

**GLOUCESTER COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
MEETING – Thursday, September 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 <b>Joe Hrubash</b>
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Claims Service	Inservco Insurance Services, Inc. <b>Debra Stout</b> <b>Veronica George</b> <b>Steve Daveggia</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>Chris Powell</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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Auditor	Bowman & Company LLP
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Benefits	Conner Strong & Buckelew
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**ALSO PRESENT:**

Anthony J. Fiola, Assistant Gloucester County Counsel  
Prudence M. Higbee Esq., Capehart & Scatchard  
Marjorie Workmen, GCSSSD/GCIT  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES:** Open Minutes and Closed Minutes of July 25, 2013

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF  
JULY 25, 2013**

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

**CORRESPONDENCE:** None

**COMMITTEE REPORTS:**

**SAFETY COMMITTEE:** Commissioner Sizemore presented a sample of a Safety Calendar and requested the Commission review its contents for possible use. Commissioner Sizemore reported he received a request from the Gloucester County Utilities Authority to purchase Class 3 reflective vests. Commissioner Sizemore advised he received an estimate of \$1,051 to purchase 44 vests from the vendor he used in the past.

**CLAIMS COMMITTEE:** Commissioner Sizemore reported the Claims Committee met via teleconference on September 10, 2013 and discussed the PARS that would be presented during closed session. Commissioner Sizemore also advised Ms. Higbee would discuss some claims for settlement during closed session.

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

**2012 AUDIT REPORT AS OF DECEMBER 31, 2012:** Executive Director reported Mr. Jim Miles of Bowman & Company LLP reviewed a draft copy of the 2012 Audit Report as of December 31, 2012 at the June meeting. Executive Director advised the final version of the 2012 Audit was distributed at the meeting and there are no material changes. Executive Director also noted there are no findings for the audit. Executive Director requested a motion to approve Resolution 54-13, Certification of Annual Audit Report for the period ending December 31, 2012 which was included in the agenda.

**MOTION TO APPROVE RESOLUTION 54-13 CERTIFICATION OF  
ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2012**

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

**CORRECTIVE ACTION PLAN FOR 2012 AUDIT:** Executive Director referred to the Corrective Action Plan for the 2012 Audit which was included in the agenda. Executive Director advised although there were no current findings, the Corrective Action Plan and Resolution accepting the plan was required by State Law. Executive Director requested a motion approving Resolution 55-13, the Corrective Action Plan.

**MOTION TO APPROVE RESOLUTION 55-13 AUTHORIZING THE CORRECTIVE ACTION PLAN FOR THE 2012 ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2012**

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

**VOLUNTARY SETTLEMENTS:** Executive Director advised at the last meeting the Commission discussed amending the Claims Committee Charter to authorize the Third Party Administrator and Defense Counsel to have authority to enter into voluntary offers for certain claims. Executive Director referred to a copy of the Proposed Charter Amendment prepared by the Commission Attorney which was included in the agenda. Executive Director advised the Commission Attorney also prepared Resolution 56-13 Authorizing the Amendment of the Charter for Voluntary Offer which was included in the agenda.

**MOTION TO APPROVE RESOLUTION 56-13 AUTHORIZING THE AMENDMENT TO THE CHARTER FOR VOLUNTARY OFFERS**

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

**AMENDMENT TO THE 2013 RISK MANAGEMENT PLAN:** Executive Director reported a revised 2013 Risk Management Plan was included in Appendix II. Executive Director advised the Plan was amended to reflect changes in the scheduled physicians and that those changes were highlighted in yellow. Executive Director noted the 2013 Risk Management Plan required another revision and advised a corrected page 11 was distributed at the beginning of the meeting. Executive Director explained Ms. Rick noted Dr. Salminen was listed as a Gloucester County physician but should have been listed as a Gloucester County College physician.

**MOTION TO APPROVE RESOLUTION 57-13 REVISION OF THE 2013 PLAN OF RISK MANAGEMENT INCLUDING REVISED PAGE 11 TO REFLECT CHANGES OF SCHEDULED PHYSICIANS**

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

Commissioner Jones advised Dr. Chmara was no longer on their list and she would notify Hardenbergh for the 2014 renewal.

**CERTIFICATE OF INSURANCE REPORT:** Executive Director reported on the Certificate of Insurance Report for the period of 7/22/13 to 9/15/13. There were a total of 28 certificates issued for this period.

**GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK:** Executive Director advised the June and July Property & Casualty Financial Fast Tracks were included in the agenda. The Commission had a surplus of \$1,898,264 as of July 31, 2013. Executive Director pointed out the figure of \$843,217 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 also noted the Commission gained an additional surplus of \$200,169 between May 31<sup>st</sup> and July 31<sup>st</sup>.

**NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the agenda included the June and July Financial Fast Tracks for the NJ CEL. As of July 31, 2013 the CEL had a surplus of \$3,164,666.

**HEALTH BENEFITS FINANCIAL FAST TRACK:** Executive Director advised the June and July Health Benefit Financial Fast Tracks were included in the agenda. The Insurance Commission had a Health Benefit surplus of \$75,971 as of July 31, 2013.

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director reported the CEL did not meet in July or August. Executive Director noted the CEL was meeting in the afternoon and a summary report of their meeting would appear in the next agenda.

**2013 PROPERTY & CASUALTY ASSESSMENTS DUE OCTOBER 15, 2013:** Executive Director reminded the Commission the third and final assessment for 2013 was due on October 15, 2013. Executive Director explained a statement of account was e-mailed to each member entity. The statement included each member’s share of the additional assessment representing the additional cost for the NJ CEL replacement of the Meadowbrook program effective 7/1/13. Executive Director noted this was not due until 1/15/14. In response to Chairman White’s inquiry regarding this year’s budget Executive Director referred to July’s Financial Fast Track on page 21 of the agenda. Executive Director referred to the YTD Change column and advised for 2013 the Commission surplus was \$260,129 which included the Commission’s investment in the CEL of \$120,000. Executive Director suggested monitoring the surplus amount until the end of the year to determine if the additional assessment could be absorbed within the 2013 budget.

**2014 RENEWAL APPLICATION AND UPDATE EXPOSURE:** Executive Director reported the 2014 property and casualty budget would be introduced at the November meeting. Executive

Director advised the actuary was preparing the claim fund projection and the CEL Underwriting Manager was in the process of negotiating and developing the renewals.

**2014 RENEWAL APPLICATIONS AND UPDATE EXPOSURE:** Executive Director reported the CEL Underwriting Manager advised there were still some members that have not completed their renewal applications and updated their exposure information. Executive Director reminded the Commission the budget is reliant on this information and asked everyone to complete the applications as soon as possible.

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP:** Executive Director reminded the Commission the New Jersey CEL was hosting the Joint Insurance Claims Committees Best Practices Workshop on October 1, 2013. Ms. Leighton advised the workshop would be held at the Conner Strong & Buckelew office in Marlton and would start at 8:30. Ms. Leighton advised the RSVP date was September 27<sup>th</sup> so there was still time to respond and was looking forward to everyone's participation. Ms. Leighton noted a copy of the invitation was included in the agenda which included a summary of speakers and presentations.

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 8/1/13 to 8/31/13 was included in the agenda. Executive Director indicated there were 155 inquiries during August and the year to date totaled 843. Executive Director also noted that 97% of the inquiries were closed on the same day. In response to Chairman White's inquiry, Executive Director advised the benefit contract expires on 12/31/13 and that he would discuss this with the employee benefits department regarding the expiration of the contract.

**TREASURER REPORT:** Chairman White presented Resolution 58-13 Confirmation of the August Property & Casualty Bill List in the amount of \$49,262.94 and requested a motion to approve.

**MOTION TO APPROVE RESOLUTION 58-13  
CONFIRMATION OF THE AUGUST PROPERTY &  
CASUALTY BILL LIST IN THE AMOUNT OF  
\$49,262.94**

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

Chairman White presented Resolution 59-13 Confirmation of the August Health Insurance Fund Bill List in the amount of \$7,253 and requested a motion to approve.

**MOTION TO APPROVE THE JULY HEALTH INSURANCE FUND BILL LIST, RESOLUTION 59-13 IN THE AMOUNT OF \$7,253**

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

Chairman White presented Resolution 60-13 September Property & Casualty Bill List in the amount of \$55,214.61 and requested a motion to approve.

**MOTION TO APPROVE RESOLUTION 60-13 CONFIRMATION OF THE SEPTEMBER PROPERTY & CASUALTY BILL LIST IN THE AMOUNT OF \$55,214.61**

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

Chairman White presented Resolution 61-13 Confirmation of the September Health Insurance Fund Bill List in the amount of \$7,265 and requested a motion to approve.

**MOTION TO APPROVE THE SEPTEMBER HEALTH INSURANCE FUND BILL LIST, RESOLUTION 61-13 IN THE AMOUNT OF \$7,265**

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:** Chairman White presented Resolution 62-13 Inservco Liability Check Register for the period of 7/1/13 to 7/31/13 and 8/1/13 to 8/31/13.

**MOTION TO APPROVE RESOLUTION 62-13 LIABILITY CHECK REGISTER FOR THE PERIOD OF 7/1/13 THROUGH 7/31/13 AND 8/1/13 TO 8/31/13.**

Motion: Commissioner Sizemore  
Second: Commissioner Jones

Roll Call Vote: Unanimous

**MANAGED CARE PROVIDER:** Ms. Pard referred to the Bill Review/PPO Savings Report which was included in the agenda. Ms. Pard advised she would summarize the months of July and August. Ms. Pard advised there were 51 bills received in July for a total of \$69,345.89. The total allowed amount was \$45,820.38. The total reduction was \$23,525.51 and after fees the net reduction was \$20,231.92. Ms. Pard advised there were 81 bills received in August for a total of \$133,126.53. The total allowed amount was \$48,916.90. The total reduction was 84,209.63 and after their fees the net reduction was \$76,026.76. Ms. Pard also advised the year to date net savings was 47% which was also included on the report.

**CEL SAFETY DIRECTOR:**

**REPORT:** Mr. Prince reviewed the July through September 2013 Risk Control Activity Report which was included in the agenda along with the training calendar. Mr. Prince added that over the summer some exposures were identified with regard to correctional officers providing landscape services and supervising inmate service work. Mr. Prince advised he recommended some training for the officers which were quickly complied with and included Landscape Safety and Flagger Work zone courses.

**RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:**

**REPORT:** Mr. Powell advised his report was included in the agenda and included several action items. Mr. Powell advised the agenda included a revised Workers' Compensation First Report of Injury -Z form which now included additional questions to be answered by the injured employee per the recommendation of the Commission.

**MOTION TO APPROVE THE REVISED Z FORM-  
WORKERS' COMPENSATION FIRST REPORT OF INJURY**

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

Mr. Powell reported the Child Development Center's policies were expiring in September. Mr. Powell advised the renewal quotes received from Philadelphia Insurance Company reflected premium increases for the package and umbrella coverages. Mr. Powell explained his office solicited alternate proposals from other carriers. THOMCO issued a proposal of \$6,375 for the package and \$2,076 for the umbrella policy. Mr. Powell indicated his office analyzed the terms and conditions of the proposal and determined THOMCO'S proposal was comparable if not better than Philadelphia Insurance Company.

Mr. Powell also advised the Student accident policy with AIG renewed on 9/7/13. The premium for this coverage increased from \$476 to \$500. Mr. Powell noted the GCIC did not meet in August;

however the proposals were discussed with the GCIA who requested the coverage be renewed. Mr. Powell requested a motion memorializing the action of the Underwriting Services Director.

**MOTION TO MEMORIALIZE THE ACTION TAKEN BY THE UNDERWRITING SERVICES DIRECTOR TO BIND FOR THE GCIA'S CHILD DEVELOPMENT CENTER'S PACKAGE POLICY THROUGH THOMCO EFFECTIVE 9/12/13 AT THE ANNUAL PREMIUM OF \$6,375; THE UMBRELLA COVERAGE THROUGH THOMCO EFFECTIVE 9/12/13 AT THE ANNUAL PREMIUM OF \$2,076 AND THE STUDENT ACCIDENT COVERAGE THROUGH MAKSIN/AIG EDUCATIONAL MARKETS EFFECTIVE 9/7/13 AT AN ANNUAL PREMIUM OF \$500.**

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

Mr. Powell advised their report indicated that the Underground Storage Tank policy with AIG was expiring on 10/22/13 for the College. However, Mr. Powell felt the agenda report was incorrect by listing this coverage for the College as he believed it should be for Clayton and requested a motion for the Underwriting Services Director to bind coverage with AIG effective 10/22/13 with an annual premium of \$1,657.79.

**MOTION TO AUTHORIZE THE UNDERWRITING SERVICE DIRECTOR TO BIND COVERAGE FOR CLAYTON'S UNDERGROUND STORAGE TANK THROUGH AIG EFFECTIVE 10/22/13 AT THE ANNUAL PREMIUM OF \$1,657.79**

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

Mr. Powell also advised the County was able to remove the underground storage tanks at Clayton Yard. Mr. Powell recommended purchasing the extending reporting period coverage for the period of 2/25/14 to 12/25/16 for an additional premium of \$5,369

**MOTION TO AUTHORIZE THE UNDERWRITING SERVICE DIRECTOR TO PURCHASE THE OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT FOR A COST OF \$5,369**

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

Mr. Powell reported his last item was regarding the antiques at the Whithall Building. Mr. Powell explained at the 6/27/13 GCIC meeting the Commission granted authority to bind flood coverage



through the National Flood Insurance Program with Selective Insurance Company. After the Executive Director raised a question regarding the valuation of the property in an event of a flood loss his office went to the carrier for clarification. It was discovered the valuation was “functional value” and not “appraised value”. Mr. Powell advised his office did not bind the coverage but solicited proposals from other carriers. Travelers Insurance Company was the only company that responded and stated they would have to write a policy insuring all perils not only the flood coverage. Mr. Powell recommended writing the coverage with Travelers effective October 1, 2013 with an annual premium of \$4,884. Mr. Powell also advised Peerless agreed to cancel their policy on a pro rata basis.

**MOTION TO AUTHORIZE THE UNDERWRITING SERVICE DIRECTOR TO BIND COVERAGE FOR THE COUNTY’S ANTIQUES THROUGH TRAVELERS EFFECTIVE OCTOBER 1, 2013 AT AN ANNUAL PREMIUM OF \$4,884**

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

**MOTION TO AUTHORIZE THE UNDERWRITING SERVICE DIRECTOR TO CANCEL PEERLESS POLICY #1M8912830 PRO RATA EFFECTIVE OCTOBER 1, 2013**

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

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

**OLD BUSINESS:** None

**NEW BUSINESS:** Commissioner Sizemore welcomed back Steve Daveggia of Inservco and indicated he looked forward to working with him again. Commissioner Sizemore also indicated Megan Callaghan was no longer working with Inservo and noted she would be missed as she did an excellent job.

**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 63-13 authorizing a Closed Session.

**RESOLUTION 63-13, 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 ALONG WITH THE POSSIBLE SETTLEMENT OF CHRISTOPHER DAVIS VS GLOUCESTER COUNTY, PETITION # 2010-12329, 2011-23992 AND STEPHEN GALLEN VS GLOUCESTER COUNTY, PETITION #2011-26125**

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

Mr. Long requested a motion to approve an increase on Claim # 3530000866 to \$33,718.89 an increase of \$18,718.79

**MOTION TO APPROVE AN INCREASE ON CLAIM # 3530000866 TO \$33,718.89 AN INCREASE OF \$18,718.79**

Motion: Commissioner Jones

Second: Commissioner Sizemore  
Roll Call Vote: Unanimous

Mr. Long requested a motion to approve an increase on Claim # 3530000873 to \$69,695.67 an increase of \$54,695.67

**MOTION TO APPROVE AN INCREASE ON CLAIM # 3530000873 TO \$69,695.67 AN INCREASE OF \$54,695.67**

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

Mr. Long requested a motion to approve an increase on Claim # 3530000687 to \$115,000 an increase of \$42,193.64

**MOTION TO APPROVE AN INCREASE ON CLAIM # 3530000687 TO \$115,000 AN INCREASE OF \$42,193.64**

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

Mr. Long requested a motion to approve a resolution settling Claim # 3530000167 in the amount of \$5,090

**MOTION TO APPROVE A RESOLUTION SETTTLING CLAIM # 3530000167 IN THE AMOUNT OF \$5,090**

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

Mr. Long requested a motion to approve a resolution settling Claim # 3530000405 in the amount of \$6,300

**MOTION TO APPROVE A RESOLUTION SETTTLING CLAIM # 3530000405 IN THE AMOUNT OF \$6,300**

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: 10:05AM**

Minutes prepared by: Cathy Dodd, Assisting Secretary