

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, November 26, 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 Dave McHale
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Auditor	Bowman & Company LLP
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Benefits	Conner Strong & Buckelew Tammy Brown
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ALSO PRESENT:

Anthony J. Fiola, Assistant Gloucester County Counsel
Marjorie Workmen, GCSSSD/GCIT
Jim Kickham, PERMA Risk Management Services (via teleconference)
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open Minutes and Closed Minutes of October 24, 2013

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF
OCTOBER 24, 2013**

Motion:	Commissioner Sizemore
Second:	Commissioner Jones
Roll Call Vote:	Unanimous (1 Abstained)

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Commissioner Sizemore advised the Safety Committee was scheduled to meet on December 3rd.

CLAIMS COMMITTEE: Commissioner Sizemore reported the Claims Committee met via teleconference on November 12th and discussed the PARS that would be presented during closed session.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had three action items for his report today.

2014 PROPERTY AND CASUALTY BUDGET INTRODUCTION: Executive Director advised Ms. Dodd distributed a revised budget at the start of the meeting and he would be discussing this budget instead of the budget included in the agenda. Executive Director noted the 2013 Annualized Budget column was based on ½ year with the Meadowbrook Program and ½ year with the Brit Program. Executive Director advised the first section of the 2014 budget was developed by the Actuary and noted there were reductions in the liability and worker compensation loss funds. Executive Director explained this was a direct result due to the change of male population at the County Jail. Executive Director referred to line 9 of the budget and advised this figure represented the CEL portion of the budget. The CEL introduced their budget on November 7th reflecting an increase of 9.56%. Executive Director explained the increase was due to a number of factors including the Meadowbrook to Brit transition in 2013, the POL/EPL projected increase of 12%, upper Excess Liability projected increase of 5% and the property projected increase of 6%. Executive Director then referred to the Expense section of the budget and explained a 2% increase was given for the Commission professionals where allowed by

contract. Executive Director explained the budget reflected a 4.6% budget reduction over the 2013 budget. Executive Director advised another version of the budget was also distributed at the start of the meeting that represented a 2013 annualized full year with the Meadowbrook program. Executive Director noted since the CEL published their budget based on ½ year with Meadowbrook and ½ year with the Brit Program, the Commission should introduce the same version. Executive Director asked if anyone had any questions or comments and requested a motion to introduce the budget. In response to Chairman White’s inquiry, Executive Director advised the correct budget amount differed from the agenda figure as some adjustments were made to the budget after the agenda was released. In response to Commissioner Sizemore’s inquiry regarding the 36% reduction for the Pollution Liability premium, Executive Director explained the premiums were estimated previously, and the CEL Underwriter was able to negotiate a lower premium. Executive Director noted the savings in premium would be returned to the Commission in the form of a dividend check.

MOTION TO INTRODUCE THE 2014 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$5,512,270 AND SCHEDULE A PUBLIC HEARING ON DECEMBER 19, 2013 AT 9:30 AM AT 115 BUDD BLVD., WOODBURY, NJ 08096

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

2014 HEALTH BENEFITS BUDGET INTRODUCTION: Executive Director advised the 2014 Health Benefits Budget was included in the agenda on page 9 and asked Ms. Brown to comment on the budget. Ms. Brown distributed a narrative which explained the benefit budget process. Ms. Brown noted the budget in the agenda included a comparison to 2013. Ms. Brown explained the actual claims experience was reviewed month by month to determine the figures for the budget. Ms. Brown pointed out that over the past year the enrollment has decreased. Ms. Brown advised the budget amount for 2014 was \$616,053 compared to \$639,459 for 2013. Ms. Brown referred to line 21 of the budget, Benefits Consultant, and advised the fee was decreased due to the transition to medical insurance to the New Jersey State Plan. Ms. Brown indicated their level of service was not quite as extensive as in years past. Ms. Brown referred to line 22; Dental TPA Admin Fees, and advised this figure represented the TPA fees to administer the program. Ms. Brown advised the overall budget was decreased by \$23,406. Ms. Brown recommended approval of the budget in the amount of \$616,053 and asked if there were any questions.

MOTION TO INTRODUCE THE 2014 HEALTH BENEFITS BUDGET IN THE AMOUNT OF \$616,053 AND SCHEDULE A PUBLIC HEARING ON DECEMBER 19, 2013 AT 9:30 AM AT 115 BUDD BLVD., WOODBURY, NJ 08096

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

EMPLOYEE DISHONESTY COVERAGE: Executive Director referred to a copy of the Selective Employee Dishonesty Declaration page for the period of 11/23/13 to 11/23/14 which was included in the agenda. Executive Director explained the policy covered the positions of Executive Director, Third Party Administrator and the Treasurer. Executive Director advised the renewal premium was \$1,132 and the limit per loss was \$1,000,000 with a \$10,000 per loss deductible. Executive Director noted this premium would be paid out of the miscellaneous and contingency budget line. Executive Director requested a motion to adopt Resolution 69-13 authorizing this expenditure.

MOTION TO ADOPT RESOLUTION 69-13 AUTHORIZING EXPENDITURE FOR EMPLOYEE DISHONESTY COVERAGE IN THE AMOUNT OF \$1,132.00

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 of 10/16/13 to 11/17/13. There were a total of 7 certificates issued for this period.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised the September Property & Casualty Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,040,711 as of September 30, 2013. Executive Director pointed out the figure of \$877,099 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.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the September CEL Financial Fast Track was not available for the meeting but would appear in the next monthly agenda.

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 September 30, 2013. Executive Director also advised the October Health Benefit Financial Fast Track was included in the agenda and reflected a surplus of \$96,642.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL met on November 7, 2013 and a summary report of their meeting was included in the agenda. Executive Director advised there was a discussion on the Meadowbrook transition and indicated the balance of the additional premiums might be offset by the fund’s surplus. Executive Director advised the CEL introduced their 2014 budget in the amount of \$13,833,777 representing an increase of \$976,176. A public hearing was scheduled for December 12th. Executive Director also

advised the CEL Underwriter said there would be an increase of 12% on the POL/EPL coverage, 6% on property and 5% on excess liability. Executive Director indicated the CEL Executive Director reviewed the available surplus in the areas of expense and ancillary coverage lines and noted there would be some funds being returned. Executive Director advised the CEL Executive Director gave an update on possible new membership for Cape May and Hudson counties. Executive Director indicated Mercer County was joining the CEL on January 1, 2014 and their Arena and Improvement Authority shortly thereafter.

APPOINTMENT OF COMMISSIONERS TO THE GLOUCESTER COUNTY INSURANCE COMMISSION: Executive Director advised the appointment of the Commissioners expired on October 6, 2013. Chairman White advised the Commissioners would be re-appointed in January and going forward the term would be from January to January.

BRIT TEAM PLATFORM: Executive Director asked Mr. McHale to report on the Brit Team Platform. Mr. McHale advised a webinar was conducted last week with one of the Insurance Commissions. Mr. McHale also advised the MEL developed an online NJ Right to Know/Hazard Communication with their vendor to meet a NJ specific compliance need. Mr. McHale indicated this program would also benefit the Insurance Commission and advised he could have their vendor upload this program to the BRIT system. Mr. McHale noted the one time cost to this would be \$1,600. Executive Director advised the cost could be split between the Insurance Commissions and indicated the Burlington County Insurance Commission already agreed to the fee. Executive Director advised the exact amount would be calculated after all of the Insurance Commissions met, and the expense could come from the miscellaneous and contingency account.

Executive Director's Report Made Part of Minutes.

EMPLOYEE BENEFITS: Ms. Brown advised there was an internal change in personnel at her office. The County's new contact would be Mr. George Quinn. Ms. Brown advised Mr. Quinn was already out to meet some of the County's employees. Ms. Brown indicated there would be no interruption of service due to the change. Ms. Brown advised the Client Activity Report for the month of October was included in the agenda.

TREASURER REPORT: Chairman White presented Resolution 70-13 the November Property & Casualty Bill List in the amount of \$311,907.07 and requested a motion to approve.

**MOTION TO APPROVE RESOLUTION 70-13
CONFIRMATION OF THE SEPTEMBER PROPERTY
& CASUALTY BILL LIST IN THE AMOUNT OF
\$311,907.07**

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

Chairman White presented Resolution 71-13 the November Health Insurance Fund Bill List in the amount of \$7,405 and requested a motion to approve.

MOTION TO APPROVE THE OCTOBER HEALTH INSURANCE FUND BILL LIST, RESOLUTION 71-13 IN THE AMOUNT OF \$7,405

Motion:	Commissioner Jones
Second:	Commissioners 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: Chairman White presented Resolution 72-13 Inservco Liability Check Register for the period of 10/1/13 to 10/31/13.

MOTION TO APPROVE RESOLUTION 72-13 LIABILITY CHECK REGISTER FOR THE PERIOD OF 10/1/13 THROUGH 10/31/13

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

REPORTING OF CLAIMS TO CLAIMS MADE POLICIES PRIOR TO 12/31/13 EXPIRATION DATE: Ms. Leighton referred to copy of her memorandum which was included in the agenda. Ms. Leighton reminded everyone that the Public Officials/Employment Practices/School Board Legal Liability Policy, Medical Professional Policy, Crime Policy and Employed Lawyers Policy were expiring on 12/31/13. Ms. Leighton indicated these policies were written on a Claims Made and Reported policy forms. Ms. Leighton advised any claims made against you that would be covered by these policies must be reported during the same policy year with which the claim was received by you. Generally, the claims involve allegations of a wrongful act committed by you. Ms. Leighton expressed the importance of reporting this type of claim to the carrier by 12/31/13. Ms. Leighton indicated that failure to timely report a claim or potential claim would likely result in denial of coverage. Ms. Leighton advised you should follow your usual claim procedure and asked that notices be given to Hardenberg Insurance Group no later than 12/16/13 for reporting to Conner Strong & Buckelew no later than 12/20/13. Ms. Rick advised she would also notify the department heads of the member entities. Ms. Leighton also noted the limit schematics for the coverage lines she discussed were included in Appendix II of the agenda.

MANAGED CARE PROVIDER: Ms. Goldstein referred to the Bill Review/PPO Savings Report which was included in the agenda. Ms. Goldstein advised there were 69 bills received in October for a total of \$76,855.48. The total allowed amount was \$43,839.13. The total reduction

was \$33,016.35 and after fees the net reduction was \$28,615.19. Ms. Goldstein noted there was an error in the percentage of savings. The total amount of savings was 43% not 29% and the total amount of net savings was 37%. Executive Director requested Ms. Goldstein issue a corrected report for the records. Ms. Pard also referred to the Year to Date Summary and advised the total percent of net savings was 45%.

CEL SAFETY DIRECTOR:

REPORT: Mr. Prince reviewed the October through December 2013 Risk Control Activity Report which was included in the agenda along with the training calendar for December. Mr. Prince added he participated in a meeting on November 15th with Ms. Rick, Commissioner Jones and Ms. LaPorta to discuss the 2014 training needs. Mr. Prince advised there were some action items from the meeting which was being worked on. Mr. Prince also noted a Snow Removal class was being held on December 6th for the DPW and others in the County.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Rick advised her report was included in the agenda. Ms. Rick also discussed the Safety Training meeting on November 15th and advised the County Administrator would attend the Safety Kickoff Meeting which was scheduled for January 9th along with other department heads. Ms. Rick noted based on the evaluation forms the GCIC would be changing trainers in 2014. Ms. Rick also advised Mr. Prince would be conducting more site survey visits in 2014 to identify any potential hazards. Ms. Rick noted Commissioner Sizemore would be invited to attend the site visits. Ms. Rick noted there was an increase in POL/EPL claims and the Claim Committee would start to review those claims and determine if any training, modification of a policy or procedure could be put into place to reduce those claims.

Ms. Rick advised there were several bonds expiring on 12/28/13 and 1/1/14 which were not written through the GCIC/NJCEJIF or its master programs and requested authorization to renew the bonds. Ms. Rick noted C N A offered a flat renewal on all of the bonds.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE BOND FOR UNDERSHERIFF KNESTAUT WITH CNA EFFECTIVE 12/28/13 FOR \$175; THE BOND FOR UNDERSHERIFF BAY WITH CNA EFFECTIVE 12/28/13 FOR \$175; THE BOND FOR SHERIFF MORINA WITH CNA EFFECTIVE 1/1/14 FOR \$350; THE BOND FOR THE SURROGATE WITH CNA EFFECTIVE 1/1/14 FOR \$70; THE BOND FOR THE TREASURER/CFO WITH CNA EFFECTIVE 1/1/14 FOR \$2,200.62; AND THE BOND FOR THE DEPUTY SURROGATE WITH CNA EFFECTIVE 1/1/14 FOR \$70

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

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

CLOSED SESSION: Chairman White read and requested a motion to approve Resolution 73-13 authorizing a Closed Session.

RESOLUTION 73-13, 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

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: Chairman White
Roll Call Vote: Unanimous

Mr. Long requested a motion to approve Resolution 74-13, authorizing the Gloucester County Insurance Commission to execute a settlement with Anthony Strazzullo, #3530000391 in the amount of \$300,000

MOTION TO APPROVE RESOLUTION 74-13, AUTHORIZING THE GLOUCESTER COUNTY INSURANCE COMMISSION TO EXECUTE A SETTLEMENT WITH ANTHONY STRAZZULLO, #3530000391 IN THE AMOUNT OF \$300,000

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

Mr. Long requested a motion to approve an increase on Claim # 3530000865 to \$42,644.18 an increase of \$27,644.18

MOTION TO APPROVE AN INCREASE ON CLAIM 3530000865 TO \$42,644.18 AN INCREASE OF \$27,644.18

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

Mr. Long requested a motion to approve an increase on Claim # 3530000947 to \$ 39,500 an increase of \$24,500

MOTION TO APPROVE AN INCREASE ON CLAIM 3530000947 TO \$ 39,500 AN INCREASE OF \$24,500

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

Mr. Long requested a motion to approve an increase on Claim # 3530000937 to \$ 69,144.56 an increase of \$54,144.56

MOTION TO APPROVE AN INCREASE ON CLAIM # 3530000937 TO \$ 69,144.56 AN INCREASE OF \$54,144.56

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

Mr. Long requested a motion to approve an increase on Claim # 3530000739 to \$19,815.86 an increase of \$4,815.86

MOTION TO APPROVE AN INCREASE ON CLAIM # 3530000739 TO \$19,815.86 AN INCREASE OF \$4,815.86

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

Mr. Long requested a motion to approve an increase on Claim # 3530000878 to \$97,525 an increase of \$85,525

MOTION TO APPROVE AN INCREASE ON CLAIM # 3530000878 TO \$97,525 AN INCREASE OF \$85,525

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

Mr. Long requested a motion to approve an increase on Claim # 3530000878 to \$19,445.31 an increase of \$4,455.31

MOTION TO APPROVE AN INCREASE ON CLAIM # 3530000878 TO \$19,445.31 AN INCREASE OF \$4,455.31

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:15 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary