

**GLOUCESTER COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
MEETING – Thursday, December 18, 2014  
115 Budd Blvd.  
Woodbury, NJ 9:30 AM**

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

**ROLL CALL OF COMMISSIONERS:**

Gerald White, Chairman	Present
Dean Sizemore, Vice Chairman	Present
Tamarisk Jones	Absent

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
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Claims Service	Inservco Insurance Services, Inc. <b>Veronica George</b> <b>Ashley Nelms</b> <b>Dave McCabe</b> <b>Debbie Stout (via teleconference)</b>
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	Consolidated Services Group, Inc. <b>Jennifer Pard Goldstein</b>
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	Conner Strong & Buckelew <b>Michelle Leighton</b>
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Underwriting Services Director/RMC	Hardenbergh Insurance Group <b>Bonnie Ridolfino</b> <b>Jenna Quattrone (via teleconference)</b>
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Attorney	Long Marmero & Associates <b>Doug Long, Esq.</b>
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Treasurer

Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>
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Benefits	Conner Strong & Buckelew <b>Tammy Brown</b>
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**ALSO PRESENT:**

Patrick J. Madden, Madden & Madden  
Prudence Higbee, Capehart Scatchard  
Matt Lyons, Gloucester County Counsel  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES:** Open Minutes and Closed Minutes of October 23, 2014.

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF OCTOBER 23, 2014**

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

**CORRESPONDENCE:** Executive Director referred to a copy of a letter from Staci L. Ulp of Inservco Insurance Services which was included in the agenda advising Debbie Stout was retiring effective December 31, 2014. Executive Director advised Terry Sheerin would be the Claims Service Office Manager for the Inservco New Jersey office. Executive Director wished Ms. Stout good luck.

**COMMITTEE REPORTS:**

**SAFETY & ACCIDENT REVIEW COMMITTEE:** Commissioner Sizemore advised the Safety and Accident Review Committee Report was included in the agenda along with a copy of the meeting dates for next year. Commissioner Sizemore indicated the Commission should take advantage of the Command Staff Law Enforcement Training which was discussed at their meeting. Commissioner Sizemore noted the cost per session was \$350 and he was recommending three sessions for \$1,050. Commissioner Sizemore asked if anyone had any questions and advised he would make a motion to approve the expenditure. Executive Director advised this cost could be allocated to the miscellaneous and expense account.

**MOTION TO APPROVE THREE SESSIONS OF THE COMMAND STAFF LAW ENFORCEMENT TRAINING FOR A TOTAL COST OF \$1,050**

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

**CLAIMS COMMITTEE:** Commissioner Sizemore reported the Claims Committee met via teleconference to discuss and review the PARS that would be presented during closed session.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised his report was included in the agenda and there were six action items for the meeting.

**2015 PROPERTY AND CASUALTY BUDGET INTRODUCTION** – Executive Director referred to a copy of the 2015 Property and Casualty Budget in the amount of \$5,829,958 which was included in the agenda. Executive Director advised the budget increased by 5.65% over the 2014 budget. Executive Director noted the CEL portion of the budget was adopted by the Commissioners on November 20<sup>th</sup>. Executive Director referred to lines 1 through 4 of the budget and explained the figures represented the loss funds which were projected by the actuary. The loss funds were down 1.64%. Executive Director noted the total loss funds were \$2,194,083 and represented 37% of the budget. Executive Director advised line 9, \$1,684,938, represented the CEL premiums and noted the CEL budget increased by 6.88%. Executive Director reviewed the expense lines of the budget and pointed out there was a new line in the budget for the Safety Service of \$268,000 and also there was now an amount in the Treasurer line of the budget in the amount of \$12,000. Executive Director advised the expenses represented 15% of the budget. Executive Director referred to the Ancillary Coverages of the budget and explained the CEL Underwriting Manager was not projecting increases more than 5% for the POL/EPL, Excess Liability, Crime as well as the Cyber coverage. Executive Director noted the Medical Malpractice line decreased by \$100,000 due to the reduction of the County Jail operations. Executive Director advised the Ancillary coverages represented 19% of the budget. Executive Director asked if anyone had any questions and requested a motion to introduce the budget and schedule a public hearing.

**MOTION TO INTRODUCE THE 2015 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$5,829,958 AND SCHEDULE A PUBLIC HEARING ON JANUARY 22, 2015 AT 9:30 AM AT 115 BUDD BLVD., WOODBURY, NJ 08096**

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

**2015 HEALTH BENEFITS BUDGET INTRODUCTION** – Executive Director asked Ms. Brown to introduce the Health Benefit Budget. Ms. Brown advised a copy of the 2014/2015 Budget Comparison was included in the agenda, however, she distributed an updated version of the budget. Ms. Brown advised they were able to review the October and November claims and as a result was able to revise the budget figure for 2015 to \$608,987. Ms. Brown reviewed the lines of the budget and advised lines 21 and 22 represented the fixed expense components of the budget. Ms. Brown advised line 21 represented the PERMA and Conner Strong and Buckelew consulting fees and line 22 represented the Dental TPA fee of \$3.11 per participant for a total of \$76,166 for the two lines. Ms. Brown advised the budget included in the agenda did represent an increase; however, the revised budget that was distributed in the amount of \$608,987 represented a slight reduction in the budget from 2014. Ms. Brown asked if anyone had any questions. In response to Chairman White’s inquiry regarding the increase in line 21, Ms. Brown advised the allocation of costs were shifted this year and was not necessarily an increase. Ms. Brown noted line 21 represented the PERMA and Conner Strong & Buckelew fees in accordance to the contract. Ms. Brown explained it was only a shifting of the display figures and not the work. Ms. Brown further explained line 21 was higher for 2015; however, line 22 was lower for 2015.

**MOTION TO INTRODUCE THE 2015 HEALTH BENEFITS BUDGET IN THE AMOUNT OF \$608,987 AND SCHEDULE A PUBLIC HEARING ON JANUARY 22, 2015 AT 9:30 AM AT 115 BUDD BLVD., WOODBURY, NJ 08096**

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

Executive Director advised he neglected to point out that the 2015 Property and Casualty Assessments were included in the agenda and they would be certified at the Public Hearing next month.

**COMMISSION ATTORNEY APPOINTMENT:** Executive Director advised a RFP was issued for the Commission Attorney position for the period of 4-25-14 to 4-25-15. Executive Director indicated there were two responses received, one from Long Marmero & Associates, incumbent, and Chance & McCann. Executive Director noted this item was tabled previously but the responses were now reviewed and evaluated. Chairman White advised Long Marmero & Associates would continue as the Commission Attorney.

**MOTION TO APPROVE LONG MARMERO & ASSOCIATES AS THE COMMISSION ATTORNEY FOR THE PERIOD OF APRIL 25, 2014 TO APRIL 25, 2015**

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

**PROPOSED MEETING DATES FOR 2015:** Executive Director referred to a draft copy of the 2015 annual meeting notice which was included in the agenda. Executive Director indicated there were no meetings scheduled for March, May, July, August and November as was in 2014. Executive Director noted however, the Commissioners could schedule additional meetings or cancel a meeting with advanced notice. Executive Director asked if anyone had any questions and requested a motion to approve Resolution 51-14, Fixing Public Meeting Dates for the year 2015.

**MOTION TO ADOPT RESOLUTION 51-14, FIXING PUBLIC MEETING DATES FOR THE YEAR 2015**

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

**CAIR MOTOR VEHICLE REPORTS:** Executive Director advised the renewal notice was received from the New Jersey Motor Vehicle Commission for the annual administrative fee of \$150. Executive Director indicated the Commission has paid for this fee in the past and the expense would be allocated to the miscellaneous and contingency account. Executive Director requested a motion to approve the payment.

**MOTION TO APPROVE PAYMENT TO THE NEW JERSEY MOTOR VEHICLE COMMISSION IN THE AMOUNT OF \$150 FOR THE ANNUAL ADMINISTRATIVE FEE FOR ONLINE MOTOR VEHICLE REPORTS**

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

**AMENDMENT TO THE PLAN OF RISK MANAGEMENT:** Executive Director reported the Risk Management Plan was revised to include a list of perils for which underground piping was not covered and also the owned watercraft liability coverage was amended from 32’ to 35’ in length. Executive Director noted the applicable pages were included in the agenda and the revisions were highlighted in yellow. Executive Director asked if anyone had any questions and requested a motion to approve Resolution 52-14, the revised Plan of Risk Management.

**MOTION TO APPROVE THE PLAN OF RISK MANAGEMENT, RESOLUTION 52-14**

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

**CERTIFICATE OF INSURANCE REPORT:** Executive Director reported on the Certificate of Insurance Report for the period 10/17/14 to 12/12/14. There were 5 certificates of insurance issued during this period.

**GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK:** Executive Director advised the September and October Property & Casualty Financial Fast Tracks were included in the agenda. As of October 31, 2014 the Commission has a surplus of \$3,522,542. Line 8 of the report, “Investment in Joint Venture” is the Gloucester County Insurance Commission’s share of the equity in the CEL. Gloucester County Insurance Commission’s current equity in the CEL is \$1,150,991.

**NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the agenda included the September and October Financial Fast Tracks. Executive Director noted as of October 31<sup>st</sup> the Fund has a surplus of \$5,204,827.

**HEALTH BENEFITS FINANCIAL FAST TRACK:** Executive Director reported the September, October, and November Health Benefits Financial Fast Tracks were included in the agenda. Executive Director advised as of November 30, 2014 there was a surplus of \$94,856.

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director advised the CEL met on October 23, 2014. A summary report of their meeting was included in the agenda. Executive Director also advised the Board of Fund Commissioners offered membership to the County of Atlantic. Executive Director reported he understood the County accepted membership and would become a CEL member Insurance Commission on January 1, 2015 and will include the

County, Improvement Authority and Utility Authority. The CEL also held a teleconference on November 20<sup>th</sup> and adopted the budget in the amount of \$19,964,592. Executive Director noted the CEL cancelled their December meeting and the 2015 Reorganization meeting was scheduled for February 26, 2015 at 1:00 PM at the Camden County College Regional Emergency Training Center.

Executive Director advised that concluded his report unless anyone had any questions.

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Chairman White presented the November and December Property & Casualty Bill Lists along with the November and December Health Insurance Fund Bill Lists which were included in the agenda. Chairman White requested motions to approve Resolutions, 53-14, 54-14, 55-14, 56-14 and 57-14.

**MOTION TO APPROVE THE BILL LISTS,  
RESOLUTIONS 53-14, 54-14, 54-15, 55-14 56-14 & 57-14**

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

**CLAIMS REPORT**

**REPORT:**

Chairman White presented Resolution 58 -14 Inservco Liability Check Register for the period 10-1-14 to 10-31-14 and 11-1-14 to 11-30-14.

**MOTION TO APPROVE RESOLUTION 58-14 LIABILITY CHECK REGISTER FOR THE PERIOD OF 10-1-14 TO 10-31-14 AND 11-1-14 TO 11-30-14**

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

**MANAGED CARE PROVIDER:** Ms. Goldstein reviewed the Client Bill Review Summary Report for the months of September and October which were included in the agenda. Ms. Goldstein advised there were 60 bills for October with a total of \$70,177.40. The total recommended allowed amount was \$23,673.39. The total reduction was \$46,504.01 and after fees the net reduction was \$39,953.45. Ms. Goldstein advised there were 25 bills received in November for a total of \$55,270.74. The total recommended allowed amount was \$13,716.20. The total reduction was \$41,554.54 and after fees the net reduction was \$36,497.70. Ms. Goldstein indicated the year to date savings was \$280,640.08 or 49%.

## **CEL SAFETY DIRECTOR:**

**REPORT:** Mr. Prince reported the Safety Director's report was included in the agenda. The report included Risk Control Activities for October through December 2014. Mr. Prince advised he wanted to thank everyone that participated in the 2014 Safety Program especially Commissioner Sizemore and Ms. Ridolfino. Mr. Prince also advised there was a BRIT Demo overview provided for the GCC and GCIC via a webinar.

## **RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:**

**REPORT:** Ms. Ridolfino advised her report for services performed was included in the agenda.

Ms. Ridolfino reported the 2015 Safety Kick Off meeting would be held on January 15, 2015 at the Rowan College at Gloucester County starting at 9:00 AM. Ms. Ridolfino advised there would be a demonstration of the BRIT on line training program.

Ms. Ridolfino referred to a copy of a Safety Poster, "Wash your hands and help make the flu disappear" which was included in the agenda. Ms. Ridolfino advised her office reached out to Commissioner Jones at the Health Department and other member entities to see if there interested in obtaining the poster.

Ms. Ridolfino reported her office contacted each member to remind them to check with all of the departments regarding any incidents that could give rise to a claim with respects to Employee Dishonesty, Public Officials Liability, Employment Practices Liability, Pollution Liability, Medical Malpractice and or Employed Lawyers Liability.

Ms. Ridolfino advised the College and Library did not purchase the cyber liability coverage last year and she has distributed proposals to those entities this year.

Ms. Ridolfino reported the Ancillary Coverage Loss Runs as of 6/30/14 were e-mailed to the members and she would contact the member representative to review them in detail.

Ms. Ridolfino indicated a question came up at a recent Safety meeting regarding modified duty. Ms. Ridolfino explained the Improvement Authority, Utility Authority, College and Library did not offer modified duty to an injured worker and was wondering if one of their employees could be sent to the County for modified work. Ms. Ridolfino advised she would contact Mr. Long and Ms. Higbee to discuss further. Mr. Lyons indicated there would be some concerns and issues with the temporary transfer. A brief discussion took place and Ms. Ridolfino advised she would discuss with the legal professionals further.

Ms. Ridolfino advised she had a few action items to renew some coverages. Ms. Ridolfino reported at the October 23<sup>rd</sup> meeting the Commissioners authorized the Library's Notary Bond be renewed in the amount of \$147.87. Ms. Ridolfino advised the number of notaries was reduced and the revised annual cost was \$125.12.

Ms. Ridolfino reported the Improvement Authority's Volunteer Accident Coverage for the Dream Park was renewing on January 28, 2015 through Starr Indemnity for an annual cost of \$400.

**MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE VOLUNTEER ACCIDENT POLICY THROUGH STARR INDEMNITY FOR AN ANNUAL COST OF \$400 EFFECTIVE 1/28/15**

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

Ms. Ridolfino advised the next action item was to renew the Bond for Prosecutor Dalton with an annual premium of \$70.00 effective 3/9/15.

**MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW PROSECUTOR DALTON'S BOND THROUGH C N A FOR AN ANNUAL COST OF \$70.00 EFFECTIVE 3/9/15**

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

In response to Commissioner Sizemore's inquiry regarding Cyber coverage for the Library and College, Ms. Ridolfino indicated they did not purchase the coverage due to the cost; however, she would reach out to the entities again. A discussion ensued on the importance of the College purchasing the Cyber coverage due to their exposure.

Ms. Ridolfino advised that she had concluded her report unless anyone had questions.

**ATTORNEY:** Commission Attorney advised he did not have anything to report during open session.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:**

**MOTION TO OPEN MEETING TO PUBLIC**

Motion: 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 THE MEETING TO THE PUBLIC**

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

**CLOSED SESSION:** Chairman White read and requested a motion to approve Resolution 59-14 authorizing a Closed Session to discuss PARS & SARS.

**RESOLUTION 59-14, 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 SHARON ANDERSON # 2014-22229, FORREST COLLINS, # 2013-26802, BRIAN EVANS, # 2012-12627, RICHARD FOX, # 2013-20712, JOHN HAMILTON, # 2013-24833 AND ANJEANETTE WAGNER, # 2013-34258. ALSO A DISCUSSION ON AUTUMN PASQUALE**

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. Long indicated Resolution 59-14 should be amended to include a discussion on the Rapp matter. Mr. Long made the following motions:

**MOTION TO APPROVE PAYMENT AUTHORITY REGARDING # 3530000860 IN THE AMOUNT OF \$250,000**

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

**MOTION TO APPROVE PAYMENT AUTHORITY REGARDING # 3530000425 IN THE AMOUNT OF \$32,500**

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

**MOTION TO APPROVE PAYMENT AUTHORITY REGARDING # 3530000903 IN THE AMOUNT OF \$22,800.24**

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

**MOTION TO APPROVE PAYMENT AUTHORITY REGARDING # 3530000851 IN THE AMOUNT OF \$85,261.07**

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

Mr. Long advised the next would be a resolution:

**AUTHORIZING THE GCIC TO ENTER INTO A SETTLEMENT AGREEMENT ON CLAIM #3530000576, TOTAL AMOUNT OF \$685,000 AND AUTHORIZING THE GCIC TO PAY ITS AGREED AMOUNT TOWARD SUCH SETTLEMENT DESCRIBED IN THE SETTLEMENT**

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

Commissioner Sizemore advised he would make one more motion:

**MOTION TO APPROVE THE RETENTION OF ARCHER GREINER FOR BOTH THE PROSECUTOR'S OFFICE AND THE COUNTY IN THE MATTER OF PASQUALE**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:06 AM**

Minutes prepared by: Cathy Dodd, Assisting Secretary