

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, February 27, 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	Excused

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 Debra Stout
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	Consolidated Services Group, Inc. 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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Benefits	Conner Strong & Buckelew
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ALSO PRESENT:

Prudence M. Higbee, Capehart & Scatchard
Charles Austermuhl, Richardson, Galella and Austermuhl
Matt Lyons, Gloucester County Counsel
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open Minutes and Closed Minutes of January 23, 2014

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

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

CORRESPONDENCE: None

ELECTION OF CHAIRMAN & VICE CHAIRMAN: Chairman White advised he would accept nominations for the position of Chairman. Commissioner Sizemore indicated he would like to nominate Gerald White as Chairman.

MOTION TO NOMINATE GERALD WHITE FOR CHAIRMAN OF THE GLOUCESTER COUNTY INSURANCE COMMISSION

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

Chairman White asked if there were any other nominations, and since there were none, requested a motion to close the nominations.

MOTION TO CLOSE THE NOMINATIONS FOR THE POSITION OF CHAIRMAN

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

Chairman White advised he would accept nominations for the position of Vice Chairman. Chairman White indicated he would like to nominate Dean Sizemore as Vice Chairman.

MOTION TO NOMINATE DEAN SIZEMORE THE POSITION OF VICE CHAIRMAN OF THE GLOUCESTER COUNTY INSURANCE COMMISSION

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

MOTION TO CLOSE THE NOMINATIONS FOR THE POSITION OF VICE CHAIRMAN

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

Commission Attorney administered the oath of office to Chairman White and Commissioner Sizemore.

COMMITTEE REPORTS:

SAFETY COMMITTEE: Commissioner Sizemore reported the Safety Committee met in February and covered a few topics of concern. Commissioner Sizemore advised the Committee was focusing on items to reduce the amount of claims and Ms. Rick would comment further during her report.

CLAIMS COMMITTEE: Commissioner Sizemore advised the Committee did not meet in February as there were no PARS to discuss.

EXECUTIVE DIRECTOR REPORT: Executive Director advised there were several reorganization resolutions to approve, however, first he wanted to review the 2014 Plan of Risk Management.

2014 RISK MANAGEMENT PLAN: Executive Director referred to a copy of the 2014 Plan of Risk Management which was included in Appendix II section of the agenda. Executive Director advised the changes were highlighted in yellow. Executive Director pointed out the pertinent changes included (1) the addition of cyber liability as an optional ancillary coverage, (2) a change in the “upper” excess liability structure to a two layer and two insurer structure with limits applying on a per Insurance Commission basis in lieu of shared limit, (3) the addition of auto medical payments coverage of \$15,000 per person for the Gloucester County corrections transport provided within the GCIC retention; (4) changes in the property program coverage and to reflect a new policy form with Zurich and (5) a change in the upper excess property layer to a quota share basis. Executive Director requested the 2014 Risk Management Plan be approved with the reorganization resolutions.

REORGANIZATION RESOLUTIONS: Executive Director referred to the Reorganization Resolutions which were included in the agenda. Executive Director read and reviewed Resolutions 4-14 through 12-14.

- Resolution 5-14 Certifying the Election of Chairperson and Vice Chairman
- Resolution 6-14 Appointing Agent for Service of Process and Custodian of Records for the Year 2014
- Resolution 7-14 Designating Official Newspapers for the Commission
- Resolution 8-14 Designating Authorized Depositories for Fund Assets and Establishing Cash Management Plan
- Resolution 9-14 Designating Commission Treasurer
- Resolution 10-14 Designating Authorized Signatures for Commission Bank Accounts
- Resolution 11-14 Indemnifying Gloucester County Insurance Fund Commission Officials/Employees
- Resolution 12-14 Authorizing Commission Treasurer to Process Contracted Payments and Expenses
- Resolution 13-14 Plan of Risk Management for 2014

Chairman White requested a consent motion on Resolutions 5-14 through 13-14

**MOTION TO APPROVE REORGANIZATION
RESOLUTIONS NUMBER 5-14 THROUGH 13-14**

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

1099 REQUIREMENTS: Executive Director reported per the Internal Revenue Code when issuing any payments to vendors a JIF, HIF, or Insurance Commission must have the Employer Identification Number before issuing a check. Executive Director asked the Commission to establish a procedure where an invoice from a vendor shall not be processed for payment unless the vendor has its W-9 on file with the Fund Office.

**MOTION TO ESTABLISH A PROCEDURE WHERE
AN INVOICE FROM ANY VENDOR SHALL NOT BE
PROCESSED FOR PAYMENT UNLESS THE
VENDOR HAS ITS W-9 ON FILE WITH THE FUND
OFFICE**

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

RFP FOR COMMISSION ATTORNEY Executive Director reported the Commission Attorney's contract would expire as of April 25, 2014. Executive Director advised his office would issue and advertise a Request for Proposals for this position in March. Executive Director noted the responses would be evaluated and a recommendation would be presented at the April Commission meeting.

CERTIFICATE OF INSURANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the period of 1/19/14 to 2/25/14. There were a total of 13 certificates issued for this period.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised that the December Property & Casualty Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,700,422 as of December 31, 2013. Executive Director advised that \$976,350 on line 7 of the report "Investment in Joint Venture was the GCIC's share of the CEL JIF equity.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the December Financial Fast Track for the NJ CEL. As of December 31, 2013 the CEL had a surplus of \$3,780,908.

HEALTH BENEFITS FINANCIAL FAST TRACK: Executive Director reported the January Health Benefits Financial Fast Track was not available for the meeting and the report would be included in the next agenda.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL cancelled their January meeting. Executive Director advised the CEL's Reorganization meeting was scheduled for the afternoon. Executive Director noted the CEL needed to amend their budget to include two new members, Hudson County and the Mercer County Insurance Fund Commission. Executive Director indicated the CEL Underwriting Manager planned to provide a report on the 2014 renewal. Executive Director advised a summary report of the Reorganization meeting would be included in the next agenda.

2014 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES: Executive Director reported the CEL renewal policies were being reviewed. Executive Director advised the renewal policies would again be available electronically through the Conner Strong & Buckelew secure website for authorized representatives. Executive Director noted the CEL Underwriting Manager would send an e-mail when the policies were available with instructions to access the website. Executive Director indicated the policies were expected to be available by April 1st.

2014 PROPERTY & CASUALTY ASSESSMENTS: Executive Director advised in accordance with the Commission's By Law's the property and casualty assessment bills were mailed to the member entities via certified mail and e-mail. Executive Director noted the first installment would be due on March 15, 2014 and future payments were due on May 15th and October 15th.

OPTIONAL NETWORK PRIVACY & SECURITY: Executive Director reported the CEL Underwriting Manager advised Gloucester County and Gloucester County Improvement Authority purchased the Cyber Coverage. Ms. Rick advised the College needed to complete an application and the Library wanted to purchase the coverage but wanted it paid for. Ms. Rick indicated once the CEL decided if they would finance then the Library would decide. Executive Director advised that subject was on the CEL agenda for today's meeting.

CYBER SECURITY SERVICES: Executive Director reported the CEL Underwriting Manager advised if a member entity purchased the Cyber coverage through AIG, they would have access to two cyber security services at no additional cost. Executive Director noted the CEL Underwriting Manager sent additional information regarding the services and how to register with your policy number and policy period to the applicable entities. Ms. Rick advised she and the Executive Director would speak with AIG to understand the tools and then she would reach out to the County's IT department.

2014 MEETING SCHEDULE: Executive Director reminded the Commission there would be no meeting in March. The next meeting was scheduled for April 24, 2014 at 9:30 AM.

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

Ms. Leighton advised Conner Strong and Buckelew would host a Lunch and Learn with a presentation from AIG, the Employment Practices and Public Officials carrier at the office in Marlton on March 27th from 11:00 to 1:00. Ms. Leighton advised there would be a round table discussion on EPL issues. Ms. Leighton noted her office would send out an invitation by e-mail and hoped everyone could attend.

Executive Director's Report Made Part of Minutes.

EMPLOYEE BENEFITS: Executive Director advised 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 1/1/14 to 1/31/14 indicated there were 67 inquires during the month of January.

TREASURER REPORT: Chairman White presented Resolution 14-14 the February Property & Casualty Bill List in the amount of \$1,537,028.68 and requested a motion to approve.

**MOTION TO APPROVE THE FEBRUARY BILL LIST,
RESOLUTION 14-14 IN THE AMOUNT OF
\$1,537,028.68**

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

Chairman White presented Resolution 15-14 the February Health Insurance Fund Bill List in the amount of \$6,541 and requested a motion to approve.

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

**MOTION TO APPROVE THE FEBRUARY BILL LIST,
RESOLUTION 15-14 IN THE AMOUNT OF \$6,541.00**

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

CLAIMS REPORT

REPORT: Ms. Stout advised a copy of their Stewardship Report was distributed at the beginning of the meeting and she would highlight some of the items in the report. Ms. Stout referred to the Indemnity vs Medical Only report for the past three years and advised the results were on target with the standard industry of 20% and 80%. Ms. Stout indicated over the past three years there were 81 indemnity claims and 318 medical only claims. Ms. Stout noted the lag time in reporting claims had significantly improved and was reduced from approximately 30 days to 5 days which enabled Inservco to better handle the claim. Ms. Stout also reviewed the cause of injury report and advised the top two causes were 55 injuries for Strain/Injury by lifting, and 36 injuries for Fall or Slip. Ms. Stout advised those two types of injuries also generated the most cost factors. Ms. Stout also advised there was a medical savings of 46% over the last three years. Chairman White requested a report regarding a breakout of the Emergency Management claims.

Chairman White presented Resolution 16-14 Inservco Liability Check Register for the period of 1/1/14 through 1/31/14.

**MOTION TO APPROVE RESOLUTION 16-14 LIABILITY CHECK
REGISTER FOR THE PERIOD OF 1/1/14 THROUGH 1/31/14**

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

MANAGED CARE PROVIDER: Mr. McNamara reviewed the Client Bill Review Summary Report for the month of January which was included in the agenda. Mr. McNamara advised there were 55 bills for January for a total of \$41,580.77. The total allowed amount was \$22,244.50. The total reduction was \$19,336.27 and after fees the net reduction was \$16,629.19. Mr. McNamara noted that 92% of the charges were in-network. Ms. Rick noted that the Commission had been with CSG for a year now and she has noticed an increase in savings and with no appeals as in the past. Mr. McNamara noted 99% of their network contracts were direct with the provider and the Commission was doing an excellent job of keeping everything in network.

CEL SAFETY DIRECTOR:

REPORT: Mr. Prince reviewed the January through March 2014 Risk Control Activity Report which was included in the agenda. Mr. Prince also added that in response to the rising claims in the EMS Community they were taking some aggressive initiatives in an attempt to address this. A

meeting was conducted on February 10th with the EMS Chief to discuss some strategies to reduce the claims. Mr. Prince advised EMS supervisors were forming a Committee to develop strategies, training, and initiatives to deploy in order to address the issues. Mr. Prince noted he would be a member of the Committee and they were scheduled to meet on March 3rd at 7:00 PM and he would attend that meeting. Mr. Prince advised he scheduled Loss Control visits on March 3rd to all of the EMS stations with Mr. Brewer and would report back next month. Chairman White asked Mr. Prince to assess the supervision at the stations to determine if more supervision was necessary to reduce the amount of claims. Mr. Prince also mentioned the incorporation of a wellness program. Mr. Prince advised that concluded his report unless anyone had any questions. In response to Commissioner Sizemore's inquiry, Mr. Prince noted the correct date for the Loss Control visits was March 4th.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Rick distributed a copy of her report for services performed for the period of January 20, 2014 through February 26, 2014. Ms. Rick advised she had two action items. Ms. Rick advised the County's Volunteer Accident policy was renewing on 3/1/14. Ms. Rick advised AIG offered a renewal premium of \$3,588 with the same terms and conditions and increased death benefit from \$5,000 to \$10,000. Ms. Rick requested a motion to have the policy renewed.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE COUNTY'S VOLUNTEER ACCIDENT POLICY THROUGH AIG AT AN ANNUAL PREMIUM OF \$3,588 EFFECTIVE 3/1/14

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

Ms. Rick advised the second item was for two bonds, the first for Prosecutor Dalton and the second for the Building and Grounds Supervisor, Mr. Scirrotto. Ms. Rick advised the premiums for each bond was \$70.00 and requested a motion to renew the bonds on 3/9/14 and 4/2/14 respectively.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW MR. DALTON'S AND MR. SCIRROTTO'S BONDS WITH C N A AT AN ANNUAL PREMIUM OF \$70 EACH WITH EFFECTIVE DATES OF 3/19/14 AND 4/2/14 RESPECTIVELY

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

As a follow up to the Safety Committee report Ms. Rick advised the training schedule was set for 2014 and Mr. Prince presented his Loss Control Site visits throughout the various departments. In response to Ms. Rick inquiry about the Animal Shelter, Commissioner Sizemore advised he was

going to discuss during new business. If not, Ms. Rick thought once she received all of the information it could be presented to the CEL as some of the other Counties had Animal Control Departments. Ms. Rick also reported the BRIT online program should be rolled out sometime in April or May.

ATTORNEY: Commission Attorney advised he did not have anything to report.

OLD BUSINESS: None

NEW BUSINESS: Commissioner Sizemore reported he received a request from the Animal Control/Shelter for the GCIC to pay the dues for eleven of the workers at the Animal Shelter. However, after a brief conversation, Commissioner Sizemore thought the Animal Control Shelter should pay the fees. Commissioner Sizemore also advised Ms. Rick thought this request could also be presented to the CEL to include other Commissions. Commissioner Sizemore gave a copy of the letter to Mr. Hrubash and suggested tabling the request until there was a response from the CEL. In response to Executive Director's inquiry, Commissioner Sizemore advised the cost was \$550 for the year. Commissioner Sizemore advised the accidents are not frequent but could be devastating when they do occur. Ms. Rick thought if the CEL paid for the training it would allow the Commission to enforce the use of the training program as it would be more specialized. Executive Director indicated if the CEL was not interested he thought it might be done at the Commission level. Chairman White advised the training should be assessed before any decision was made and suggested Commissioner Sizemore do some further research on the request.

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 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 17-14 authorizing a Closed Session to discuss PARS & SARS.

RESOLUTION 17-14, 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 PATRICIA PETSCH # 2013-33692, ANTONIA FRONTADO, # 2012-20315, MARLENE PATERSON, # 2011-31035, #2011-31038 AND DISCUSSION ON WILBORNE V 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

Commission Attorney advised there were five settlement resolutions and requested a motions for the following:

MOTION TO AUTHORIZE DEFENSE COUNSEL TO SETTLE CASE FOR CLAIM # 3530000334, \$15,090

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

MOTION TO AUTHORIZE DEFENSE COUNSEL TO SETTLE CASE FOR CLAIM # 3530000256, IN THE AMOUNT OF \$60,000

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

MOTION TO AUTHORIZE DEFENSE COUNSEL TO SETTLE CASE FOR CLAIM # 3530000301, IN THE AMOUNT OF \$37, 390

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

MOTION TO AUTHORIZE DEFENSE COUNSEL TO SETTLE CASE FOR CLAIM # 3530000675, IN THE AMOUNT OF \$3,090

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

MOTION TO AUTHORIZE DEFENSE COUNSEL TO SETTLE CASE FOR CLAIM # 3530000334, IN THE AMOUNT OF \$15,090

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

MOTION TO AUTHORIZE DEFENSE COUNSEL TO SETTLE CASE FOR CLAIM # 3530000226, IN THE AMOUNT OF \$17,200

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

Commission Attorney advised there were three PARS and requested the following motions:

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530000256 FROM \$15,000 TO \$76,030.29 AN INCREASE OF \$61,030.29

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

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530000334 FROM \$15,000 TO \$22,839.71 AN INCREASE OF \$7,839.71

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

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530000226 FROM \$73,596.72 to \$90,467.18 AN INCREASE OF \$16,870.46

Motion: Commissioner Sizemore

Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:31 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary