

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, December 19, 2013
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	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joe Hrubash
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Claims Service	Inservco Insurance Services, Inc. Veronica George Steve Daveggia
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Consolidated Services Group, Inc. Jennifer Pard Goldstein Stephen McNamara
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Conner Strong & Buckelew Michelle Leighton
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Underwriting Services Director/RMC	Hardenbergh Insurance Group Bonnie Rick
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Attorney	Long Marmero & Associates Doug Long, Esq.
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Treasurer

Safety Director	J.A. Montgomery Risk Control Glenn Prince
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Auditor	Bowman & Company LLP
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Benefits	Conner Strong & Buckelew
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ALSO PRESENT:

Matt Lyons, Esq. Gloucester County Counsel
Patrick J.Madden, Esq., Madden & Madden
Marjorie Workmen, GCSSSD/GCIT
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open Minutes and Closed Minutes of November 26, 2013

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF
NOVEMBER 26, 2013**

Motion:	Commissioner Jones
Second:	Commissioner Sizemore
Roll Call Vote:	Unanimous

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Commissioner Sizemore advised the Safety Committee met on December 3rd and a copy of the Committee's 2014 meeting schedule was included in the agenda. However, Commissioner Sizemore noted the location of the February 4th meeting would be changed to 2 South Broad Street Woodbury, NJ.

CLAIMS COMMITTEE: Commissioner Sizemore reported the Claims Committee met via teleconference on December 10th and discussed the PARS that would be presented during closed session. Commissioner Sizemore also advised a copy of the Claims Committee 2014 meeting schedule was included in the agenda.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had five (5) action items for his report today and would begin with the 2014 Property & Casualty Budget adoption.

2014 PROPERTY AND CASUALTY BUDGET ADOPTION: Executive Director advised the budget was revised since it was introduced at the November 26th meeting. Executive Director reported the budget included a credit from the CEL for Ancillary and Excess Insurance Surplus for the years, 2010, 2011 and 2012 in the amount of \$148,760. Executive Director referred to a copy of the revised budget which was included in the agenda in the amount of \$5,363,446 and noted the revised budget was decreased by \$381,792 over the 2013 budget. Executive Director also referred to a copy of the assessments which was included in the agenda. Executive Director asked if there were any questions regarding the budget and requested a motion to open the Public Hearing on the 2014 Property & Casualty Budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2014 PROPERTY & CASUALTY BUDGET

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

Chairman White advised this was now a Public Hearing on the 2014 Property & Casualty Budget and asked if anyone had any comments. Seeing no one come forward Chairman White requested a motion to the close the Public Hearing.

MOTION TO CLOSE THE PUBLIC HEARING

Motion: Commissioner Jones
Second: Commissioner Sizemore
Roll Call Vote: Unanimous

MOTION TO ADOPT THE PROPERTY & CASUALTY BUDGET FOR THE GLOUCESTER COUNTY INSURANCE COMMISSION AS PRESENTED FOR THE COMMISSION YEAR 2014 & CERTIFY THE 2014 ASSESSMENTS

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

2014 HEALTH BENEFITS BUDGET ADOPTION: Executive Director advised the 2014 Health Benefit Budget was included in the agenda in the amount of \$616,053. Executive Director noted the budget decreased from last years budget by \$23,406. Executive Director reported there were no changes in the budget since it was introduced at the November 26th meeting. Executive Director asked if there were any questions regarding the budget and requested a motion to open the Public Hearing on the 2014 Health Benefits Budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2014 HEALTH BENEFIT BUDGET

Motion: Commissioner Jones
Second: Commissioner Sizemore
Roll Call Vote: Unanimous

Chairman White advised this was now a Public Hearing on the 2014 Health Benefit Budget and asked if anyone had any comments. Seeing no one come forward Chairman White requested a motion to the close the Public Hearing.

MOTION TO CLOSE THE PUBLIC HEARING

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

MOTION TO ADOPT THE HEALTH BENEFIT BUDGET FOR THE GLOUCESTER COUNTY INSURANCE COMMISSION AS PRESENTED FOR THE COMMISSION YEAR

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

PROPOSED MEETING DATES FOR 2014: Executive Director referred to a copy of the proposed meeting dates which was included in the agenda. Executive Director advised based on previous discussions the proposed meeting schedule eliminated four meetings March, May, August and November. Executive Director requested a motion to adopt Resolution 75-13,” Fixing the Public Meeting Dates for the Year 2014”.

MOTION TO ADOPT RESOLUTION 75-13 FIXING PUBLIC MEETING DATES FOR THE YEAR 2014

Motion: Commissioner Jones
Second: Commissioner Sizemore
Roll Call Vote: Unanimous

In response to Commissioner Sizemore’s inquiry, Ms. Dodd advised a resolution would be included with the Re-organization resolutions giving the Treasurer authority to process payments when the Commission did not hold a monthly meeting.

CERTIFICATE OF INSURANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the period of 11/18/13 to 12/13/13. There were a total of 5 certificates issued for this period.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised the October Property & Casualty Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,360,961 as of October 31, 2013. Executive Director pointed out the figure of \$916,666 on line 7 of the report “Investment in Joint Venture was GCIC’s share of the CEL JIF equity and was part of the GCIC surplus. Executive Director noted there was an amount of surplus gained for the month of October in the amount of \$320,250.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised the September NJ CEL Financial Fast Track Report as of September 30, 2013 was included in the agenda. The CEL had a surplus of \$3,527,852 as of September 30, 2013.

HEALTH BENEFITS FINANCIAL FAST TRACK: Executive Director advised the September Health Benefit Financial Fast Track was included in the agenda. The Health Benefits has a surplus of \$92,163 as of November 30, 2013.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL met on December 12, 2013 and a summary report of their meeting was included in the agenda. Executive Director noted the Commissioners of the CEL agreed to transfer the overage in the Expense & Ancillary balances for previous years to the respective Commission members. Executive Director advised Mercer County would join the CEL as of January 1, 2014 and possibly two or three more Mercer County affiliated entities by July 1st. Executive Director indicated Cape May County advised they were not making any changes for 2014 and if Hudson County joined as of January 1st they would be set up like Union County with no underlying Insurance Commission. Executive Director also advised Zurich was still working on modifying the 2014 property form and he expected a final draft shortly. Executive Director reported the CEL Underwriting Manager advised Zurich was reviewing the distance limit with respect to underground piping coverage. Executive Director advised currently the CEL policy has a \$10 million sub-limit with a coverage restriction of 1,000 feet from an insured location. Executive Director advised they were negotiating with Zurich and he believed the distance will be five miles but thought the sub-limit might change. Lastly, Executive Director advised through the marketing efforts of the CEL Underwriter Manager, Chartis, agreed not to increase Gloucester County's POL/EPL deductible to \$175,000. The policy would renew per the expiring deductible of \$100,000.

HEALTH BENEFITS CONSULTANT CONTRACT: Executive Director reported the Health Benefits Consultant Contract expired as of December 31, 2013 and his office issued an RFP. Executive Director advised the responses were due on December 16th and one response was received from Conner Strong & Buckelew. Executive Director reported the response was sent to the Commissioners for review and evaluation. Chairman White reviewed and completed the evaluation form with the Commissioners and indicated Conner Strong and Buckelew would be awarded the contract. Executive Director requested a motion approving Conner Strong & Buckelew and advised a resolution would be included in the next agenda.

MOTION TO AWARD THE HEALTH BENEFITS CONTRACT TO CONNER STRONG & BUCKELEW PER THE ANNUAL CONSULTING FEES IN A LETTER TO MR. MERCANTI DATED DECEMBER 18, 2013

Motion:	Commissioner Sizemore
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

CLAIMS REPORTING REQUIREMENTS – UPDATED: Executive Director reported there was a change in the BRIT reporting requirements. Ms. Leighton referred to copies of correspondence which were included in the agenda advising BRIT, the excess liability carrier, requires all claims be reported to them involving any law enforcement activities.

OPTIONAL NETWORK PRIVACY & SECURITY QUOTES: Executive Director advised the CEL Underwriting Manager provided optional cyber liability quotes for Gloucester County, Gloucester County Library Commission and Gloucester County Improvement Authority. Ms. Rick advised her office was reviewing the quotes and would make a recommendation to the member entities.

CAIR MOTOR VEHICLE REPORTS: Executive Director advised the renewal invoice from the New Jersey Vehicle Commission was received in the amount of \$150. Executive Director advised the administrative fee of \$150 would cover the first 5,000 online transactions for motor vehicle reports for all Commission Members. Executive Director advised this expense as in the past could be allocated to the miscellaneous and contingency account and requested a motion for approval.

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

Motion:	Commissioner Sizemore
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

ARBITRATION FORUMS, INC.: Executive Director advised Burlington County was involved in a recent auto accident and the parties disagreed who was at fault. At the recommendation of their TPA, PMA, Burlington is subscribing to Arbitration Forums, Inc. to settle disputes of this type. Executive Director reported this process would avoid costs associated with litigation and legal representation for minor claims. Ms. Leighton advised there was a small fee involved depending on the line of coverage and referred to the fee schedule included in the agenda. After a brief discussion it was agreed the Commission should become a member to Arbitration Forums, Inc. for full membership for items listed in the agenda.

MOTION TO HAVE INSERVCO SUBSCRIBE TO ARBITRATION FORUMS, INC.

Motion:	Commissioner Jones
Second:	Commissioner Sizemore
Roll Call Vote:	Unanimous

Executive Director's Report Made Part of Minutes.

EMPLOYEE BENEFITS: Executive Director reported he would review the employee benefits report with the Commission which was included in the agenda. Executive Director advised the Client Activity Summary Report for the period of 11/1/13 to 11/30/13 was included in the agenda. Executive Director indicated there were 91 inquiries during November and the year to date total was 1264.

TREASURER REPORT: Chairman White presented Resolution 76-13 the December Property & Casualty Bill List in the amount of \$73,100.16 and requested a motion to approve.

**MOTION TO APPROVE RESOLUTION 76-13
CONFIRMATION OF THE DECEMBER PROPERTY
& CASUALTY BILL LIST IN THE AMOUNT OF
\$73,100.16**

Motion:	Commissioner Jones
Second:	Commissioner Sizemore
Roll Call Vote	Unanimous

Chairman White presented Resolution 77-13 the December Health Insurance Fund Bill List in the amount of \$7,295 and requested a motion to approve.

**MOTION TO APPROVE THE DECEMBER HEALTH
INSURANCE FUND BILL LIST, RESOLUTION 77-13
IN THE AMOUNT OF \$7,295**

Motion:	Commissioner Sizemore
Second:	Commissioners Jones
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 78-13 Inservco Liability Check Register for the period of 11/1/13 to 11/30/13.

**MOTION TO APPROVE RESOLUTION 78-13 LIABILITY CHECK
REGISTER FOR THE PERIOD OF 11/1/13 THROUGH 11/30/13**

Motion:	Commissioner Sizemore
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

MANAGED CARE PROVIDER: Ms. Goldstein referred to the Bill Review/PPO Savings Report which was included in the agenda. Ms. Goldstein advised there were 39 bills received in November for a total of \$197,661.57. The total allowed amount was \$71,437.09. The total reduction was \$126,224.48 and after fees the net reduction was \$117,782.38. Ms. Goldstein also referred to the Year to Date Summary and advised the total percent of net savings was 48%.

CEL SAFETY DIRECTOR:

REPORT: Mr. Prince reviewed the November through December 2013 Risk Control Activity Report which was included in the agenda along with the training calendar for December. Mr. Prince added he was working with the Corrections Department on their requests for CEVO training. Mr. Prince also noted he was conducting a Snow Removal Safety class for the Corrections Department in the afternoon.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Rick advised the Safety Kick Off meeting was scheduled at the Fire Academy on January 9, 2014.

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

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO PUBLIC

Moved:	Commissioner Jones
Second:	Commissioner Sizemore
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 Jones
Second:	Commissioner Sizemore
Roll Call Vote :	Unanimous

CLOSED SESSION: Chairman White read and requested a motion to approve Resolution 79-13 authorizing a Closed Session.

RESOLUTION 79-13, 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. ALSO THE POSSIBLE SETTLEMENT OF KAREN LUCAS V

GLOUCESTER COUNTY, CLAIM PETITION # 2013-9851 AND DISCUSSION ON THE ESTATE OF PATRICK GEORGETTE V COUNTY OF GLOUCESTER, ET AL, DOCKET #L-848-13

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

MOTION TO GO INTO CLOSED SESSION

Motion: Commissioner Jones
Second: Commissioner Sizemore
Roll Call Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

Mr. Long requested a motion authorize defense counsel to enter into mediation with a maximum authority of \$75,000 regarding Georgette

MOTION TO AUTHORIZE DEFENSE COUNSEL TO ENTER INTO MEDIATION WITH A MAXIMUM AUTHORITY OF \$75,000 REGARDING GEORGETTE

Motion: Commissioner Jones
Second: Commissioner Sizemore
Roll Call Vote: Unanimous

Mr. Long requested a motion to approve an increase on Claim # 3530000430 to \$35,495.12 an increase of \$20,495.12

MOTION TO APPROVE AN INCREASE ON CLAIM 3530000430 TO \$35,495.12 AN INCREASE OF \$20,495.12

Motion: Commissioner Jones
Second: Commissioner Sizemore
Roll Call Vote: Unanimous

Mr. Long requested a motion to authorize defense counsel to settle case # 3530000833 in the maximum amount of \$1,000

**MOTION TO AUTHORIZE DEFENSE COUNSEL TO SETTLE CASE
#3530000833 IN THE MAXIMUM AMOUNT OF \$1,000**

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

MOTION TO ADJOURN:

Motion: Commissioner Sizemore
Second: Commissioner Jones
Roll Call Vote: Unanimous

MEETING ADJOURNED: 10:38 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary