purchase of the insurance.

Executive Director reported that the combined premium for the replacement program would increase the 2013 budget by \$183,191 or 1.42%. Executive Director presented three different scenarios with respect to member Commissions' additional assessments, with a due date of January 15, 2014:

Option A – Additional assessments are proportional to each member's previous excess premiums with adjustments.

Option B – Equalized assessments where no member Commission is going up more than 2.71% of their overall insurance premium.

Option C – Additional assessment is based on a flat distribution of 2.13% against the total loss funds.

Executive Director noted the budget change is less than 5% and will not require a public hearing. The Board discussed, amended the 2013 budget by \$183,191 for a total of \$13,077,270 and unanimously voted for Option A to apply the additional assessments proportionally based on their previous excess premiums with a due date of January 15, 2014.

NJCE Actuary: Executive Director reported the fund's contract with The Actuarial Advantage has expired and a Request for Price Quotes was advertised. The Board reviewed a summary report of the two firms that responded, as well as the complete responses from each firm. The Board adopted Resolution 22-13 appointing The Actuarial Advantage as Fund Actuary based on their submitted quote.

December 31, 2012 Audit: Fund Auditor submitted and reviewed a draft Audit Report as of December 31, 2012. Also reviewed was the Actuarial Valuation as of December 31, 2012. Fund Auditor noted there was no recommendations or findings and would prepare the final report for

the next meeting. The Board adopted resolution 24-13 authorizing the fund office to file the draft audit and request an extension to submit the final report to the Department of Community Affairs.

Union County Membership Renewal: Union County is scheduled to renew their membership with the Fund for the term of January 1, 2014 to December 31, 2016 and renewal documents will be sent to Union County for execution.

Local Financial Disclosure Form: Included in the agenda was a report of Commissioners that have submitted a printed receipt of their Financial Disclosure Filing. Although the deadline for filing is May 31st, the state has indicated the form is still posted on the website and Commissioners that haven't filed will still be able to complete the process. The fund office will file the Fund Commissioner Roster list with receipt numbers by June 28th.

NJCE Website: The fund's website, www.njce.org, continues to be updated on an as-needed basis with fund information.

Risk Control: Safety Director reviewed a report reflecting the risk control activities from April through July 2013.

Claims Administrator: Ms. Michelle Leighton of Conner Strong & Buckelew said a "meet and greet" between the local commission third party administrators and the new excess carriers will be scheduled. Executive Director provided a summary report of open claims to date during Closed Session.

Next Meeting: The next meeting of the NJCE fund is scheduled for September 26, 2013 at 1:00PM at the Camden County Emergency Training Center.

BUDGET AMENDMENT	
GLOUCESTER COUNTY INSURANCE COMMISSION	
CERTIFIED BUDGET	
APPROPRIATIONS	
I. Claims and Excess Insurance	Revised
Claims	Budget
Property	243,372
Liability	969,800
Auto	68,650
Workers' Comp.	1,292,157
Subtotal - Claims	2,573,979
Premiums	
XS JIF	1,435,042
SubTotal Premiums	1,435,042
Total Loss Fund	4,009,021
II. Expenses, Fees & Contingency	
Claims Adjustment	77,606
Safety Director	0
General Expense	
Exec. Director	131,317
Actuary	7,500
Auditor	12,000
Attorney	35,000
Treasurer	0
Underwriting Manager	56,160
Misc. Expense & Contingency	37,500
Total Fund Exp & Contingency	357,082
Risk Managers	255,840
XS JIF Ancillary Coverage	
POL/EPL	138,180
XS POL/EPL	43,779
Excess Liability	204,008
Crime Policy	6,744
Medical Malpractice	629,447
Pollution Liability	68,505
Employed Lawyers Liab	29,028
Total FUND Disbursements	5,741,634

ADDITIONAL ASSESSMENTS BY MEMBER

2013 Additional Assesments by Member - Gloucester	
Member Name	Total
Gloucester County	9,493
Gloucester County College	486
Gloucester County Improvement Authority	3,377
Gloucester County Utility Authority	(247)
Gloucester County Library	320
	13,428

**ADDENDUM TO THE SERVICE AGREEMENT
BETWEEN
THE GLOUCESTER COUNTY INSURANCE COMMISSION
AND
CONSOLIDATED SERVICES GROUP, INC.**

THIS ADDENDUM made this _____ day of _____, 2013, by and between the Gloucester County Insurance Commission, a body corporate and politic of the State of New Jersey, having its principal offices located at c/o PERMA, 9 Campus Drive, Suite 16, Parsippany, NJ 07054 (hereinafter referred to as "GCIC") and the Consolidated Services Group, Inc., having its principal offices located at 300 American Metro Blvd., Suite 170, Hamilton, New Jersey 08619, (hereinafter referred to as "CSG").

WITNESSETH:

Whereas, the GCIC and CSG have previously entered into a Service Agreement (the "Agreement") whereby CSG was appointed as Managed Care Provider for the GCIC for the period of January 1, 2013 until December 31, 2015; and

Whereas, pursuant to the Agreement, the parties are permitted to amend the Agreement, but only upon a written modification executed by both parties; and

Whereas, the parties now desire to amend the scope of services, through this written Addendum (the "Addendum") to now include the services described on the attached "Exhibit A"; and

Whereas, this Addendum is intended only to supplement the terms of the fully executed Agreement. The Agreement and Addendum shall be referred to collectively as the "Contract." In the event of any conflict or inconsistency between the Agreement and the Addendum, the Addendum shall control; and

Now Therefore, and in consideration, the GCIC and CSG agree to amend the existing Agreement to now include the services outlined in the attached "Exhibit A."

This Addendum shall be effective as of this ___ day of _____, 2013 which date shall be considered the commencement date of this Addendum.

ATTEST

**GLOUCESTER COUNTY
INSURANCE COMMISSION**

Dean Sizemore, Secretary

Gerald A. White, Chairman

ATTEST

**CONSOLIDATED SERVICES
GROUP, INC.**

EXHIBIT A

The GCIC currently uses Consolidated Service Group (“CSG”) as the GCIC’s managed care organization. The County of Gloucester (the “County”) has a need for services which CSG can provide, including bill auditing and utilization review. The GCIC and CSG have executed this Addendum to now include services as described below.

SERVICES AND COMPENSATION

CSG, will provide the following services to the County’s Inmate Health Program:

- 1) Comparative Analysis – CSG will provide a side-by-side comparison on health treatment bills for inmates needing to use providers outside the prison system. The County would like CSG to reprice the bills as if they were run through the CHN network, and provide comparative analysis on the reimbursement amounts. In addition to providing the reimbursement amount for the specific provider bill, CSG will also provide a comparable alternative provider reimbursement amount to put more context behind the recommended reimbursement. This service will be provided upon request by the County and CSG will directly invoice the County and the County will pay to CSG the amount of \$79.00 per hour for this service.

- 2) Peer Review – CSG will provide retro review of provider bills at the medical director level for appropriateness of treatment and subsequent billing relative to the diagnosis. This service will be provided upon request, and only on bills above a threshold level to be determined by the County. The County’s Nursing Director, Lynn Heiss, will be the point person for CSG to obtain medical records, documentation, and treatment plan information. This service will be provided upon request by the County and CSG will directly invoice the County and the County will pay to CSG a flat fee to be determined by the provider specialty as follows:
 - a) Orthopedic - \$600.00
 - b) Neurological- \$600.00
 - c) Chiropractic - \$300.00
 - d) Dental - \$600.00
 - e) Psychological - For this specialty, CSG will provide a quote for Peer Review Services upon referral.
 - f) Other - For this specialty, CSG will provide a quote for Peer Review Services upon referral.

3) Bill Audit – CSG will provide desk audit or formal onsite audit on bills not yet paid by the County. This service will be requested by Nurse Director Lynn Heiss, and the request would be accompanied by relative supporting documentation and medical records. This service will be provided upon request by the County and CSG will directly invoice the County and the County will pay to CSG the amount of \$79.00 per hour for this service.

TERM

CSG will provide the services described above for a six (6) month period from the date of full execution of this Addendum.

**Gloucester County Insurance Commission
Certificate of Insurance Monthly Report**

Monday, July 22,, 2013

From 6/19/13 to 7/21/13

Holder (H) / Insured Name (I)	Holder / Insured Address	Code	Operations	Date	Coverage
<u>GCIC</u>					
H- NJ Transit I- County of Gloucester	One Penn Plaza East Newark, NJ 07105-2246 2 South Broad Street Woodbury, NJ 08096	841	Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)	7/16/2013	AU EX PHYS
H- NJ Transit I- County of Gloucester	One Penn Plaza East Newark, NJ 07105-2246 2 South Broad Street Woodbury, NJ 08096	841	Certificate holder is additional insured where obligated by virtue of a written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement (SEE PAGE 2)	7/16/2013	GL EX AU WC

Total # of Holders = 2

GLOUCESTER COUNTY INSURANCE COMMISSION

Property and Casualty Division

FINANCIAL FAST TRACK REPORT

AS OF MAY 31, 2013

ALL YEARS COMBINED

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1. UNDERWRITING INCOME	477,351	2,386,753	15,285,457	17,672,210
2. CLAIM EXPENSES				
Paid Claims	204,641	641,320	3,275,702	3,917,022
Case Reserves	(161,516)	330,310	2,047,907	2,378,217
IBNR	186,386	227,904	1,300,793	1,528,697
Discounted Claim Value	(1,165)	(31,005)	(230,743)	(261,748)
Total Claims	228,346	1,168,529	6,393,659	7,562,188
3. EXPENSES				
Excess Premiums	211,775	1,058,877	6,317,573	7,376,450
Administrative	47,913	240,405	1,613,210	1,853,615
Total Expenses	259,688	1,299,282	7,930,783	9,230,065
4. UNDERWRITING PROFIT (1-2-3)	(10,684)	(81,059)	961,015	879,956
5. INVESTMENT INCOME	-	-	7,237	7,237
6. PROFIT (4+5)	(10,684)	(81,059)	968,252	887,193
7. INVESTMENT IN JOINT VENTURE	5,502	189,986	620,916	810,902
8. SURPLUS (6+7)	(5,182)	108,927	1,589,168	1,698,095

SURPLUS (DEFICITS) BY FUND YEAR

2010	(6,829)	(112,694)	449,887	337,193
2011	(1,892)	(41,288)	399,123	357,835
2012	(4,380)	91,257	740,158	831,415
2013	7,919	171,652	-	171,652
TOTAL	(5,182)	108,927	1,589,168	1,698,095

CLAIM ANALYSIS BY FUND YEAR

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
FUND YEAR 2010				
Paid Claims	100,188	173,514	1,457,205	1,630,719
Case Reserves	(105,041)	(28,159)	392,928	364,769
IBNR	4,853	(23,777)	81,564	57,787
Discounted Claim Value	6,469	5,037	(29,703)	(24,666)
Total Claims	6,469	126,615	1,901,994	2,028,609
FUND YEAR 2011				
Paid Claims	16,857	89,567	1,330,572	1,420,139
Case Reserves	23,777	61,611	917,567	979,178
IBNR	(41,142)	(35,243)	254,566	219,323
Discounted Claim Value	1,882	636	(76,275)	(75,639)
Total Claims	1,374	116,571	2,426,430	2,543,001
FUND YEAR 2012				
Paid Claims	26,571	183,033	487,925	670,958
Case Reserves	(48,254)	(43,458)	737,411	693,953
IBNR	21,703	(259,554)	964,663	705,109
Discounted Claim Value	3,259	29,630	(124,764)	(95,134)
Total Claims	3,279	(90,349)	2,065,235	1,974,886
FUND YEAR 2013				
Paid Claims	61,025	195,206	-	195,206
Case Reserves	(31,998)	340,316	-	340,316
IBNR	200,972	546,478	-	546,478
Discounted Claim Value	(12,775)	(66,308)	-	(66,308)
Total Claims	217,224	1,015,692	-	1,015,692
COMBINED TOTAL CLAIMS	228,346	1,168,529	6,393,659	7,562,188

Claim Reserves have been discounted on line 2 above. Equity in NJCEL is reflected in line 7 above

This report is based upon information which has not been audited nor certified

by an actuary and as such may not truly represent the condition of the fund.

**NEW JERSEY COUNTIES EXCESS JIF
FINANCIAL FAST TRACK REPORT**

AS OF MAY 31, 2013

ALL YEARS COMBINED

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1. UNDERWRITING INCOME	1,074,299	5,371,495	23,215,876	28,587,371
2. CLAIM EXPENSES				
Paid Claims	2,998	19,971	38,135	58,106
Case Reserves	(2,994)	(897,142)	1,586,109	688,967
IBNR	174,996	1,561,172	3,911,756	5,472,928
Discounted Claim Value	(15,893)	(42,373)	(889,400)	(931,773)
Total Claims	159,107	641,628	4,646,600	5,288,228
3. EXPENSES				
Excess Premiums	696,432	3,482,162	14,657,878	18,140,040
Administrative	76,862	455,209	1,791,676	2,246,885
Total Expenses	773,294	3,937,371	16,449,554	20,386,925
4. UNDERWRITING PROFIT (1-2-3)	141,898	792,496	2,119,722	2,912,218
5. INVESTMENT INCOME	3,524	16,447	90,035	106,482
6. STATUTORY PROFIT (4+5)	145,422	808,943	2,209,757	3,018,700
7. DIVIDEND	-	-	-	-
8. STATUTORY SURPLUS (6-7)	145,422	808,943	2,209,757	3,018,700

SURPLUS (DEFICITS) BY FUND YEAR

2010	(1,000)	38,274	547,604	585,878
2011	(1,789)	259,850	770,829	1,030,679
2012	(4,943)	4,079	891,324	895,403
2013	153,153	506,740	-	506,740
TOTAL	145,422	808,943	2,209,757	3,018,700

CLAIM ANALYSIS BY FUND YEAR

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
FUND YEAR 2010				
Paid Claims	-	-	-	-
Case Reserves	-	(177,170)	178,182	1,012
IBNR	-	131,170	752,818	883,988
Discounted Claim Value	1,325	9,821	(128,786)	(118,965)
Total Claims	1,325	(36,179)	802,214	766,035
FUND YEAR 2011				
Paid Claims	-	-	-	-
Case Reserves	-	(700,005)	700,025	20
IBNR	-	365,005	1,174,975	1,539,980
Discounted Claim Value	2,370	78,895	(299,125)	(220,230)
Total Claims	2,370	(256,105)	1,575,875	1,319,770
FUND YEAR 2012				
Paid Claims	2,998	19,971	38,135	58,106
Case Reserves	(2,998)	(19,974)	707,902	687,928
IBNR	-	(29,996)	1,983,963	1,953,967
Discounted Claim Value	5,717	30,856	(461,489)	(430,633)
Total Claims	5,717	857	2,268,511	2,269,368
FUND YEAR 2013				
Paid Claims	-	-	-	-
Case Reserves	4	7	-	7
IBNR	174,996	1,094,993	-	1,094,993
Discounted Claim Value	(25,305)	(161,945)	-	(161,945)
Total Claims	149,695	933,055	-	933,055
COMBINED TOTAL CLAIMS	159,107	641,628	4,646,600	5,288,228

This report is based upon information which has not been audited nor certified
by an actuary and as such may not truly represent the condition of the fund.

GLOUCESTER COUNTY INSURANCE COMMISSION
HEALTH INSURANCE DIVISION
FINANCIAL FAST TRACK REPORT
AS OF MAY 31, 2013

ALL YEARS COMBINED

	THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1. UNDERWRITING INCOME	55,879	278,298	80,690,345	80,968,643
2. CLAIM EXPENSES				
Paid Claims	41,266	310,886	71,661,815	71,972,701
IBNR	2,113	(30,136)	90,450	60,314
Total Claims	43,379	280,750	71,752,265	72,033,015
3. EXPENSES				
Excess Premiums	-	-	3,585,466	3,585,466
Administrative	10,188	51,018	5,222,257	5,273,275
Total Expenses	10,188	51,018	8,807,723	8,858,741
4. UNDERWRITING PROFIT (1-2-3)	2,311	(53,470)	130,357	76,887
5. INVESTMENT INCOME	-	4	7,129	7,133
6. STATUTORY PROFIT (4+5)	2,311	(53,466)	137,486	84,020
9. STATUTORY SURPLUS (6+7-8)	2,311	(53,466)	137,486	84,020

SURPLUS (DEFICITS), CASH, BY FUND YEAR

2010 SURPLUS	-	1	1,909,064	1,909,065
CASH	(0)	2	1,933,554	1,933,556
2011 SURPLUS	-	2	(1,613,514)	(1,613,512)
CASH	0	1	(1,455,126)	(1,455,125)
2012 SURPLUS	-	13,046	(158,064)	(145,018)
CASH	0	45,116	(78,793)	(33,677)
2013 SURPLUS	2,311	(66,515)	-	(66,515)
CASH	35,451	15,484	-	15,484
TOTAL SURPLUS	2,311	(53,466)	137,486	84,020
TOTAL CASH	35,452	60,604	399,635	460,239

CLAIM ANALYSIS BY FUND YEAR

FUND YEAR 2010				
Paid Claims	-	-	22,524,075	22,524,075
IBNR	-	-	-	-
Total Claims	-	-	22,524,075	22,524,075
FUND YEAR 2011				
Paid Claims	-	-	34,451,946	34,451,946
IBNR	-	-	-	-
Total Claims	-	-	34,451,946	34,451,946
FUND YEAR 2012				
Paid Claims	-	52,405	14,685,794	14,738,199
IBNR	-	(65,450)	90,450	25,000
Total Claims	-	(13,045)	14,776,244	14,763,199
FUND YEAR 2013				
Paid Claims	41,266	258,480	-	258,480
IBNR	2,113	35,314	-	35,314
Total Claims	43,379	293,795	-	293,795
COMBINED TOTAL CLAIMS	43,379	280,750	71,752,265	72,033,015

This report is based upon information which has not been audited nor certified
by an actuary and as such may not truly represent the condition of the fund.



CLIENT ACTIVITY REPORT

JUNE 2013

GCHIC - Gloucester County Health Insurance Commission

This is your monthly BeneService Advocacy Activity Report providing de-identified details regarding calls, emails or other inquiries received and acted upon by Conner Strong & Buckelew. Note that the data is de-identified to protect the confidentiality of the individual participant pursuant to HIPAA. Furthermore, this reflects cases and inquiries under activity. Some cases are closed immediately while other, depending on their complexity, may take additional time to bring to closure. Conner Strong & Buckelew manages all activity and ensures all cases are acted upon, followed up and brought to closure in as timely a basis as possible.

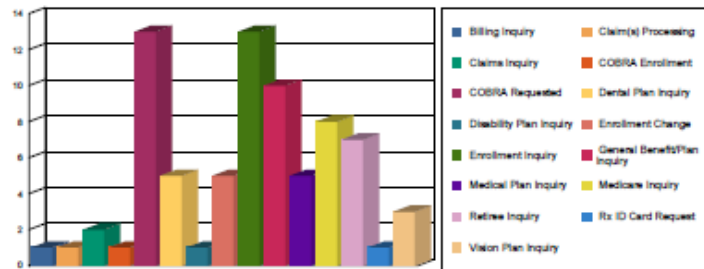


CLIENT ACTIVITY SUMMARY REPORT

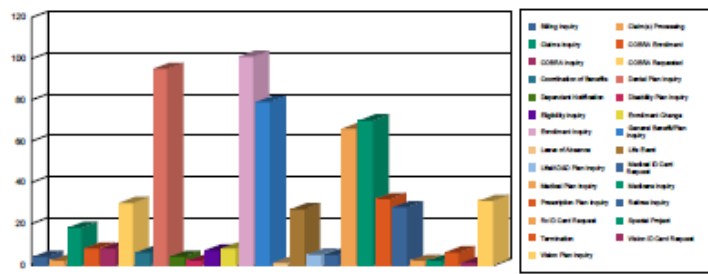
From: 6/1/2013 To: 6/30/2013

GCHIC - Gloucester County Health Insurance Commission

SUBJECT (JUNE)	<u># of Issues</u>
Billing Inquiry	1
Claim(s) Processing	1
Claims Inquiry	2
COBRA Enrollment	1
COBRA Requested	13
Dental Plan Inquiry	5
Disability Plan Inquiry	1
Enrollment Change	5
Enrollment Inquiry	13
General Benefit/Plan Inquiry	10
Medical Plan Inquiry	5
Medicare Inquiry	8
Retiree Inquiry	7
Rx ID Card Request	1
Vision Plan Inquiry	3
Total for Subject	76



SUBJECT (YTD)	# of Issues
Billing Inquiry	4
Claim(s) Processing	2
Claims Inquiry	18
COBRA Enrollment	8
COBRA Inquiry	8
COBRA Requested	30
Coordination of Benefits	6
Dental Plan Inquiry	95
Dependent Notification	4
Disability Plan Inquiry	2
Eligibility Inquiry	7
Enrollment Change	8
Enrollment Inquiry	101
General Benefit/Plan Inquiry	79
Leave of Absence	1
Life Event	27
Life/AD&D Plan Inquiry	5
Medical ID Card Request	5
Medical Plan Inquiry	66
Medicare Inquiry	70
Prescription Plan Inquiry	32
Retiree Inquiry	28
Rx ID Card Request	2
Special Project	2
Termination	6
Vision ID Card Request	1
Vision Plan Inquiry	31
Total for Subject	648



CALL SOURCE (JUNE)

	<u># of Issues</u>
Carrier	1
Dependent	1
Employee	46
Employer	26
Other	1
Unidentified	1
Total for Call Source	76



CALL SOURCE (YTD)

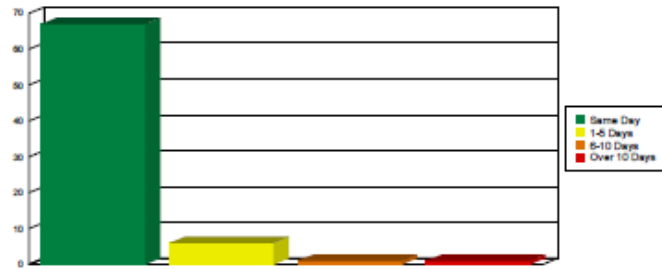
	<u># of Issues</u>
Broker/Consultant	2
Carrier	44
Dependent	20
Employee	473
Employer	96
Other	4
Plan Administrator	1
Provider	4
Unidentified	4
Total for Call Source	648



CLOSED TIME (JUNE)

	<u># of Days</u>	<u>%</u>
Same Day	67	89%
1-5 Days	6	8%
6-10 Days	1	1%
Over 10 Days	1	1%

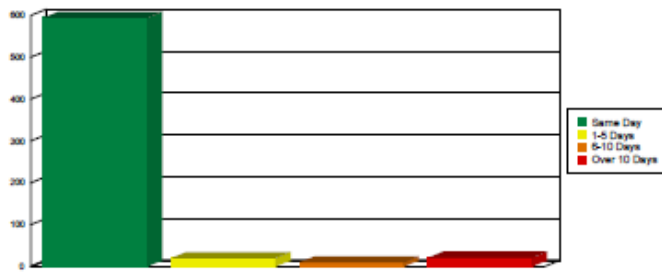
Total for Time Range 75 100%



CLOSED TIME (YTD)

	<u># of Days</u>	<u>%</u>
Same Day	594	92%
1-5 Days	20	3%
6-10 Days	10	2%
Over 10 Days	21	3%

Total for Time Range 645 100%



**GLOUCESTER COUNTY INSURANCE COMMISSION
BILLS LIST**

Resolution No. 48-13

JULY

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Gloucester County Insurance Commission's hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission.

FUND YEAR 2013

FUND YEAR 2012

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000097			
000097	BOWMAN & COMPANY, LLP	AUDITOR FEE FOR 2012 - 6/30/2013	10,700.00
			10,700.00
		TOTAL PAYMENTS FY 2012	10,700.00

FUND YEAR 2013

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000098			
000098	INSERVCO INSURANCE SERVICES	CLAIMS ADMIN - 07/2013	6,458.34
			6,458.34
000099			
000099	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 06/2013	2.52
000099	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 07/2013	10,934.48
			10,937.00
000100			
000100	HARDENBERGH INSURANCE GROUP	WC EDUCATION SEMINAR - 06/26/13	103.00
000100	HARDENBERGH INSURANCE GROUP	UNDERWRITING MANAGER - 07/2013	4,680.00
			4,783.00
000101			
000101	THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES FEE 07/2013	625.00
			625.00
000102			
000102	LONG MARMERO & ASSOCIATES, LLP	ATTORNEY FEE 07/15/2013	3,231.42
			3,231.42
000103			
000103	ROBERT SCOLPINO	REIMBURSE MEDICAL PRESCRIPTION 06/2013	1,047.64
			1,047.64
000104			
000104	VIOLA YEAGER	REIMBURSE MEDICAL PRESCRIPTION 06/2013	523.82
			523.82
000105			
000105	SOUTH JERSEY TIMES	GCIS AWARDS - 6/12/13	121.49
			121.49
000106			
000106	HARDENBERGH INSURANCE GROUP	RMC FEE 07/2013	21,320.00
			21,320.00
		TOTAL PAYMENTS FY 2013	49,047.71

TOTAL PAYMENTS ALL FUND YEARS \$ 59,747.71

Chairperson

Attest:

_____ Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**GLOUCESTER COUNTY INSURANCE COMMISSION HEALTH INSURANCE FUND
BILLS LIST**

Resolution No. 49- 13

JULY 2013

WHEREAS, the Treasurer has certified that funding is available to pay the following bills.

BE IT RESOLVED that the Gloucester County Insurance Commission Health Insurance Fund's hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission.

FUND YEAR 2013

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
W0713			
W0713	CONNER STRONG & BUCKELEW	PERMA CONSULTING FEE 07/2013	5,211.50
W0713	CONNER STRONG & BUCKELEW	CSB CONSULTING FEE - 07/2013	2,233.50
			7,445.00
		TOTAL PAYMENTS FY 2013	7,445.00

TOTAL PAYMENTS ALL FUND YEARS \$ 7,445.00

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

SUMMARY OF CASH AND INVESTMENT INSTRUMENTS					
GLOUCESTER COUNTY INSURANCE COMMISSION					
ALL FUND YEARS COMBINED					
CURRENT MONTH	May				
CURRENT FUND YEAR	2013				
Description: Instrument #1 Instr #2 Instr #3					
ID Number: GCIC Deposit / GCIC WC Clai GCIC Liability					
Maturity (Yrs)	0		0		0
Purchase Yield:	0		0		0
TOTAL for All					
Accts & instruments					
Opening Cash & Investment Balance	\$3,129,958.60	3120652.45	3848.23	5457.92	
Opening Interest Accrual Balance	\$0.00	0	0	0	
1 Interest Accrued and/or Interest Cost	\$0.00	\$0.00	\$0.00	\$0.00	
2 Interest Accrued - discounted Instr.s	\$0.00	\$0.00	\$0.00	\$0.00	
3 (Amortization and/or Interest Cost)	\$0.00	\$0.00	\$0.00	\$0.00	
4 Accretion	\$0.00	\$0.00	\$0.00	\$0.00	
5 Interest Paid - Cash Instr.s	\$0.00	\$0.00	\$0.00	\$0.00	
6 Interest Paid - Term Instr.s	\$0.00	\$0.00	\$0.00	\$0.00	
7 Unrealized Gain (Loss)	\$0.00	\$0.00	\$0.00	\$0.00	
8 Net Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	
9 Deposits - Purchases	\$1,470,205.88	\$1,391,753.91	\$73,168.69	\$5,283.28	
10 (Withdrawals - Sales)	(\$339,337.76)	(\$134,187.89)	(\$190,990.98)	(\$14,158.89)	
Ending Cash & Investment Balance	\$4,260,826.72	\$4,378,218.47	(\$113,974.06)	(\$3,417.69)	
Ending Interest Accrual Balance	\$0.00	\$0.00	\$0.00	\$0.00	
Plus Outstanding Checks	\$138,732.19	\$9,839.29	\$120,017.29	\$8,875.61	
(Less Deposits in Transit)	\$0.00	\$0.00	\$0.00	\$0.00	
Balance per Bank	\$4,399,558.91	\$4,388,057.76	\$6,043.23	\$5,457.92	

GLOUCESTER COUNTY INSURANCE COMMISSION
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED

Current Fund Year: 2013										
Month Ending: May										
	Prop	Liab	Auto	WC			NJ CEL	Admin	TOTAL	
OPEN BALANCE	389,568.77	2,843,005.69	173,688.67	1,119,665.02	0.00	0.00	0.00	1,018,310.59	(2,414,280.09)	3,129,958.65
RECEIPTS										
Assessments	42,864.48	274,358.11	18,134.54	281,563.19	0.00	0.00	0.00	633,810.58	140,514.51	1,391,245.41
Refunds	0.00	0.00	0.00	508.50	0.00	0.00	0.00	0.00	0.00	508.50
Invest Pymnts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	42,864.48	274,358.11	18,134.54	282,071.69	0.00	0.00	0.00	633,810.58	140,514.51	1,391,753.91
EXPENSES										
Claims Transfers	0.00	10,627.63	3,531.26	190,990.98	0.00	0.00	0.00	0.00	0.00	205,149.87
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55,735.92	55,735.92
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	10,627.63	3,531.26	190,990.98	0.00	0.00	0.00	0.00	55,735.92	260,885.79
END BALANCE	432,433.25	3,106,736.17	188,291.95	1,210,745.73	0.00	0.00	0.00	1,652,121.17	(2,329,501.50)	4,260,826.77

RESOLUTION 50-13

**GLOUCESTER COUNTY INSURANCE COMMISSION
AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

WHEREAS, the GLOUCESTER COUNTY INSURANCE COMMISSION (hereinafter "GCIC") is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the GCIC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality, and

WHEREAS, it is necessary and appropriate for the GCIC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

WHEREAS, the GCIC is a public agency which must comply with the Open Public Records Act (OPRA) N.J.S.A. 47: 1A-1 to -13; and

WHEREAS, the GCIC must comply with OPRA and reported New Jersey Case Law interpreting same; and

WHEREAS, the GCIC did hold a closed session from which the public was excluded on July 25, 2013 at which time certain items were discussed as were referenced in a separate resolution authorizing said closed session and it being determined certain liability & property claim payment information can be made public at this time; and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said Gloucester County Insurance Commission pursuant to both the Open Public Meetings Act and the Open Public Records Act as follows:

The attached financial transaction logs generated by third party administrator Inservco Insurances Inc. for the periods 6/1/13 to 6/30/13, and related to all non-workers compensation payments are hereby approved for distribution to the listed claimants and for disclosure to the general public

ADOPTED by THE GLOUCESTER COUNTY INSURANCE COMMISSION at a properly noticed meeting held on July 25, 2013.

ADOPTED:

GERALD A. WHITE, CHAIRMAN

ATTEST:

DEAN R. SIZEMORE, VICE CHAIRMAN

Gloucester Co Ins Commission - 353
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
06/01/2013 Thru 06/30/2013

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
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Inservco Report Terminology

Reporting Name	Business Name	Business Description
Amount/Amt Paid	Amount Paid	Amount actually paid or received
Amount/Amt Requested	Amount Requested	Amount requested to be paid
As Of Date/To Date	Report End Date	Ending date of transactions on report; usually month end
Payment Type	Type	Types of transactions—Computer, Manual, Refund, Recovery, Stop Pay, Void
Report Begin Date	Report Begin Date	Beginning date of transactions on report; usually beginning of month or inception
Trans Date	Transaction Date	Issue date for computer issued payments and add date for all other type entries

Gloucester Co Ins Commission - 353
Financial Transaction Log - Liability Claim Payments
Monthly / Detail / By Coverage / By Payment Type / By Check Number
06/01/2013 Thru 06/30/2013

Type	Check #	Claim #	Claimant Name	From Date	To Date	Payee Name	Trans. Date	Payment Description	Amt. Requested	Amt. Paid
Coverage: Auto Liability										
C	4276	3530000832	001 KELLY, MICHELLE	11/2/2012	11/2/2012	MICHELLE KELLY	6/14/2013	Full/Final Settlement all claims - Ded Reimb	500.00	500.00
C	4277	3530000287	001 BROTHERS, ANTHONY	5/21/2013	5/21/2013	LAW OFFICES OF MADDEN & MADDEN	6/28/2013	Client #70200-014m/stmt 5 legal fees	75.00	75.00
C	4279	3530000336	001 HOLDEN, SARAH	5/21/2013	6/6/2013	LAW OFFICES OF MADDEN & MADDEN	6/28/2013	client 70200-012m statement 7	135.00	135.00
C	4284	3530000336	001 HOLDEN, SARAH	2/17/2011	2/17/2011	SARAH HOLDEN-ROBINSON & ATTY	6/28/2013	FULL/FINAL SETTLEMENT	5,000.00	5,000.00
Total for Coverage: Auto Liability							Number of entries: 4		5,710.00	5,710.00
Coverage: General Liability										
C	4270	3530000838	001 PFROMMER, FREDERICK	4/17/2013	4/17/2013	FREDERICK PFROMMER	6/14/2013	full/final settlement	240.70	240.70
C	4272	3530000794	001 SCAVETTA, DEAN	5/30/2013	5/30/2013	ALLAN E RICHARDSON LLC	6/14/2013	Invoice#3028	60.00	60.00
C	4274	3530000369	001 LUCAS, KAREN	5/30/2013	5/31/2013	ALLAN E RICHARDSON LLC	6/14/2013	invoice#3029	285.00	285.00
C	4275	3530000234	001 GOSS, JOHN	5/6/2013	5/17/2013	CHANCE & MCCANN LLC	6/14/2013	File#W7848 Invoice#10583	2,642.00	2,642.00
C	4278	3530000402	001 LUCAS, KAREN	5/29/2013	5/30/2013	LAW OFFICES OF MADDEN & MADDEN	6/28/2013	Client #70200-015M/stmt 1 legal fees	480.00	480.00
C	4281	3530000061	001 BERGENSTOCK, CHRISTY	5/2/2013	5/28/2013	LAW OFFICES OF MADDEN & MADDEN	6/28/2013	Client #70200-009M Stmt #13/legal fees	2,820.00	2,820.00
C	4285	3530000389	001 ESTATE OF DAVID POLISANO JR	5/21/2013	6/25/2013	CHANCE & MCCANN LLC	6/28/2013	File #W7933 Inv. #10700	652.50	652.50
C	4286	3530000234	001 GOSS, JOHN	5/14/2013	6/24/2013	CHANCE & MCCANN LLC	6/28/2013	File #W7848 Inv. #10701	1,088.50	1,088.50
Total for Coverage: General Liability							Number of entries: 8		8,268.70	8,268.70
Coverage: Police Professional										
C	4271	3530000391	001 STRAZZULLO, ANTHONY	5/1/2013	5/31/2013	ALLAN E RICHARDSON LLC	6/14/2013	Invoice#3027	8,296.80	8,296.80
C	4273	3530000187	001 BELL, JEFFREY	5/6/2013	5/29/2013	ALLAN E RICHARDSON LLC	6/14/2013	Invoice#3025	85.60	85.60
C	4280	3530000391	001 STRAZZULLO, ANTHONY	5/1/2013	5/31/2013	LAW OFFICES OF MADDEN & MADDEN	6/28/2013	Client ID 70200-010M/stmt 10 legal fees	6,719.35	6,719.35
C	4282	3530000391	001 STRAZZULLO, ANTHONY	5/14/2013	5/14/2013	MASTROIANNI & FORMAROLI INC	6/28/2013	Invoice #101006 / dep transcript	1,331.95	1,331.95
C	4283	3530000391	001 STRAZZULLO, ANTHONY	5/14/2013	5/14/2013	MASTROIANNI & FORMAROLI INC	6/28/2013	Invoice #101008/dep transcript plf	774.35	774.35
C	4287	3530000187	001 BELL, JEFFREY	3/26/2013	3/26/2013	PREMIER ORTHOPEDIC ASSOC	6/28/2013	Records fee- #35966/BELL	15.00	15.00
Total for Coverage: Police Professional							Number of entries: 6		17,223.05	17,223.05
Total for Gloucester Co Ins Commission - 353							Number of entries: 18		31,201.75	31,201.75



Gloucester County Insurance Commission
 Bill Review / PPO Savings
 2013



Carrier	Month	Total Bills	In-network Bills Penetration Rate	Total Provider Charge	In-network Charges Penetration Rate	Total Allowed ¹	CSG Negotiated Reductions ²	PPO Reductions ³	Bill Review Reductions ⁴	Total Reductions	Total Access Fees	Net Reductions
Inservco	January	2	100%	\$854.68	100%	\$564.74	\$0.00	\$289.84	\$0.00	\$289.84	\$40.58	\$249.26
	February	57	58%	\$81,437.48	87%	\$61,809.66	\$297.42	\$17,076.34	\$2,254.06	\$19,627.82	\$2,559.37	\$17,068.45
	March	68	57%	\$73,460.33	43%	\$36,518.32	\$413.99	\$11,798.43	\$24,729.59	\$36,942.01	\$4,807.11	\$32,134.90
	April	65	77%	\$49,231.91	86%	\$35,224.97	\$1430.90	\$5,424.30	\$7,151.74	\$14,006.94	\$1,960.97	\$12,045.97
	May	56	41%	\$150,902.19	8%	\$34,951.66	\$0.00	\$2,860.34	\$113,290.19	\$115,950.53	\$9,499.45	\$106,451.08
	June	34	50%	\$14,371.53	51%	\$9,956.33	\$0.00	\$1,636.60	\$2,778.60	\$4,415.20	\$618.14	\$3,797.06
YTD Total		282	58%	\$370,258.02	45%	\$179,025.68	\$2142.31	\$38,885.85	\$150,204.18	\$191,232.34	\$19,485.62	\$171,746.72

Monthly Summary

Total Savings (before fees):	\$4,415.20
Percent Savings:	31%
NET SAVINGS:	\$3,797.06
Percent NET SAVINGS:	26%

Report Footnotes:

- ¹Recommended amount for payment
- ²Discounts negotiated by CSG on out of network bills
- ³Discounts applied in accordance with CHN PPO contracts
- ⁴U&C and CSG Code Review reductions applied

YTD Summary

Total Savings (before fees):	\$191,232.34
Percent Savings:	52%
NET SAVINGS:	\$171,746.72
Percent NET SAVINGS:	46%

**GLOUCESTER COUNTY INSURANCE COMMISSION
 SAFETY DIRECTOR'S REPORT**

TO: Fund Commissioners
FROM: J.A. Montgomery Risk Control, Safety Director
DATE: July 18, 2013

**June 2013 - August
 RISK CONTROL ACTIVITIES**

JIF MEETINGS / TRAINING ATTENDED

- **June 27:** Attended the GCIC meeting in Woodbury.
- **July 1:** One session of Landscape Safety was conducted for GCIC.

UPCOMING JIF MEETINGS / TRAINING

- **July 25:** Plan to attend the GCIC meeting in Woodbury.

UPCOMING TRAINING CALENDAR FOR October 2013

7/1/13	GCIC	Landscape Mower Safety	8:00 – 9:00 am
10/2/13	GCIC	Leaf Vac Safety Awareness	8:30 – 10:00 am
10/9/13	GCIC	Toolbox Tips: Various Topics	TBD
10/22/13	GCIC	Snow Removal	8:30 – 10:30 am

CEL MEDIA LIBRARY

The following GCIC Agencies utilized the CEL Media Library in 2012:

MONTH	AGENCY	# of Videos
March	GCIC - Gloucester County College	3
April	GCIC - Improvement Authority	1
July	GCIC - Sheriff's Office	4
December	GCIC - Utility Authority	1

The following GCIC Agencies utilized the CEL Media Library in 2013:

MONTH	AGENCY	# of Videos
January	GCIC – Department of Health	3
February		0
March	GCIC – Gloucester County College	3
April	GCIC – Gloucester County Health Dept.	3
May		0
June		0
July (as of July 18)		

RESOLUTION 51-13

**GLOUCESTER COUNTY INSURANCE COMMISSION
AUTHORIZING A CLOSED SESSION TO DISCUSS
PAYMENT AUTHORIZATION REQUESTS (PARS) & SETTLEMENT (SARS)
RELATED TO PENDING OR ANTICIPATED LITIGATION**

WHEREAS, the GLOUCESTER COUNTY INSURANCE COMMISSION (hereinafter “GCIC”) is duly constituted as an Insurance Commission pursuant to N.J.S.A. 40A:10-6 et seq.; and

WHEREAS, the GCIC is subject to the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.; and

WHEREAS, the Open Public Meetings Act requires all meetings of public bodies be open to the public; and

WHEREAS, the Open Public Meetings Act further provides a public body may permissibly exclude the public from a portion of a meeting at which the public body discusses items per the Open Public Meetings Act at N.J.S.A. 10:4-12.b.(1) thru (9) recognized as requiring confidentiality; and

WHEREAS, it is necessary and appropriate for the GCIC to discuss certain matters in a meeting not open to the public consistent with N.J.S.A. 10:4-12.b.(7); and

NOW THEREFORE BE IT RESOLVED by the Commissioners of said Gloucester County Insurance Commission pursuant to the Open Public Meetings Act as follows:

The GCIC shall hold a closed session from which the public shall be excluded on July 25, 2013.

The general nature of the items to be discussed at said closed session shall include the following: the appropriateness of payment of statutorily required workers’ compensation benefits, settlement authority if any or continuing defense of pending or anticipated litigation, discussion of litigation strategy, position the GCIC will take in said litigation, strengths and weaknesses of GCIC’s position in said litigation.

The specific litigation is identified by the claim number assigned by Inservco in its capacity as the third-party claims administrator, name of the claimant, date of loss, workers’ compensation petition number and/or court assigned docket number which is set forth in the attached list which list is also appended to the GCIC monthly meeting agenda for July 25, 2013 which agenda has been timely posted per the Open Public Meetings Act.

The minutes of said closed session shall be made available for disclosure to the public consistent with N.J.S.A. 10:4-13 when the items which are the subject of the closed session discussions are resolved and the reasons for confidentiality as to both the GCIC and the claimant no longer exist.

ADOPTED by THE GLOUCESTER COUNTY INSURANCE COMMISSION at a properly noticed meeting held on July 25, 2013.

ADOPTED:

GERALD A. WHITE, CHAIRMAN

ATTEST:

DEAN R. SIZEMORE, VICE CHAIRMAN

CLAIMS FOR CLOSED SESSION

Claim #	Claimant	Type of Claim	PAR/SAR	C.P or DO #
3530000852	Tina Barber	Worker Comp	PAR	
3530000851	John Hamilton	Worker Comp	PAR	
3530000857	Yareem Ricks	Worker Comp	PAR	
3530000486	John Carrara	Worker Comp	SAR	2012-1291
3530000302	Glenna Nichols	Worker Comp	SAR	2011-8515
3530000381	Donald Holmes	Worker Comp	SAR	2012-23856

APPENDIX I

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, June 27, 2013
115 Budd Blvd.
Woodbury, NJ 9:30 AM**

Meeting called to order by Gerald White, Chairman. Open Public Meetings notice read into record.

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joe Hrubash
Claims Service	Inservco Insurance Services, Inc. Veronica George Megan Callahan
	Consolidated Services Group, Inc. Jennifer Pard Stephen McNamara
	Conner Strong & Buckelew Robyn Walcoff (via teleconference)
Underwriting Services Director/RMC	Hardenbergh Insurance Group Bonnie Rick Drew Hoffman
Attorney	Long Marmero & Associates Al Marmero, Esq.
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince
Auditor	Bowman & Company LLP James J. Miles, Jr.
Benefits	Conner Strong & Buckelew

ALSO PRESENT:

Tony Fiola, Gloucester County
Joseph G. Antinori, Esq., Brown & Connery, LLP
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open Minutes and Closed Minutes of May 23, 2013

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF
May 23, 2013**

Motion:	Commissioner Sizemore
Second:	Chairman White
Roll Call Vote:	Unanimous

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Commissioner Sizemore advised the Safety Committee met on June 4, 2013 and discussed the items on their meeting agenda.

CLAIMS COMMITTEE: Commissioner Sizemore reported the Claims Committee did not meet as there were no claims to discuss.

EXECUTIVE DIRECTOR REPORT: Executive Director advised there were no action items for today's meeting; however Mr. Jim Miles of Bowman and Company was present to review the draft copy of the 2012 Audit.

2012 DRAFT AUDIT REPORT AS OF DECEMBER 31, 2012: Mr. Miles distributed a draft copy of the 2012 audit at the meeting. Mr. Miles reported he previously reviewed the audit with the Executive Director and also reviewed the audit in detail with Chairman White at his office. Mr. Miles indicated he would highlight a few of the items in the audit report with emphasis on Exhibits A-1 and A-2. Mr. Miles referred to Exhibit A-1 on page 9 of the audit report and advised the exhibit illustrated the "Statement of Net Position" of the Commission for 2011 and 2012. Mr. Miles pointed out the total net position for 2011 was \$818,562 compared to \$1,726,652 for 2012. Mr. Miles noted that all of the increase is attributable to the property and casualty net position which increased slightly more than one million dollars while the net position of the health benefits decreased. The latter was expected due to the transition of the health benefits to the State Plan in May of 2012. Mr. Miles then referred to Exhibit A-2 on page 10 of the audit and advised the exhibit illustrated the "Statements of Revenues, Expenses and Changes in the Net Position" for years 2011 and 2012. Mr. Miles explained this exhibit summarized the changes in the net position when looking at revenues and expenses of the Commission. Mr. Miles noted the contributions and expenses for the Health decreased in line with the transition to the State Plan. Mr. Miles reviewed the operating expenses and operating income figures on page 10. Mr. Miles closed his review of the report indicating that on page 40 of the draft report the audit indicated that "there were no findings in the current year" (2012). Mr. Miles advised draft copies of the audit would be left for the Commissioners to review and he would collect the other distributed copies from the Fund Professionals. Mr. Miles reported the final audit would be available at the next meeting and asked if anyone had any questions to reach out to him or the Executive Director. Executive Director advised he was pleased with the report. Chairman White also thanked the Fund Professionals for their work and was satisfied with a "clean audit".

CERTIFICATE OF INSURANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the period of 5/17/13 to 6/18/13. There were a total of 5 certificates issued for this period.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised the April Property & Casualty Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,703,277 as of April 30, 2013. Executive Director noted the Commission added an additional surplus of \$296,967 between the months of March and April. Executive Director advised \$805,400 on line 7 of the report "Investment in Joint Venture was the GCIC's share of the CEL JIF equity and was part of the GCIC surplus.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the April Financial Fast Track for the NJ CEL. As of April 30, 2013 the CEL had a surplus of \$2,873,278.

HEALTH BENEFITS FINANCIAL FAST TRACK: Executive Director advised the April Health Benefit Financial Fast Track was included in the agenda. The Insurance Commission had a Health Benefit surplus of \$81,709 as of April 30, 2013.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL met on May 23, 2013 and a summary report of their meeting was included in the agenda. Executive Director advised the Underwriting Manager presented proposals for the remarketing of the Meadowbrook portion of the commercial insurance including excess general liability, auto liability, law enforcement liability and excess worker compensation. The Underwriting Manager secured an 18 month program. Executive Director reported the CEL approved going forward with the replacement program subject to finalizing the terms and conditions of the coverage. Executive Director also advised the CEL Executive Director reported the additional cost for the 2013 budget was \$196,714 or a 1.53% increase. The CEL Executive Director also advised the increase would not be due until January of 2014 and would not affect the current budget. Executive Director noted the Underwriting Manager would report on the final terms and conditions of the new coverage at the scheduled CEL meeting in the afternoon along with the identification of the premium allocation options. Executive Director asked if anyone had any questions on the CEL report or the remarketing of the Meadowbrook program. In response to Chairman White's inquiry Executive Director advised the CEL Executive Director was presenting three options with respect to the member Commission's additional assessments including two options with an equalization formula so no Commission would be subject to an enormous increase. Executive Director briefly reviewed the three options that were listed in the CEL agenda. Executive Director indicated the first option offered additional assessments proportionate to each member's previous excess premiums with adjustments, while the second option offered equalized assessments where no member Commission would increase more than 2.71% of the overall insurance premium. Executive Director advised the third option would base the additional assessment on a flat distribution of 2.13% of the total loss funds.

PLAN OF RISK MANAGEMENT: Executive Director advised the Risk Management Plan needed to be revised to reflect the new excess workers compensation and excess liability programs

written through the CEL as of 7/1/13. The revised Plan would be available for the July 2013 meeting.

2013 PROPERTY & CASUALTY ASSESSMENTS DUE MAY 15, 2013: Executive Director reported the Treasurer's office advised all of the May assessments were received from the member entities. Executive Director indicated the next assessment was due on October 15, 2013.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP: Executive Director reported Ms. Leighton was coordinating a joint meeting of the CELJIF member Commissions. Executive Director advised a tentative date was scheduled for October 1, 2013. Executive Director also reported a planning committee would be formulated to discuss the agenda, format and location of the meeting. Executive Director indicated Ms. Leighton would reach out to last year's planning committee to schedule a meeting within the next 30 days and would work with Ms. Rick and Ms. Walcoff to include members of the Salem and Cumberland County Insurance Commissions.

Executive Director's Report Made Part of Minutes.

EMPLOYEE BENEFITS: Executive Director reported Ms. Brown could not attend the meeting but he would review her report with the Commission. Executive Director advised the Client Activity Summary Report for the period of 5/1/13 to 5/31/13 was included in the agenda. Executive Director indicated there were 88 inquiries during May and the year to date totaled 570.

TREASURER REPORT: Chairman White presented the June Property & Casualty Bill List in the amount of \$51,917.08 and requested a motion to approve.

MOTION TO APPROVE THE MAY PROPERTY & CASUALTY BILL LIST, RESOLUTION 41-13 IN THE AMOUNT OF \$51,917.09

Motion:	Commissioner Sizemore
Second:	Chairman White
Roll Call Vote	Unanimous

Chairman White presented the June Health Insurance Fund Bill List in the amount of \$7,470.00 and requested a motion to approve.

MOTION TO APPROVE THE JUNE HEALTH INSURANCE FUND BILL LIST, RESOLUTION 42-13 IN THE AMOUNT OF \$7,470

Motion:	Commissioner Sizemore
Second:	Chairman White
Roll Call Vote	Unanimous

Executive Director also pointed out the monthly Treasurer's reports showing the cash transactions and investments were included in the agenda.

CLAIMS REPORT

REPORT: Chairman White presented Resolution 43-13 Inservco Liability Check Register for the period of 5/1/13 through 5/31/13.

MOTION TO APPROVE RESOLUTION 43-13 LIABILITY CHECK REGISTER FOR THE PERIOD OF 5/1/13/13 THROUGH 5/31/13

Motion:	Commissioner Sizemore
Second:	Chairman White
Roll Call Vote:	Unanimous

MANAGED CARE PROVIDER: Ms. Pard referred to the Bill Review/PPO Savings Report which was included in the agenda. Ms. Pard advised there were 56 bills received in May for a total of \$150,902.19. The total allowed amount was \$34,951.66. The total reduction was \$115,950.63 and after fees the net reduction was \$106,451.08. Ms. Pard noted the savings were on the high side. Ms. Pard advised CSG was waiting for the signed contract from Premier Orthopaedics. Ms. Pard asked if anyone had any questions regarding her report.

CEL SAFETY DIRECTOR:

REPORT: Mr. Prince reviewed the May through June 2013 Risk Control Activity Report which was included in the agenda along with the training calendar. Mr. Prince also noted last month he reported on the Loss Control Report for the Dream Park. Mr. Prince advised there was some discussion that one of their recommendations may have caused some controversy. Mr. Prince explained that the recommendation was that the employees who perform various tasks and duties where vehicles routinely travel should be issued and required to wear protective vests. The Dream Park employees indicated that the horses were being "spoofed" by the reflective vests. Mr. Prince advised he has not yet determined if that was possible and was researching further. Mr. Prince reported however, he was able to suggest some other alternative recommendations such as wearing a retro-reflective tee shirt instead of the vest. Commissioner Sizemore offered his observations of the situation and also suggested the tee shirt be worn instead of the vest. Mr. Prince also noted he recently reported on the various trail style obstacles created by JOBRA at Ceres Park and indicated he would continue to monitor the Park to ensure there was compliance in the terms of obstacles that would create any hazards. Mr. Prince concluded his report and asked if anyone had any questions.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Rick advised the Claims Committee Charter amendment regarding the voluntary offers for worker compensation claims would be presented to the Claims Committee at the next meeting for their review and recommendation. After the Committee reviewed the Charter it would be presented at the next Commission meeting for approval and adoption.

Ms. Rick advised the Commission held its Worker Compensation Educational Seminar the previous evening at the Gloucester County College. Ms. Rick reported the speaker's included Dr. Thomas Dwyer of Premier Orthopaedics, Michale Bleici, Esq. of Capehart and Scatchard and Commissioner Sizemore. Representatives from Camden, Cumberland, Salem and Burlington Commissions attended the meeting as well as attending physicians. Ms. Rick advised many thought the seminar was very informative and was already receiving positive feedback. Ms. Rick indicated the attending physicians now had a better understanding of the claim process and how their documentation affects the overall cost of a worker compensation claim.

Ms. Rick indicated she needed approval for a few coverages which were due for renewal. First Ms. Rick advised the County's property coverage for antiques was renewing on July 25, 2013. Ms. Rick noted the renewal premium was \$4,066 which was a 6% increase in premium over last year. Ms. Rick explained there had not been an increase in the past two years. Ms. Rick advised the policy was written outside of the Commission due to its unique exposure and Peerless provided a more comprehensive form. Ms. Rick further advised the GC Cultural & Heritage Commission's Administrator requested her office obtain a quote on flood insurance. Ms. Rick noted the Peerless Insurance Company did not offer flood coverage because the location was partially in a special hazard flood zone. Ms. Rick indicated she was able to obtain a quote from the National Flood Program in the amount of \$2,985.00. The maximum limit would be \$500,000 and coverage would become effective thirty days after receipt of the premium.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE PROPERTY COVERAGE FOR ANTIQUES WITH PEERLESS INSURANCE COMPANY IN THE AMOUNT OF \$4,066 EFFECTIVE 7/25/13

Motion:	Commissioner Sizemore
Second:	Chairman White
Roll Call Vote:	Unanimous

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO PLACE THE FLOOD INSURANCE COVERAGE WITH A LIMIT OF \$500,000 WITH THE NATIONAL FLOOD INSURANCE PLAN FOR A PREMIUM OF \$,2985

Motion:	Commissioner Sizemore
Second:	Chairman White
Roll Call Vote:	Unanimous

Ms. Rick also reported the College Foundation's Directors & Officers Liability with Markel was expiring on 7/9/13. Ms. Rick advised the premium was \$1,078.62 and the terms and conditions were per the expiring policy.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE COLLEGE FOUNDATION'S DIRECTOR'S & OFFICER'S LIABILITY POLICY THROUGH MARKEL WITH A TOTAL PREMIUM OF \$1,078.62 EFFECTIVE 7/9/13

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

Ms. Rick advised the Improvement Authority's Underground Storage Tank policy was expiring on 7/7/13 with Commerce & Industry. Ms. Rick noted the renewal premium would be \$867.74 and the terms and conditions were per the expiring policy.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE IMPROVEMENT AUTHORITY'S UNDERGROUND STORAGE TANK POLICY WITH COMMERCE & INDUSTRY WITH A TOTAL PREMIUM OF \$867.74 EFFECTIVE 7/7/13

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

Lastly Ms. Rick reported the Improvement Authority's Patient Bond with C N A was renewing on 8/3/13. Ms. Rick explained the Nursing Home was required by State Regulation to maintain a patient trust bond in the amount of \$70,000. The renewal premium of \$490.00 was per the expiring policy and included the same terms and conditions.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE IMPROVEMENT AUTHORITY'S UNDERGROUND STORAGE TANK POLICY WITH COMMERCE & INDUSTRY WITH A TOTAL PREMIUM OF \$867.74 EFFECTIVE 7/7/13

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

ATTORNEY: Mr. Marmero advised he did not have anything to report for the meeting.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

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

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner Sizemore
Second: Chairman White
Roll Call Vote : Unanimous

CLOSED SESSION: Chairman White read and requested a motion to approve Resolution 44-13 authorizing a Closed Session.

RESOLUTION 44-13, EXECUTIVE SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS PARS RELATED TO PENDING OR ANTICIPATED LITIGATION AS IDENTIFIED IN THE LIST OF CLAIMS PREPARED BY THIRD PARTY CLAIM ADMINISTRATOR INSERVCO INSURANCE SERVICES, INC. AND ATTACHED TO THIS AGENDA ALONG WITH THE POSSIBLE SETTLEMENT OF MICHELE MCGUIRE VS GLOUCESTER COUNTY

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO GO INTO CLOSED SESSION

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

Mr. Marmero requested a motion to authorize the settlement of Michele McGuire vs Gloucester County in the amount of \$42,500 based on Mr. Antinori's, review of the claim during closed session.

MOTION TO APPROVE RESOLUTION 45-13 TO AUTHORIZE THE SETTLEMENT OF MICHELE MCGUIRE VS GLOUCESTER COUNTY IN THE AMOUNT OF \$42,500

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

OLD BUSINESS: None

NEW BUSINESS: None

Chairman White noted the next Commission meeting would be on July 25, 2013.

MOTION TO ADJOURN:

Motion: Commissioner Sizemore
Second: Chairman White
Roll Call Vote: Unanimous

MEETING ADJOURNED: 10:05AM

Minutes prepared by: Cathy Dodd, Assisting Secretary

APPENDIX II

RESOLUTION NO. 47-13

Gloucester County Insurance Commission
(hereinafter the "Insurance Commission")

BE IT RESOLVED by the Insurance Commission's governing body that effective 7/1/13 the 2013 Plan of Risk Management shall be:

- 1.) The perils or liability to be insured against.
 - a.) The Insurance Commission insures the following perils or liability:
 - Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
 - General Liability including Law Enforcement Liability and Employee Benefits Liability.
 - Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
 - Property, Auto Physical Damage and Boiler & Machinery.
 - b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).
 - Excess Workers' Compensation including employers liability
 - Excess General Liability including law enforcement liability
 - Excess Auto Liability
 - Excess Property including Boiler and Machinery
 - Public Officials Liability/School Board Legal/EPL
 - Crime
 - Pollution Liability
 - Medical Professional and General Liability
 - Excess Medical Professional and General Liability
 - Employed Lawyers Liability

2.) The limits of coverage.

a.) Workers' Compensation limits.

- The Insurance Commission covers \$250,000 per occurrence including:
 - Employer's Liability - \$250,000 per occurrence.
 - USL&H – \$250,000 per occurrence.
 - Harbor Marine/Jones Act - \$250,000 per occurrence.
- The NJC covers excess workers compensation claims to the following limits.
 - Workers' Compensation – statutory excess of the Insurance Commission's \$250,000.
 - Employer's Liability - at a sub-limit of \$10,750,000 excess of the Insurance Commission's \$250,000.
 - USL&H – \$250,000 less NJ State benefits excess of the Insurance Commission's \$250,000.
 - Harbor Marine/Jones Act - \$250,000 less NJ State benefits excess of the Insurance Commission's \$250,000.

NJC retains limits of \$250,000 excess \$250,000 for Workers Compensation and Employers Liability. NJC purchases from Wesco Insurance Company \$500,000 excess \$500,000 each occurrence/employee and purchases from Safety National Casualty Company 'Statutory' Workers Compensation limits excess of \$1,000,000 and \$5,000,000 excess of \$1,000,000 for Employers Liability. Additional Employers Liability limits of \$5,000,000 excess of \$6,000,000 are purchased from Underwriters at Lloyds.

b.) General Liability limits.

- The Insurance Commission covers \$250,000 per occurrence.
 - Law Enforcement - included in the General Liability limits.

- Employee Benefits Liability - included in the General Liability limits.
 - Subsidence - \$250,000 per occurrence
 - Sexual Abuse or Molestation Coverage - \$250,000 per occurrence except for schools.
 - Owned Watercraft 32' in length or less - \$250,000.
 - Garagekeepers Legal Liability - \$250,000
- The NJC covers excess liability claims as follows:
 - General Liability - \$20,250,000 excess the Insurance Commission's \$250,000. The \$5,000,000 excess \$500,000 commercial excess layer is subject to a \$15,000,000 per member insurance commission 18 month aggregate limit (7/1/13-1/1/15). The \$15,000,000 excess \$5,500,000 commercial excess layer is subject to a \$15,000,000 annual aggregate limit (1/1/13-1/1/14) shared with the Camden County, Burlington County, Cumberland County and Salem County Insurance Commissions.
 - Law Enforcement - included in the NJC's excess General Liability limits.
 - Employee Benefits Liability - included in the NJC's excess General Liability limits.
 - Subsidence - \$750,000 per occurrence excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.
 - Sexual Abuse or Molestation Coverage - \$750,000 excess of the Insurance Commission's \$250,000 except for schools. NJC retains 100% of the limit excess of the Member Commission's retention.
 - Owned Watercraft 32' in length or less - \$750,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

- Garagekeepers Legal Liability - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$5,000,000 per occurrence and a \$15,000,000 18 month aggregate (7/1/13-1/1/15) excess over and above \$500,000. NJC also purchases from Starr Indemnity & Liability Insurance Company limits of \$15,000,000 per occurrence and a \$15,000,000 annual aggregate (1/1/13-1/1/14) excess over and above the \$5,000,000/\$15,000,000 with Underwriters at Lloyds.

c.) Automobile Liability limits.

- The Insurance Commission covers automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of \$250,000.
 - The Insurance Commission covers \$250,000 for Personal Injury Protection (PIP) per Addendum I of this Plan.
 - The Insurance Commission covers \$15,000/\$30,000/5,000 for Underinsured/Uninsured Motorists Liability per Addendum II of this Plan.
- The NJC covers excess automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims excess of the Insurance Commission's \$250,000 CSL limit. Included in the NJC's excess General Liability limits as shown above.

NJC retains limits of \$250,000 excess \$250,000 and purchases from Underwriters at Lloyds limits of \$5,000,000 per occurrence and a \$15,000,000 18 month aggregate (7/1/13-1/1/15) excess over and above \$500,000. NJC also purchases from Starr Indemnity & Liability Insurance Company limits of \$15,000,000 per occurrence and a \$15,000,000 annual aggregate (1/1/13-1/1/14) excess over and above the \$5,000,000/\$15,000,000 with Underwriters at Lloyds.

The NJC does not provide excess PIP OR Uninsured/Underinsured Motorist Coverage.

The excess general liability, auto liability and law enforcement liability limit of \$5,000,000/\$15,000,000 and employers liability limit of \$5,000,000/\$5,000,000 excess \$6,000,000 with Underwriters at Lloyds are shared limits amongst GCIC member entities. The limits of \$15,000,000/\$15,000,000 excess of the \$5,000,000/\$15,000,000 with Starr Indemnity Liability Company, are shared with the Burlington County, Camden County, Cumberland County and Salem County Insurance Commissions other member commissions of the NJC.

d.) Public Officials Liability/School Board Legal/Employment Practices Liability

- The NJC via the commercial market covers public officials liability/school board legal liability/employment practices liability as follows:
 - \$15,000,000 each claim and in the annual aggregate on a claims made basis per member Insurance Commission (except for Healthcare entities which have a \$1,000,000 each claim and in the annual aggregate sub-limit) subject to the deductibles as outlined below:
 - Gloucester County - \$100,000 each POL & EPL
 - Gloucester County College- \$25,000 SBL/\$50,000 EPL
 - Gloucester County UA - \$5,000 each POL & EPL
 - Gloucester County LC - \$5,000 each POL & EPL
 - Gloucester County IA - -\$25,000 SBL/\$100,000 EPL

There is a sub-limit of \$1,000,000 each claim and in the annual aggregate excess of a member entity retention of \$100,000 for sexual abuse/molestation for schools only.

School Board Legal Liability applies to the member entity schools and Public Officials Liability applies to all other member entities.

NJC does not retain any risk as it is fully insured in the commercial market.

e.) Excess Public Officials Liability/Employment Practices Liability/School Board Legal Liability:

The NJC does not purchase an additional excess public officials liability/school board legal liability/employment practices liability program.

f.) Property/Boiler & Machinery

Property Limits/Sub-limits

- The Insurance Commission covers \$100,000 per occurrence excess of applicable member entity **per occurrence** deductibles.
- The NJC provides excess property coverage via the commercial market with Zurich and RSUI with the following limits (*SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES*) excess of the member retention and member entity **per occurrence** deductibles:

PROPERTY PER OCCURRENCE LIMITS:

- A. \$100,000,000 PER OCCURRENCE WITH ZURICH
- B. \$150,000,000 PER OCCURRENCE WITH RSUI
- C. \$260,000,000 PER OCCURRENCE TOTAL PROGRAM LIMIT

PROPERTY SUB-LIMITS:

- Earthquake - \$100,000,000 (Annual Aggregate)
- Flood - \$50,000,000 (Annual Aggregate) Except;
- Flood Inside 100-Year Flood Zone - \$25,000,000
- Asbestos Cleanup - \$50,000 (Annual Aggregate)
- Valuable Paper And Records - \$10,000,000
- Accounts Receivable - \$10,000,000
- Demolition & Increased Cost of Construction- \$25,000,000
- Business Interruption -\$30,000,000 (Business Income On Revenue Producing Property Only)
- Extra Expense – \$10,000,000
- Transit- \$1,000,000 Per Conveyance/\$1,000,000 Per Occurrence
- Fine Arts - \$1,000,000 (Owned And Non Owned)
- Pollution And Contamination Cleanup (Limited) - \$250,000 (Annual Aggregate)
- Miscellaneous Unnamed Locations - \$5,000,000
- Builders' Risk - \$25,000,000 (**\$1,000,000** sub-limit for soft costs)
- Newly Acquired Locations - \$25,000,000 (90 day reporting)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage (including Overhead

- Transmission Lines within one mile of insured premises, 24 hour waiting period)
- Ingress/Egress - \$5,000,000 Or 30 Days Whichever Is Less
 - Debris Removal -\$25,000,000 or 25% of the covered loss, whichever is less
 - Civil Government Authority – \$5,000,000 or 30 days, whichever is less
 - Leasehold Interest - \$15,000,000
 - Loss of Rents - \$15,000,000
 - Contingent Time Element - \$5,000,000
 - Loss Adjustment Expense - \$500,000 Per Claim/ \$1,000,000 Aggregate
 - Extended Period of Indemnity – 365 Days
 - Auto Physical Damage - \$500,000 Per Scheduled Vehicle
 - Fungus, Wet Rot, Dry Rot Or Bacteria - \$500,000 Per Occurrence (Named peril coverage only.)
 - Underground Piping - \$10,000,000 (only if within 1,000' of a pump station, process plant, metering pit, wells or similar operational locations which are owned, leased, used occupied or intended for use by the member entity).
 - EDP Equipment – No sub-limit
 - Outdoor Property - \$5,000 per item, no sub-limit
 - Boiler And Machinery - \$100,000,000
 - Business Interruption - \$10,000,000 (Business Income On Revenue Producing Property Only)
 - Contingent Business Income - \$5,000,000
 - Loss Of Rents - \$15,000,000
 - Newly Acquired - \$5,000,000
 - Demolition & Increased Cost Of Construction - \$25,000,000
 - Hazardous Substance - \$5,000,000
 - Expediting Expenses- \$5,000,000
 - Perishable Goods - \$5,000,000
 - Service Interruption - \$5,000,000 Combined Time Element and Property Damage (including Overhead Transmission Lines within 1,000' of insured premises, 24 hour waiting period)
 - Data Restoration - \$1,000,000
 - Miscellaneous Unnamed Location (Property Damage Only) - \$5,000,000
 - Extended Period Of Indemnity - 180 Days

Note: There is an excess property policy with RSUI Insurance Company which extends the per occurrence policy limits by

\$150,000,000 to a total of \$260,000,000, but not the policy sub-limits. The primary limit is \$110,000,000.

Property Deductibles

- The standard member insurance commission retention is \$100,000 per occurrence less member entity **per occurrence** deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).
 - Gloucester County - \$10,000 Property, \$5,000 Equipment and \$1,000 Auto Physical Damage
 - Gloucester County College - \$2,500 Property and \$500 Auto Physical Damage
 - Gloucester County Utilities Authority - \$1,000 Property and \$1,000 Auto Physical Damage
 - Gloucester County Library Commission - \$1,000 Property and \$500 Auto Physical Damage
 - Gloucester County Improvement Authority - \$1,000 Property and \$500 Auto Physical Damage
- The Boiler and Machinery deductible is \$25,000 member entity deductible per occurrence.
- The Earthquake Member Insurance Commission retention is \$100,000 per occurrence less the per occurrence member entity deductibles.
- The Flood Member Insurance Commission retention is \$100,000 per occurrence less member entity per occurrence deductibles.
- Flood loss for property within the 100-year flood zone is subject to a deductible of \$500,000 each building for municipality buildings, and \$500,000 each building for municipality contents member entity deductible per occurrence; to a deductible of \$250,000 each building for housing authority buildings, and \$100,000 each building for housing authority contents member entity deductible per occurrence; or the National Flood Insurance Plan's (NFIP) maximum available limits for municipalities and housing authorities, whichever is greater, regardless of whether National Flood Insurance program coverage is purchased or not. Losses shall also be adjusted subject to a \$100,000 per occurrence Insurance Commission deductible for pumping stations, pistol ranges, vehicles and mobile equipment less the applicable member entity deductible.

“Named Storm Flood” subject to a deductible of 1% of the total insurable value (excluding vehicle values) at each location involved in loss or damage, subject to a minimum deductible of **\$250,000** and a maximum deductible of \$1,000,000 per occurrence state-wide for all locations for Named Storms. The “Named Storm” deductible is a per member entity deductible.

Note: coverage for the difference in deductible for “insured property” resulting from “insured perils” (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA less the member entity deductible.

“Named Storm Wind” subject to a deductible of 1% of the total insurable value (excluding vehicle values) at each location involved in loss or damage, subject to a minimum deductible of **\$250,000** and a maximum deductible of \$1,000,000 per occurrence state-wide for all locations for Named Storms. The “Named Storm” deductible is a per member entity deductible. **Note: coverage for the difference in deductible for “insured property” resulting from “insured perils” (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA less the member entity deductible.**

Named Storm is defined as a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone or tropical storm by the National Hurricane Center of the Center of the National Oceanic and Atmospheric Administration’s National Weather Service. Location is defined as any building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing street, space or waterway shall render such separation inoperative for the purpose of this definition. If the Named Storm involves covered property within the 100-year flood zone, the 100-year flood zone deductible above applies.

- Underground Piping \$100,000 per occurrence less the member entity deductibles as stated above.
- Golf Carts - \$25,000

NJC does not retain any risk as it is fully insured in the commercial market.

g.) Crime

The NJC via the commercial market provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):

Limit per occurrence:

- Gloucester County – \$1,000,000
- Gloucester County Library Commission - \$500,000
- Gloucester County Utilities Authority - \$500,000
- Gloucester County College - \$500,000
- Gloucester County Improvement Authority - \$500,000

Deductible per occurrence:

- Gloucester County – \$15,000
- Gloucester County Library Commission - \$10,000
- Gloucester County Utilities Authority - \$10,000
- Gloucester County College - \$15,000
- Gloucester County Improvement Authority - \$10,000

NJC does not retain any risk as it is fully insured in the commercial market.

h.) Pollution Liability

The NJC via the commercial market provides pollution liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for Pollution Liability):

- Limit of Liability: \$10,000,000 per claim and \$25,000,000 annual aggregate
- Member Entity Deductible: \$25,000
- New Member Entity Effective Dates: N/A

NJC does not retain any risk as it is fully insured in the commercial market.

All policy aggregates limits are shared by the NJC member Commissions of Gloucester, Camden, **Union** and Burlington and their respective member entities.

i.) Medical Professional General Liability/Excess Medical Professional

The NJC via the commercial market provides medical professional general liability/excess medical professional coverage at the following limits and deductibles (the Insurance Commission retains no risk for medical professional general liability):

- Limit per claim/annual aggregate: \$1,000,000/\$3,000,000
 - This primary aggregate limit is shared by each member entity of each NJC member Commission.
- Excess Limit annual aggregate: \$20,000,000/\$20,000,000
 - Excess Limit is a Shared limit with CCIC, BCIC, CUIC and SCIC.
- Member Entity Deductibles GL and PL:
 - Gloucester County – \$25,000
 - Gloucester County (G. FEIGIN)-\$5,000
 - Gloucester County (J.Palmer)-\$5,000
 - Gloucester County IA (Shady Lane) - \$10,000
 - Gloucester County Prosecutors Office (SANE) - \$5,000
 - Gloucester County College (Nursing Program) – \$5,000
 - GC Emergency Response Center - \$10,000

NJC does not retain any risk as it is fully insured in the commercial market.

j.) Employed Lawyers Professional Liability

The NJC via the commercial market provides employed lawyers professional liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for employed lawyers' professional liability):

- Limit per claim and annual aggregate:
\$5,000,000/\$10,000,000
- Member Entity Self Insured Retentions:
 - Gloucester County \$25,000
 - All Other Entities: Not applicable

NJC does not retain any risk as it is fully insured in the commercial market.

All policy aggregates limits are shared by all NJC member Commissions and their respective member entities.

NOTICE: The above description is a general overview of the coverage and limits provided by the Insurance Commission. The actual terms and conditions are defined in the individual policy documents and this Risk Management Plan. All issues and/or conflicts shall be decided upon by the individual policy documents.

3.) The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage).

- a.) Workers' Compensation (all coverages) - \$250,000 CSL
- b.) General Liability (all coverages) - \$250,000 CSL
- c.) Law Enforcement Liability – Included in General Liability
- d.) Automobile Liability
 - Property Damage & Bodily Injury - \$250,000 CSL
 - Underinsured/Uninsured - \$15,000/\$30,000/\$5,000 CSL
 - Personal Injury Protection - \$250,000 CSL
- d.) Public Officials Liability/School Board
Legal/Employment Practices Liability - None
- e.) Property/APD - \$100,000 per occurrence less member entity deductibles.
- f.) Crime – None
- g.) Pollution Liability – None
- h.) Medical Professional General Liability – None
- i.) Employed Lawyers Liability - None

4.) The amount of unpaid claims to be established.

- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Insurance Commission expects the

claims servicing company to set reserves at 85% accuracy. The Insurance Commission also establishes reserves recommended by the Insurance Commission's Actuary for claims that have been incurred but not yet reported so that the Insurance Commission has adequate reserves to pay all claims and allocated loss adjusted expense liability.

b.) Claims reserves are subject to regular review by the Insurance Commission's Executive Director/Administrator, Attorney, Board of Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Insurance Commission either directly or through the NJC JIF.

5.) The method of assessing contributions to be paid by each member of the Insurance Commission.

a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Insurance Commission year by line of coverage and for each prior Insurance Commission year. The Actuary includes all budget items in these computations. The annual assessment of each participating member entity is its pro rata share of the probable net cost of the upcoming Insurance Commission year for each line of coverage as computed by the Actuary.

b.) The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Insurance Commission's Governing Body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Insurance Commission wide average increase plus a percentage selected by the Governing Body. The total amount of each member's annual assessment is certified by majority vote of the Insurance Commission's Governing Body at least one (1) month prior to the beginning of the next fiscal year.

c.) The Treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust Insurance Commission account by Insurance Commission year for each type of coverage in which the member participates.

d.) If a member entity becomes a member of the Insurance Commission or elects to participate in a line of coverage after the start of the Insurance Commission year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.

e.) The Insurance Commission's Governing Body may by majority vote levy upon the participating member entities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.

f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Insurance Commission fail to assess funds required to meet its obligations, the Chairman, or in the event by his or her failure to do so, the custodian of the Insurance Commission's assets, shall notify the Commissioner of Banking and Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Insurance Commission's Governing Body.

6.) Procedures governing loss adjustment and legal expenses.

a.) The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office, as well as the claims department of the NJC's four major excess insurers (i.e. Underwriters at Lloyds, Starr Indemnity for excess liability; Wesco Insurance Company and Safety National Casualty Company for workers' compensation). Every three years, the NJC's internal auditors also conduct an audit.

c.) Each member entity is provided with a claim reporting procedure and appropriate forms.

d.) In order to control workers' compensation medical costs, the Insurance Company has engaged a managed care organization (CSG) Component through a contract whose procedures are integrated into the Insurance Commission's Claim process.

d.) To provide for quality defense and control costs, the Insurance Commission has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.

7.) Coverage to be purchased from a commercial insurer, if any.

The Insurance Commission does not purchase commercial insurance.

8.) Reinsurance to be purchased.

The Insurance Commission does not purchase reinsurance.

9.) Procedures for the closure of Insurance Commission years, including the maintenance of all relevant accounting records.

a.) Not applicable at this time.

10.) Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

a.) The general approach in estimating the loss reserves of the Insurance Commission is to project ultimate losses for each Insurance Commission year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Insurance Commission Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or Insurance Commission funding requirement.

b.) The following is an overview of the two actuarial methods used to project the ultimate losses.

- Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
- Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

11.) The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

- \$15,000 for workers compensation claims

- \$15,000 for liability claims
- With the advance approval of the Insurance Commission Attorney or Executive Director, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled Insurance Commission meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this 25th day of July 2013.

Gloucester County Insurance Commission

By: _____
Chairperson

Attest:

Secretary

ADDENDUM I

2012 Risk Management Plan
Addendum #1
NEW JERSEY PERSONAL INJURY PROTECTION

With respects to coverage provided by this Addendum, the provisions of Policy CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum for a covered **auto** licensed or principally garaged in, or **garage operations** conducted in, New Jersey

This Addendum is effective _____2012.

MEDICAL EXPENSE BENEFITS DEDUCTIBLE

The medical expense benefits are subject to a deductible of \$250 per **occurrence**.

Medical expense benefits applicable to:

A. The **named insured** and, if the **named insured** is an individual, any **family members** will be subject to a deductible of \$250 per **occurrence**.

B. insured **persons** other than the **named insured** and, if the **named insured** is an individual, any **family members** shall be subject to a separate deductible of \$250 per **occurrence**.

MEDICAL EXPENSE BENEFITS CO-PAYMENT

Medical expense benefits are subject to a co-payment of 20% per **occurrence** for amounts payable between the applicable deductible and \$5,000.

DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSES OPTION

All Personal Injury Protection benefits other than medical expense benefits are deleted with respect to the **named insured** and, if the **named insured** is an individual, any **family members**, when indicated to the left. Refer to the Deletion Of Benefits Other Than Medical Expenses Provision.

MEDICAL EXPENSE BENEFITS-AS-SECONDARY OPTION

If the **named insured** is an individual, medical expense benefits with respect to the **named insured** and **family members**, are secondary to the health benefits plans under which the **named insured** and **family members** are insured, when indicated to the left.

A. Coverage

1. **Personal Injury Protection**

We will pay personal injury protection benefits for **bodily injury** sustained by an **eligible injured person** or an **insured person** caused by an **occurrence** occurring during the Policy period within the United States of America, its territories or possessions or Canada and arising out of the ownership, maintenance or use, including loading or unloading, or a **private passenger auto** as an auto.

These Personal Injury Protection Benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **\$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitation and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medication and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvements to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an **identified injury**. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. **Income Continuation Benefits**

An amount not exceeding a limit of \$100 per week and a total limit of \$5,200 payable for the loss of income of an **income producer** during his or her lifetime, as a result of **bodily injury** disability, not to exceed net **income** normally earned during the period in which benefits are payable.

c. **Essential Services Benefits**

An amount not exceeding a limit of \$12 per day and a total limit of \$4,380 payable to an **eligible injured person** as reimbursement for payments made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage

or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. **Death Benefits**

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

- (1) If the **eligible injured person** was an **income producer** at the time of the **occurrence**, an amount equal to the difference between \$5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;
- (2) If the **eligible injured person** ordinarily performed essential services for the care and maintenance of himself or herself, his or her family or family household, an amount equal to the difference between \$4,380 and all basic essential services benefits paid with respect to his or her injury prior to death.

e. **Funeral Expense Benefits**

An amount not exceeding \$1,000 of reasonable funeral, burial and cremation expenses incurred.

2. **Pedestrian Personal Injury Protection**

This coverage applies to **pedestrians** and only to **occurrences** which occur during the Policy period in New Jersey. With respect to an **insured motor vehicle** as described for this Coverage, Pedestrian Personal Injury Protection Coverage is the only Personal Injury Protection Coverage for that vehicle.

We will pay pedestrian personal injury protection benefits to an **eligible injured person**. These Pedestrian Personal Injury Protection benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **\$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitative and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medical and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvement to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an **identified injury**. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. **Income Continuation Benefits**

An amount not exceeding a limit of \$100 per week and a total limit of \$5,200 payable for the loss of income of an **income producer** during his or her lifetime, as a result of **bodily injury** disability; not to exceed net **income** normally earned during the period in which benefits are payable.

c. **Essential Services Benefits**

An amount not exceeding a limit of \$12 per day and a total limit of \$4,380 payable to an **eligible injured person** as reimbursement for payment made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. **Death Benefits**

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

- (1) If the **eligible injured person** was an **income producer** at the of time the **occurrence**, an amount equal to the difference between \$5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;
- (2) If the **eligible injured person** ordinarily performed essential services for the care and maintenance of himself or herself, his or her family or family household, an amount equal to the difference between \$4,380 and all basic essential services benefits paid with respect to his or her injury prior to death.

e. **Funeral Expense Benefits**

An amount not exceeding \$1,000 for reasonable funeral, burial cremation expenses incurred.

B. Exclusions

1. **Personal Injury Protection**

We will not pay Personal Injury Protection benefits for **bodily injury:**

- a. To a person whose conduct contributed to the **bodily injury** in any of the following ways:
 - (1) While committing a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer; or
 - (2) While acting with specific intent to cause injury or damage to himself or herself or others;
- b. To any person who, at the time of the **occurrence**, was the owner or registrant of a **private passenger auto** registered or principally garaged in New Jersey that was being operated without Personal Injury Protection Coverage;
- c. To any person who is not occupying a covered **auto**, other than the **named insured** or any **family member** or a resident of New Jersey, if the **occurrence** occurs outside of New Jersey;
- d. Arising out of the ownership, maintenance or use, including loading or unloading, of any vehicle while located for use as a residence or premises other than for transitory recreational purposes;
- e. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or **CONDITION** incident to any of the foregoing;
- f. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material;
- g. To any person, other than the **named insured** or any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** or **family member** under the terms of any other Policy with respect to such coverage;
- h. To any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** under the terms of another Policy; or
- i. To any person operating or occupying a **private passenger auto** without the permission of the owner or the **named insured** under

the Policy insuring that **auto**.

- j. To any person who is convicted of, or pleads guilty to:
 - (1) Operating a motor vehicle; or
 - (2) Allowing another person to operate a motor vehicle owned by that **insured** or in that **insureds** care, custody or control;

while the **insured** or that other person:

- (1) Is under the influence of intoxicating liquor or a narcotic, hallucinogenic or habit-producing drug; or
 - (2) Is later found to have a blood alcohol concentration by weight of alcohol in excess of the legal limit of the jurisdiction where the violation occurred.
- k. To any person who refused to submit to a chemical test after being arrested for operating a motor vehicle while under the influence of intoxicating liquor or a narcotic hallucinogenic or habit-producing drug.
- l. For the following diagnostic tests:
 - (1) Brain mapping;
 - (2) Iridology;
 - (3) Mandibular tracking and simulation;
 - (4) Reflexology;
 - (5) Spinal diagnostic ultrasound;
 - (6) Surface electromyography (surface EMG);
 - (7) Surrogate arm mentoring; or
 - (8) Any other diagnostic test that is determined to be ineligible for coverage under Personal Injury Protection Coverage by New Jersey law or regulation.

2. **Pedestrian Personal Injury Protection**

The EXCLUSIONS that apply to Personal Injury Protection also apply to Pedestrian Personal Injury Protection, except EXCLUSIONS b. and c., which do not apply to Pedestrian Personal Injury Protection Coverage.

C. Limit Of Insurance

- 1. Any amount payable by **us** as Personal Injury Protection benefits for **bodily injury** shall be reduced by:
 - a. All amounts paid, payable or required to be provided under any workers' compensation or employees' temporary disability law.
 - b. Medicare provided under federal law.
 - c. Benefits actually collected that are provided under federal law to

active and/or retired military personnel.

2. Any amount payable by **us** as medical expense benefits will be limited by medical fee schedules, as promulgated by the New Jersey Department of Banking and Insurance for specific injuries or services.
3. Any amount payable for medical expense benefits as the result of any one **occurrence** shall be:
 - a. Reduced by the applicable deductible of \$500; and
 - b. Subject to the co-payment of 20% for the amount between the applicable deductible and \$5,000.
4. The applicable limit of income continuation benefits applies separately to each full, regular and customary work week of an **eligible injured person**. If this disability from work or employment consists of or includes only a part of such a week, **we** shall be liable for only that proportion of such weekly limit that the number of days lost from work or employment during the partial week bears to the number of days in his or her full work week.
5. If the Addendum indicates that the **named insured** has elected the Medical Expense Benefits As Secondary option, the following provisions apply to medical expense benefits:
 - a. **Priority Of Benefits**
 - (1) The health benefits plans under which the **named insured** and any **family member** are insured shall provide primary coverage for **allowable expenses** incurred by the **named insured** and any **family member** before any medical expense benefits are paid by **us**.
 - (2) This insurance shall provide secondary coverage for the medical expense benefits for **allowable expenses**, which remained uncovered.
 - (3) The total benefits paid by the health benefits plans and this insurance shall not exceed the total amount of **allowable expenses**.
 - b. **Determination Of Medical Expense Benefits Payable**
 - (1) To calculate the amount of **actual benefits** to be paid by **us**, **we** will first determine the amount of **eligible expenses** which would have been paid by **us**, after

application of the deductible and co-payment indicated in this Addendum had the **named insured** not elected the Medical Expense Benefits As Secondary Coverage option.

- (2) If the remaining **allowable expenses** are:
 - (a) Less than the benefits calculated in Paragraph (1) above, **we** will pay **actual benefits** equal to the remaining **allowable expenses**, without reducing the remaining **allowable expenses** by the deductible or co-payment.
 - (b) Greater than the benefits calculated in Paragraph (1) above, **we** will pay **actual benefits** equal to the benefits calculated in Paragraph 1 above, without reducing the remaining **allowable expenses** by the deductible or co-payment.
- (3) **We** will not reduce the **actual benefits** determined in Paragraph 2.:
 - (a) By any deductibles or co-payments of the health benefits plans which have provided primary coverage for medical expense benefits; or
 - (b) For any **allowable expense** remaining uncovered which otherwise would not be an **eligible expense** under Personal Injury Protection Coverage, except as set forth in Paragraph (4) below.
- (4) In determining remaining uncovered **allowable expenses**, **we** shall not consider any amount for items of expense which exceed the dollar or percent amounts recognized by the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance.
- (5) The total amount of medical expense benefits for the **named insured** or any **family member** per **occurrence** shall not exceed the maximum amount payable for medical expense benefits under this Policy.

c. **Health Benefits Plan Ineligibility**

- (1) If, after the **named insured** has elected the Medical Expense Benefits As Secondary Coverage option, it is determined that the **named insured** or any **family member** did not have a health benefits plan in effect at the time an **occurrence** occurred which resulted in **bodily injury** to the **named insured** or any **family member**,

medical expense benefits shall be provided to the **named insured** or any **family member**, subject to the following:

- (a) Only Paragraph 1. of the Limit Of Insurance Provision will apply with respect to medical expense benefits.
 - (b) Any amount payable for medical expense benefits for the **named insured** and any **family member** as a result of any one **occurrence** shall;
 - (1) Be reduced by a deductible equal to the sum of \$750 plus the \$500 deductible indicated in this Addendum; and
 - (2) Be subject to a co-payment of 20% for amounts less than \$5,000 after the deductible has been applied.
 - (3) Be determined:
 - (i) By the medical fee schedules promulgated by the New Jersey Department of Insurance; or
 - (ii) By us, on a reasonable basis, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, if an item or expense is not included on the medical fee schedules.
 - (4) Not exceed the maximum amount payable for medical expense benefits under this Policy.
- (2) All items of medical expense incurred by the **named insured** or any **family member** for the treatment of **bodily injury** shall be **eligible expenses** to the extent the treatment or procedure from which the expenses arose:
- (a) Is recognized on the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance; or
 - (b) Are reasonable expenses in accordance with Section 4 of the New Jersey Reparation Reform Act.
- (3) **We** shall be entitled to recover the difference between:
- (a) The reduced premium paid under this Policy for the Medical Expense Benefits As Secondary option; and

- (b) The premium which would have been paid under this Policy had the **named insured** not elected such option.

We will not provide any premium reduction for the Medical Expense Benefits As Secondary option for the remainder of the Policy period.

- 6. The limit of insurance shown in this Addendum for weekly income continuation benefits shall be prorated for any period of **bodily injury** disability less than one week.

D. Changes in Conditions

All conditions stated in Policy #CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 applies, however:

- 1. The **Duties In The Event Of Occurrence**, Condition is amended by the addition of the following:
 - a. If an **eligible injured person, insured person** or the legal representative or survivors of either institutes legal action to recover damages for injury against a person or organization who is or may be liable in tort there for, he or she must promptly give **us** a copy of the summons and complaint or other process served in connection with the legal action.
 - b. The **eligible injured person, insured person** or someone on their behalf must promptly give us written proof of claim including:
 - (1) Full particulars of the nature and extent of the **bodily injury**; and
 - (2) Such other information that will help us determine the amount due and payable.
 - c. The **eligible injured person** or **insured person** must submit to physical examination by physicians when and as often as **we** reasonably require and a copy of the medical report will be forwarded to such **eligible injured person** or **insured person** if requested.
- 2. The following Conditions are added:
 - a. **Reimbursement And Trust**

Subject to any applicable limitations set forth in the New Jersey Automobile Reparation Reform Act, if **we** make any payment to any **eligible injured person** or **insured person**

under this coverage and that person recovers from another party, he or she shall hold the proceeds in trust for **us** and pay **us** back the amount **we** have paid. **We** will have a lien against such payment, and may give notice of the lien to the person or organization causing **bodily injury**, his or her agent or insurer or a court having jurisdiction in the matter.

b. **Payment Of Personal Injury Protection Benefits**

- (1) Medical expense benefits and essential services benefits may be paid at our option to the **eligible injured person**, **insured person** or the person or organization furnishing the products or services for which such benefits are due. These benefits shall not be assignable except to providers of service benefits. Any such assignment is not enforceable unless the provider of service benefits agrees to be subject to the requirements of our Decision Point Review Plan. In the event of the death of an **eligible injured person** or **insured person** any amounts payable, but unpaid prior to death, for medical expense benefits are payable to the **eligible injured person's** or **insured person's** estate.
- (2) Benefits payable under Paragraph A.2.d.(1) of the description of death benefits are payable to the **eligible injured person's** surviving spouse, or if there is no surviving spouse, to his or her surviving children, or if there is not a surviving spouse or any surviving children, to the **eligible injured person's** estate.
- (3) Benefits payable under Paragraph A.1.d.(2) of the description of death benefits are payable to the person who has incurred the expense of providing essential services.
- (4) Funeral expense benefits are payable to the **eligible injured person's** or **insured person's** estate.

c. **Deletion Of Benefits Other Than Medical Expenses Option**

When the Addendum indicates that the Deletion Of Benefits Other Than Medical Expenses Option applies, **we** will pay personal injury protection benefits consisting only of medical expense benefits for the **named insured** and **family members**.

d. **Employee Benefits Reimbursement**

If the **eligible injured person** or **insured person** fails to apply for workers' compensation benefits or employees' temporary disability benefits for which that person

is eligible, **we** may immediately apply to the provider of these benefits for reimbursement of any personal injury protection benefits that **we** have paid.

e. **Proof of Health Benefits Plan Coverage**

If the **named insured** has elected the Medical Expense Benefits As Secondary option, the **named insured** shall provide proof that the **named insured** and **family members** are insured by health insurance coverage or benefits in a manner and to an extent approved by the New Jersey Department of Banking and Insurance.

f. **Special Requirements For Medical Expenses**

(1) **Care Paths For Identified Injuries (Medical Protocols)**

- (a) The New Jersey Department of Banking and Insurance has established by regulation the standard courses of medically necessary diagnosis and treatment for **identified injuries**. These courses of diagnosis and treatments are known as care paths.

The care paths do not apply to treatment administered during **emergency care**.

- (b) Upon notification to use of a **bodily injury** covered under this Policy, **we** will advise the **insured** of the care path requirements established by the New Jersey Department of Banking and Insurance.
- (c) Where the care paths indicate a decision point, further treatment or the administration of a diagnostic test is subject to our Decision Point Review Plan.

A decision point means the juncture in treatment where a determination must be made about the continuation or choice of further treatment of an **identified injury**.

(2) **Coverage For Diagnostic Tests**

- (a) In addition to the care path requirements for an **identified injury**, the administration of any of the following diagnostic tests is also subject to the requirements of our Decision Point Review Plan:
- (i) Brain audio evoked potential (BAEP);
 - (ii) Brain evoked potential (BEP);
 - (iii) Computer assisted tomographic studies

- (CT, CAT Scan);
- (iv) Dynatron/cyber station/cybex;
- (v) Electroencephalogram (EEG);
- (vi) H-reflex Study;
- (vii) Magnetic resonance imaging (MRI);
- (viii) Needle electromyography (needle EMG);
- (ix) Nerve conduction velocity (NCV);
- (x) Somasensory evoked potential (SSEP);
- (xi) Sonogram/ultrasound;
- (xii) Videofluorosocpy;
- (xiii) Visual evoked potential (VEP); or
- (xiv) Any other diagnostic test that is subject to the requirements of our Decision Point Review Plan by New Jersey law or regulation.

- (b) The diagnostic tests listed under Paragraph (2)(a) must be administered in accordance with New Jersey Department of Banking and Insurance regulations which set forth the requirements for the use of diagnostic tests in evaluating injuries sustained in **auto accidents**.

However, those requirements do not apply to diagnostic tests administered during **emergency care**.

- (c) **We** will pay for other diagnostic tests that are:
 - (i) Not subject to our Decision Point Review Plan; and
 - (ii) Not specifically excluded under EXCLUSION 1.I.;

only if administered in accordance with the criteria for medical expenses as provided in this ENDORSEMENT.

(3) Decision Point Review Plan

- (a) Coverage for certain medical expenses under this Addendum is subject to our Decision Point Review Plan, which provides appropriate notice and procedural requirements that must be adhered to in accordance with New Jersey law or regulation. **We** will provide a copy of this plan upon request, or in the event of any claim for medical expenses under this coverage.
- (b) Our Decision Point Review Plan includes the

following minimum requirements as prescribed by New Jersey law or regulation:

- (i) The requirements of the Decision Point Review Plan only apply after the tenth day following the **occurrence**.
- (ii) **We** must be provided prior notice as indicated in our plan, with appropriate **clinically supported** findings, that additional treatment for an **identified injury** or the administration of a diagnostic test listed under Paragraph (2)(a) is required.

The notice and **clinically supported** findings may include a comprehensive treatment plan for additional treatment.

- (c) Once **we** receive such notice with the appropriate **clinically supported** findings, **we** will, in accordance with our plan:
 - (i) Promptly review the notice and supporting materials; and
 - (ii) If required as part of our review, request any additional medical records or schedule a physical examination.
- (d) **We** will then determine and notify the **eligible injured person** or the **insured person** whether **we** will provide coverage for the additional treatment or diagnostic test as indicated in our plan. Any determination **we** make will be based on the determination of a **health care provider**.
- (e) Any physical examination of an **eligible injured person** or **insured person** scheduled by **us** will be conducted in accordance with our plan.
- (f) A penalty will be imposed in accordance with **our** plan if:
 - (i) **We** do not receive proper notice and **clinically supported** findings;
 - (ii) **We** are not provided medical records if requested by **us**; or
 - (iii) Any **eligible injured person** or **insured person** fails to appear for the physical examination if required by **us**.

g. **Dispute Resolution**

If **we** and any person seeking Personal Injury Protection Coverage do not agree as to the recovery of Personal Injury Protection Coverage under this Addendum, then the matter may be submitted to dispute resolution, or the initiative of any party to the dispute, in accordance with New Jersey law or regulation.

Any request for dispute resolution may include a request for review by a medical review organization.

3. The following Condition is added for **Personal Injury Protection** and **Pedestrian Personal Injury Protection**:

COORDINATION AND NON-DUPLICATION

- a. Regardless of the number of **autos** insured for basic personal injury protection coverage pursuant to Section 4 of the New Jersey Automobile Reparation Reform Act or the number of insurers or policies providing such coverage, there shall be no duplication of payment of basis personal injury protection benefits and the aggregate maximum amount payable under this and all applicable policies with respect to **bodily injury** to any one person as the result of any one **occurrence** shall not exceed the applicable amounts or limits specified in Section 4 of said Act.
- b. If an **eligible injured person** under this coverage is also an **eligible injured person** under other complying policies, the insurer paying benefits to such person shall be entitled to recover from each of the other insurers an equitable pro rata is the proportion that the insurer's liability bears to the total of all applicable limits. Complying Policy means a Policy of automobile liability insurance maintained pursuant to the requirements of Section 3 of the New Jersey Automobile Reparation Reform Act and providing basic personal injury protection coverage as approved by the Commissioner of Insurance.

4. The following Condition is added for **Personal Injury Protection**:

MEDICAL PAYMENTS DELETION

In consideration of the Coverage provided for Personal Injury Protection and in Paragraphs A.1. and A.2. of this Addendum, and the adjustment of applicable rates because of **bodily injury** to an **eligible injured person**, any auto medical payments coverage provided under the coverage part is deleted with respect to an **auto** which is a covered **auto**.

E. Definitions

The **Definitions** Section is amended as follows:

1. The definition of **bodily injury** is replaced by the following:

Bodily injury means bodily harm, sickness or disease, including an **identified injury** or death that results.

2. The following definitions are added for **Personal Injury Protection**, and **Pedestrian Personal Injury Protection**:

- a. **Actual benefits** means those benefits determined to be payable for **allowable expenses**.

- b. **Allowable expense** means a medical necessary, reasonable and customary item of expense covered as benefits by the **named insured's** or **family member's** health benefits plan or personal injury protection benefits as an **eligible expense**, at least in part. When benefits provided are in the form of services, the reasonable monetary value of each such service shall be considered as both an **allowable expense** and a paid benefit.

- c. **Clinically supported** means that a **health care provider**, prior to selecting, performing or ordering the administration of a treatment or diagnostics test, has:

- (1) Physically examined the **eligible injured person** or **insured person** to ensure that the proper medical indications exist to justify ordering the treatment or test;
- (2) Made an assessment of any current and/or historical subjective complaints, observations, objective findings, neurologic indications, and physical tests;
- (3) Considered any and all previously performed tests that relate to the injury and the results and which are relevant to the proposed treatment or test; and
- (4) Recorded and documented these observations, positive and negative findings and conclusions on the **insureds** medical records.

- d. **Eligible expense** means:

- (1) In the care of health benefits plans, that portion of the medical expenses incurred for the treatment of **bodily**

injury which is covered under the terms and CONDITIONS of the plan, without application of the deductible(s) and co-payment(s), if any.

- (2) In the case of personal injury protection benefits, that portion of the medical expenses incurred for the treatment of **bodily injury** which, without considering any deductible and co-payment, shall not exceed:
 - (a) The percent or dollar amounts specified on the medical fee schedules, or the actual billed expense, whichever is less; or
 - (b) The reasonable amount, as determined by us, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, when an incurred medical expense is not included on the medical fee schedules.

- e. **Emergency care** means all treatment of a **bodily injury** which manifests itself by acute symptoms of sufficient severity such that absence of immediately attention could reasonably be expected to result in death, serious impairment to bodily functions or serious dysfunction to a bodily organ or part. Such emergency care shall include all medical necessary care immediately following an **occurrence**, including but not limited to, immediate pre-hospitalization care, transportation to a hospital or trauma center, emergency room care, surgery, critical and acute care. Emergency care extends during the period of initial hospitalization until the patient is discharged from acute care by the attending physician. Emergency care shall be presumed when medical care is initiated at a hospital within 120 hours of the **occurrence**.

- f. **Family member** means a person related to the **named insured** by blood, marriage or adoption (including a ward or foster child) who is a resident of the same household as the **named insured**.

- g. **Health care provider** means those persons licensed or certified to perform health care treatment or services compensable as medical expenses and shall include, but not be limited to:
 - (1) Hospital or healthcare facilities that are maintained by a State or any of its political subdivisions or licensed by the

Department of Health and Senior Services.

- (2) Other hospitals or health care facilities designated by the Department of Health and Senior Services to provide health care services, or other facilities, including facilities for radiology and diagnostic testing, free-standing emergency clinics or offices, and private treatment centers;
 - (3) A non-profit voluntary visiting nurse organization providing health care services other than in a hospital;
 - (4) Hospitals or other health care facilities or treatment centers located in other states or nations;
 - (5) Physicians licensed to practice medicine and surgery;
 - (6) Licensed chiropractors, dentists, optometrists, pharmacists, chiropodists (Podiatrists), psychologists, physical therapists, health maintenance organizations, orthotists and prosthetists, professional nurses occupational therapists, speech language pathologists, audiologists, physician assistants, physical therapists assistants and occupational therapy assistants;
 - (7) Registered bio-analytical laboratories;
 - (8) Certified nurse-midwives and nurse practitioners/clinical nurse-specialists; or
 - (9) Providers of other health care services or supplies including durable medical goods.
- h. **Identify injury** means the following **bodily injuries** for which the New Jersey Department of Banking and Insurance has established standard courses of medically necessary diagnosis and treatment;
- (1) Cervical Spine: Soft Tissue Injury;
 - (2) Cervical Spine: Herniated Disc/Radiculopathy;
 - (3) Thoracic Spine: Soft Tissue Injury;
 - (4) Thoracic Spine: Herniated Disc/Radiculopathy;
 - (5) Lumbar-Sacral Spine: Soft Tissue Injury;
 - (6) Lumbar-Sacral Spine: Herniated disc/Radiculopathy; and
 - (7) Any other **bodily injury** for which the New Jersey Department of Banking and Insurance has established standard courses of appropriate diagnosis and treatment.
- i. **Income** means salary, wages, tips commissions, fees and other earnings derived from work or employment.

- j. **Income producer** means a person who, at the time of the **occurrence**, was in an occupational status, earning or producing income.

- k. **Named insured** means the person or organization named in General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #CP0513640, if an individual, includes his or her spouse if the spouse is a resident of the household of the **named insured**, except that if the spouse ceases to be a resident of the same household, the spouse shall be a **named insured** for the full term of the Policy in effect at the time of cessation of residency. If the covered **auto** is owned by a farm family co-partnership or corporation, the term **named insured** also includes the head of the household of each family designated in the Policy as having a working interest in the farm.

- l. **Pedestrian** means any person who is not occupying, using, entering into, or alighting from a vehicle propelled by other than muscular power and designed primarily for use on highways, rails and tracks.

- m. **Private passenger auto** means a self-propelled vehicle designed for use principally on public roads and which is one of the following types:
 - (1) A private passenger or station wagon type auto;
 - (2) A van, a pickup or panel truck or delivery sedan; or
 - (3) A utility auto designed for personal use as a camper or motor home or for family recreational purposes

A **private passenger auto** does not include:

- (a) A motorcycle;
- (b) An auto used as a public or livery conveyance for passengers;
- (c) A pickup or panel truck, delivery sedan or utility auto customarily used in the occupation, profession or business of an **insured** other than farming or ranching; or
- (d) A utility auto customarily used for the transportation of passengers other than members of the user's family or their guests.

3. The following definition is added to the **Definitions** Section for **Personal Injury Protection**:

Eligible injured person means:

- a. The **named insured** and, if the **named insured** is an individual, any **family member**, if the **named insured** or the **family member** sustains **bodily injury**:
 - (1) As a result of any **occurrence** while occupying, using, entering into or alighting from a **private passenger auto**, or
 - (2) While a **pedestrian**, caused by a **private passenger auto** or by an object propelled by or from a **private passenger auto**.
 - b. Any other person who sustains **bodily injury**:
 - (1) While, with **your** permission, that person is occupying, using, entering into or alighting from the covered **auto**; or
 - (2) While a **pedestrian**, caused by the covered **auto** or as a result of being struck by an object propelled by or from the covered **auto**.
4. The following are added to the **Definitions** Section for **Pedestrian Personal Injury Protection**:

- a. **Eligible injured person** means:

A person who sustains **bodily injury** while a **pedestrian**, caused by an **Insured motor vehicle** or as a result of being struck by an object propelled by or from the **insured motor vehicle**.

- b. **Insured motor vehicle** means a self-propelled motor vehicle designed for use principally on public roads, which is not a **private passenger auto** and to which the liability coverage of this Coverage Form applies.

ADDENDUM II

2012 Risk Management Plan
Addendum #2
New Jersey Uninsured Motorists Coverage

With respects to coverage provided by this Addendum, the provisions of Policy #CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum.

This Addendum is effective _____, 2012.

Limit of Insurance:

Bodily Injury: \$15,000 per person

\$30,000 per accident

Property Damage: \$ 5,000 per accident

A. Coverage

1. **We** will pay all sums the insured is legally entitled to recover as compensatory damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from bodily injury sustained by the insured, or **property damage** caused by an accident. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an **uninsured motor vehicle**.
2. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

B. Who is An Insured

If the Named Insured is designated in the General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #CP0513640 as:

1. An individual, then the following are insured:
 - i. The Named Insured and any family members.
 - ii. Anyone else **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
 - iii. Anyone for damages he or she is entitled to recovery because of bodily injury sustained by another insured.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are insureds:
 - i. Anyone **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
 - ii. Anyone for damages he or she is entitled to recover because of bodily injury sustained by another insured.

C. Exclusions

This insurance does not apply to any of the following:

1. With respect to an **uninsured motor vehicle**, any claim settled without our consent.

2. Damages for pain, suffering and inconvenience resulting from bodily injury caused by an accident involving an **uninsured motor vehicle** unless the injured person has a legal right to recover damages for such pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act. The injured person's legal right to recover damages for pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act will be determined by the liability tort limitation, if any, applicable to that person.
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
4. The direct or indirect benefit of any insurer of property.
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
6. **Property damage** for which the Insured had been or is entitled to be compensated by other property or physical damage insurance.
7. The first \$500 of the amount of **property damage** to the property of each insured as the result of any one accident.
8. **Property damage** caused by a hit-and-run vehicle.
9. Punitive or exemplary damages.
10. Bodily injury or **property damage** sustained by an Insured who is an owner of a motor vehicle:
 - i. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation; or
 - ii. Required to be insured in accordance with New Jersey law or regulation, but not insured for this coverage or any similar coverage.

However, this exclusion does not apply to an individual Named Insured, and such Named Insured's spouse, unless the individual Named Insured or such Named Insured's spouse are **occupying**, at the time of an accident, a motor vehicle described in Subparagraph a. or b. under Item B Who is An Insured.

D. Limit of Insurance

1. Regardless of the number of covered autos, insureds, premiums paid, claims made or vehicles involved in the accident, the Limit of Insurance shown in this Addendum for Uninsured Motorists Coverage is the most we will pay for all damages resulting from any one accident with an **uninsured motor vehicle**.
 - i. However, subject to our maximum limit of Insurance for this coverage, if:
 1. An insured is not the individual named insured under this Coverage;
 2. That Insured is an individual named insured under one or more other policies providing similar coverage; and
 3. All such other policies have a limit of insurance for similar coverage which is less than the Limit of Insurance for this coverage; then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage from or policy providing coverage to that insured as an individual named insured.

- ii. However, subject to our maximum Limit of Insurance for this coverage, if;
 1. An insured is not the individual named insured under this Addendum or any other policy;
 2. That insured is insured as a **family member** under one or more other policies providing similar coverage; and
 3. All such other policies have a limit of insurance for similar coverage which is less than the Limit of Insurance for this coverage;

Then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage form or policy provide coverage to that Insured as a **family member**.

2. With respect to damages resulting from an accident involving an **uninsured motor vehicle**, **we** will not make a duplicate payment under this Coverage for any element of loss for which payment has been made by or for anyone who is legally responsible.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this Addendum and any Liability Coverage Form or Endorsement within Policy #CP0513640.

We will not pay for element of loss if a person is entitled to receive payment for the same elements of loss under any personal injury protect benefits.

E. Conditions

All "Other Insurance" Conditions stated in Policy #CP0513640 are deleted in their entirety and replaced with the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

1. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage on either a primary or excess basis.
However, if an Insured is:
 - i. An individual named insured under one or more policies providing similar coverage; and
 - ii. Not **occupying** a vehicle owned by that individual named insured;

then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage to that insured as an individual named insured.

However, if an insured is:

- i. Insured as a family member under one or more policies providing similar coverage;

- and
- ii. Not an individual named insured under this or any other Policy;

then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or Policy provided coverage to that insured as a **family member**.

2. Any insurance provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured motorist's insurance providing coverage on a primary basis.
3. If the coverage under this Addendum is provided:
 - i. On a primary basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - ii. On an excess basis, **we** will pay **only** our share of the loss that must be paid under insurance providing coverage on an excess basis. **Our** share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

F. Duties In The Event of Accident

All provisions as stated in Policy #CP0513640 and the following:

1. Promptly notify the policy if a hit-and-run driver is involved; and
2. Promptly send **us** copies of the legal papers if a suit is brought.

G. Transfer of Rights of Recovery Against Others To Us

If **we** make any payment and the insured recovers from another party, the insured shall hold the proceeds in trust for us and pay us back the amount we have paid.

H. Arbitration

1. If **we** and an insured disagree whether the insured is legally entitled to recover damages from the owner or driver of an uninsured motor vehicle or do not agree as to the amount of damages that are recoverable by that insured, then the matter may be arbitrated. However, disputes concerning coverage under this Addendum may not be arbitrated. Either party may make a written demand for arbitration. In this event each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expense it incurs and bear the expenses of the third arbitrator equally.
2. Unless both parties agree otherwise, arbitration will take place in the county in which the insured lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

G. Additional Definitions

1. **Family member** means a person related to an individual Named Insured by blood, marriage, or adoption who is a resident of such Named Insured's household, including a ward or foster child.

2. **Insured/we/us/our** means Gloucester County Insurance Commission
Occupying means in, upon, getting in, on, or out off.
3. **Property damage** means damage to a covered auto, or to any property of an insured while contained in a covered auto.
4. **Uninsured motor vehicle** means a land motor vehicles or trailer:
 - i. For which no liability bond or policy applies as the time of an accident;
 - ii. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
 - iii. That, with respect to damages for bodily injury only, is as hit-and-run vehicle whose operator or owner cannot be indentified and that hits, or causes an accident resulting in bodily injury without hitting:
 1. An individual Named Insured or any family member;
 2. A vehicle that the Named Insured or any family member, if the Named Insured is an individual, and occupying; or
 3. a covered auto.

However, uninsured motor vehicle does not include any vehicle:

- i. Owned by or furnished or available for the regular use of the Named Insured or any family member, if the Named Insured is an individual;
- ii. Owned or operated by a self –insured under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- iii. Owned by any government unit or agency;
- iv. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation;
- v. Operated on rails or crawler treads;
- vi. Designed for use mainly off public roads while not on public roads;
- vii. Whiled located for use as a residence or premises.