

**GLOUCESTER COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
MEETING – Thursday, February 28, 2013  
115 Budd Blvd.  
Woodbury, NJ 9:30 AM**

Meeting called to order by Dean Sizemore, Vice Chairman. Open Public Meetings notice read into record.

**ROLL CALL OF COMMISSIONERS:**

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

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joe Hrubash</b>
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Claims Service	Inservco Insurance Services, Inc. <b>Veronica George</b> <b>Megan Callahan</b>
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Consolidated Services Group, Inc. <b>Jennifer Pard</b> <b>Stephen McNamara</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 Rick</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:**

Prudence M. Higbee, Capehart & Scatchard  
Marjorie Workman, GCIT/GCSSSD, via teleconference  
Jim Kickham, PERMA Risk Management Services  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES:** Open Minutes of January 24, 2013 and Closed Minutes of January 24, 2013. Ms. Dodd noted she made a correction on page 8 of the Open Minutes. The minutes now reflect Commissioner Sizemore made the motion and Commissioner Jones seconded the motion.

**MOTION TO APPROVE THE OPEN MINUTES WITH THE NOTED CORRECTION & CLOSED MINUTES OF JANUARY 24, 2013**

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

**CORRESPONDENCE:**

**COMMITTEE REPORTS:**

**SAFETY & CLAIMS COMMITTEE:** Commissioner Sizemore reviewed the details of his report for the Safety and Accident Committee as well as the Claims Committee. Commissioner Sizemore noted the next Safety and Accident Committee would be held on March 5<sup>th</sup> at the Gloucester County Utilities Authority location and the next Claims meeting was scheduled for March 12<sup>th</sup>.

**EXECUTIVE DIRECTOR REPORT:**

Executive Director advised there were three action items in his report. Executive Director indicated the Commission Attorney would swear in the Commissioners at this time. Commission Attorney read the Oath of Office and asked Commissioner Sizemore and Commissioner Jones to sight the Oath of Office.

**2013 RISK MANAGEMENT PLAN** – Executive Director referred to a copy of the 2013 Plan of Risk Management which was included in Appendix II section of the agenda. Executive Director explained the plan was a narrative overview of the Insurance coverage. Executive Director advised the Plan included a summary of the Insured Perils, Limits of Coverage, Retention Amounts, Claims Handling Philosophy including the TPA’s settlement authority. Executive Director reported that all changes were highlighted in yellow but that the pertinent changes were the increase in the Crime deductible to \$15,000, increase in the Pollution Liability annual aggregate limit to \$25 million and the County’s Equipment deductible was reduced to \$5,000. Executive Director asked if there were any questions and then advised he would request a motion to approve Resolution 16-13, 2013 Plan of Risk Management 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 9-13 through 15-13.

- Resolution 9-13 Certifying the Election of Chairperson and Vice Chairman
- Resolution 10-13 Appointing Agent for Service of Process and Custodian of Records for the Year 2013
- Resolution 11-13 Designating Official Newspapers for the Commission
- Resolution 12-13 Designating Authorized Depositories for Fund Assets and Establishing Cash Management Plan
- Resolution 13-13 Designating Commission Treasurer
- Resolution 14-13 Designating Authorized Signatures for Commission Bank Accounts
- Resolution 15-13 Indemnifying Gloucester County Insurance Fund Commission Officials/Employees

Commission Attorney advised the Resolutions could be approved as a group. Executive Director then asked if there were any questions and requested a motion to approve Resolutions 9-13 through 16-13.

**MOTION TO APPROVE REORGANIZATION RESOLUTIONS NUMBER 9-13 THROUGH 16-13**

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

**2013 HEALTH BENEFITS REVISED BUDGET:** Executive Director advised that included in the agenda was a memorandum from Ms. Brown to his office recommending a revision to the Health Benefit Budget. Executive Director indicated a copy of the revised budget was included in the agenda and asked Ms. Brown to explain the revisions. Ms. Brown explained since the GCIC entered into the State Health Benefit Plan on May 1, 2012, Conner Strong & Bucklew was reducing their fees to commensurate with the reduction in their service. Ms. Brown also advised the 2013 budget reflected an update of the claims projection based on data through December 2012. Ms. Brown referred to the revised budget in the agenda and indicated the new budget figure was \$639,459. Executive Director advised since the change in budget was more than 5% a public hearing was required. Executive Director indicated the public hearing would be scheduled for the Commission's next meeting and his office would advertise the meeting in the applicable newspapers.

**MOTION TO INTRODUCE THE REVISED 2013 HEALTH BENEFITS BUDGET IN THE AMOUNT OF \$639,459 AND SCHEDULE A PUBLIC HEARING TO**

**TAKE PLACE ON MARCH 28, 2013 AT 9:30 AM AT  
115 BUDD BLVD, WOODBURY, NJ 08096**

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

**MEMBER ENTITY DEDUCTIBLES AND LITIGATION DEFENSE COSTS FOR CERTAIN ANCILLARY COVERAGE:** Executive Director referred to a copy a Resolution 17-13 which was included in the agenda. Executive Director explained this Resolution amended Resolution 57-11 which was approved previously. The amended Resolution allows the Insurance Commission to pay the final settlement of a claim under an ancillary coverage as an advance in the current Commission Fund Year and allow the member entity to be billed by the Commission in full on the first assessment installment billing for the next Commission Fund year. Executive Director advised the Resolution was prepared by the Commission Attorney and recommended the Commissioners approve Resolution 17-13.

**MOTION TO APPROVE RESOLUTION 17-13  
REVISING RESOLUTION 57-11 ESTABLISHING A  
PROCEDURE FOR PAYMENT DEFENSE COSTS  
WITHIN A MEMBER ENTITY DEDUCTIBLE FOR  
ANCILLARY COVERAGE**

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

**RFP FOR COMMISSION ATTORNEY:** Executive Director advised at the request of Chairman White and the County's Counsel office Executive Director issued a RFP for the position of Commission Attorney. Executive Director explained the RFP was issued as the statutes were not clear whether a Commission Attorney could be awarded a multi year appointment. The RFP issued would result in a one year appointment. Executive Director reported the responses would be reviewed and discussed at the March Commission meeting.

**RFP FOR DEFENSE ATTORNEY:** Executive Director reported a RFP was also issued to add additional qualified firms to the Commission's Defense Attorney Panel. Executive Director advised five responses were received and since Chairman White was not in attendance the Commissioners agreed the responses would be discussed at the March meeting.

**CERTIFICATE OF INSURANCE REPORT:** Executive Director reported on the Certificate of Insurance Report for the period of 1/19/13 to 2/22/13. There were a total of 26 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 \$1,587,841 as of December 31, 2012. Executive Director noted the Commission added an additional amount of surplus in the amount of \$266,358 since November. Executive Director advised that \$ 622,142 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, 2012 the CEL had a surplus of **\$2,215,265**.

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

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director reported the CEL met on January 24, 2013. A summary of the report was included in the agenda. Executive Director advised at the meeting the CEL Underwriting Manager provided an update of their continuing efforts to replace the Meadowbrook program. In response to Commissioner Sizemore’s inquiry, Executive Director advised there would be some changes in pricing and retentions at the CEL level.

**2013 RENEWAL INFORMATION AND 2013 REMARKETING INFORMATION:** Executive Director advised good progress was made in providing the necessary underwriting information to the CEL Underwriting Manager.

**EXCESS UNDERGROUND STORAGE TANK COVERAGE:** Executive Director reported the CEL Underwriter Manager advised if a member entity wished to obtain coverage on an Underground Storage Tank through Zurich American Insurance Company for any in-force Underground Storage Tank policy they could by providing a declaration page of the in-force policy, the age of the UST, along with the most recent completed tank tightness test. Executive Director indicated there would be an additional premium for the excess UST coverage and noted there was no excess coverage for Underground Storage Tanks provided under the program unless the requested information was provided. The information should be sent to Michele Williamson at [mwilliamson@connerstrong.com](mailto:mwilliamson@connerstrong.com).

**2013 EXCESS INSURANCE AND ANCILLARY COVERAGE POLICIES:** Executive Director reported the CEL renewal policies would again be available electronically through the Conner Strong & Buckelew secure website for authorized representatives. The policies were expected to be available by April 1<sup>st</sup>. The CEL Underwriter’s office would release an e-mail with the instructions to access the website when the policies were available.

**2013 ASSESSMENTS:** Executive Director advised the Treasurer’s office reported all of the January assessments were received.

**INDEMNITY & TRUST AGREEMENT:** Executive Director reported his office received all of the Indemnity & Trust Agreements from the member entities to continue their membership in the Insurance Commission.

**2013 SERVICE AGREEMENTS:** Executive Director advised Commission Attorney prepared the 2013 Service Agreements for the Professionals and he was in the process of reviewing the agreements.

**INSERVCO INSURANCE SERVICES, INC. STEWARDSHIP REPORT:** Executive Director reported at the last meeting Inservco Insurance Services, Inc. presented their Stewardship Report as of December 31, 2012. Executive Director asked if anyone had any questions or comments after they had an opportunity to review the report. Commissioner Sizemore indicated he thought the report was very informative and well done.

Executive Director's Report Made Part of Minutes.

**EMPLOYEE BENEFITS:** Ms. Brown advised the Client Activity Summary Report for January was included in the agenda. Ms. Brown indicated the report was now in a new format and reviewed the report and the new enhancements. One of the new enhancements tracks the time it takes to resolve an issue.

**TREASURER REPORT:** Commissioner Sizemore presented the February bill list in the amount of \$114,190.54 and requested a motion to approve.

**MOTION TO APPROVE THE JANUARY BILL LIST,  
RESOLUTION 18-13 IN THE AMOUNT OF \$114,190.54**

Motion:	Commissioner Jones
Second:	Commissioner Sizemore
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:** Commissioner Sizemore presented Resolution 19-13 Inservco Liability Check Register for the period of 1/1/13 through 1/31/13.

**MOTION TO APPROVE RESOLUTION 19-13 LIABILITY CHECK  
REGISTER FOR THE PERIOD OF 1/1/13 THROUGH 1/31/13**

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

**MANAGED CARE PROVIDER:** Ms. Pard reviewed the Client Bill Review Summary Report for the period of 1/1/13 to 1/31/13 which was included in the agenda. Ms. Pard advised there were only 2 bills for January and there was a total net savings of \$249.26 or 29%. Ms. Pard advised they were starting to receive more medical bills and the February report would reflect the new medical bill activity.

**CEL SAFETY DIRECTOR:**

**REPORT:** Mr. Prince reviewed the January through February 2013 Risk Control Activity Report which was included in the agenda along with the training calendar. Mr. Prince also referred to the Calendar Training in his report along with the CEL Media Library utilization. Mr. Prince also noted he attended a meeting at the EMS with Ms. Rick to discuss their claims and training needs.

Commissioner Sizemore noted Mr. Prince is doing a fantastic job with the training. Commissioner Sizemore indicated the Insurance Commission needs to make an effort to target the appropriate people to attend the training classes. Commissioner Sizemore suggested sending notices to the Administration asking their permission to require supervisors and foreman to attend the classes. Commissioner Sizemore also indicated there was an excellent presentation given on Animal Bite Prevention. Commissioner Sizemore advised the Safety Department was researching some of the information presented regarding the purchase of some defense mechanisms. Commissioner Sizemore noted there might be a possibility of requesting the Insurance Commission to fund the cost for purchasing some of the recommended defense mechanisms.

**RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:**

**REPORT:** Ms. Rick advised she did not have anything to report this month.

**ATTORNEY:** Commission Attorney referred to a copy of his letter to the Executive Director which was included in the agenda. Commission Attorney explained he was the official spokesperson for Anthony Pasquale, the father of Autumn Pascale regarding a criminal matter through the Gloucester County Courts. Commission Attorney advised he did not represent Mr. Pasquale or his children in any civil litigation. Commission Attorney noted he would not be the defense attorney for the GCIC but would have interaction regarding the process. Commission Attorney recommended the GCIC appoint one of its defense panel attorneys to act as the conflict solicitor. After a brief discussion it was agreed a decision would be made to appoint one of the defense panel attorneys next month when the panel was expanded.. In the meantime, Ms. Callahan would send any correspondence regarding the claim directly to the Executive Director's office.

**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 Commissioner Sizemore 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:** Commissioner Jones read and requested a motion to approve Resolution 20-13 authorizing a Closed Session to discuss PARS & SARS.

**RESOLUTION 20-13, 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 KRISTINA GAJDERWICZ V GLOUCESTER COUNTY, CLAIM PETITION NO. 2010-26433 AND ANTONIA RIOS-LESTER V GLOUCESTER COUNTY, CLAIM PETITION NO. 2010-29882**

Motion: Commissioner Jones  
Second: Commissioner Sizemore  
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



**MOTION TO AUTHORIZE AN INCREASE UP TO \$158,500 FOR CLAIM # 353000760**

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

**MOTION TO AUTHORIZE AN INCREASE OF \$37,297.34 CLAIM # 353000355**

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

**MOTION TO AUTHORIZE AN INCREASE OF \$13,193.94 FOR CLAIM # 353000079**

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

**MOTION TO AUTHORIZE AN INCREASE OF \$6,950.65 FOR CLAIM # 3530000174**

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

**MOTION TO AUTHORIZE A SETTLEMENT FOR CLAIM # 353000079 IN THE AMOUNT OF \$43,800**

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

**MOTION TO AUTHORIZE A SETTLEMENT FOR CLAIM # 353000174 IN THE AMOUNT OF \$7,590**

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

**MOTION TO AUTHORIZE MADDEN & MADDEN TO SETTLE CLAIM #  
353000336 UP TO \$7,500**

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

Commissioner Sizemore noted the next Commission meeting would be on March 28, 2013.

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 10:38 AM**

Minutes prepared by: Cathy Dodd, Assisting Secretary