

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
JANUARY 10, 2019
SCOTCH PLAINS, NJ
8:00AM**

Meeting of the Fund Commissioners called to order by Chairwoman Sullivan. Open Public Meetings notice read into record.

ROLL CALL OF 2018 FUND COMMISSIONERS:

Judy Sullivan, Chairwoman	Township of Bedminster	Present
Megan Champney, Secretary	City of Summit	Absent
Alexander Mirabella	Township of Scotch Plains	Present
Tom Atkins	Borough of Watchung	Present
Sean McCarthy	Township of Bernards	Present
Lorene K. Wright	Township of Harding	Present
James Gildea	Borough of Westfield	Present

EXECUTIVE COMMITTEE ALTERNATES:

Joseph Carty	Borough of Far Hills	Absent
James Debbie	Borough of Mountainside	Absent
Michael Sullivan	Borough of Bernardsville	Absent

ALTERNATE FUND COMMISSIONERS:

Sheila Tweedie	Borough of Far Hills	Absent
Pat Monaco	Township of Bernards	Absent
Sandra Jones	Borough of Bernardsville	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Cathleen Kiernan, Joseph Hrubash, Nancy A. Ghani
Attorney	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Leher Stephen Davis, Esq.
Treasurer	Ralph Maresca
Claims Service	Qual-Lynx Claudia Acosta
Safety Director/Law Enforcement Risk Control	J.A. Montgomery Brian Maitland, Vince Quatrone
JIF Underwriting Manager	Gallagher Bollinger Jim Gilmore
MEL Underwriting Manager	Conner Strong & Buckelew Ed Cooney
Managed Care Provider	FMCO Allyson Cronk

ALSO PRESENT:

Amy Pieroni, Acrisure
Lindsey Trivali, Acrisure

Rich Duthie, Pinnacle Risk Solutions
Dominic Cinelli, Brown & Brown
Craig Sutherland, Meeker, Sharkey & Hurley

MINUTES: Open and Closed Minutes of November 8, 2018.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR NOVEMBER 8, 2018 AS

PRESENTED:

Moved: Commissioner Atkins
Second: Commissioner Gildea
Vote: Unanimous - 1 Abstain (Commissioner McCarthy)

CORRESPONDENCE:

NONE

MOTION TO ADJOURN SINE DIE MEETING:

Moved: Commissioner Gildea
Second: Commissioner Atkins
Vote: Unanimous

Executive Director called the 2019 reorganization meeting of the Suburban Municipal Joint Insurance Fund to order and asked for a roll call of 2019 Fund Commissioners.

ROLL CALL OF 2019 FUND COMMISSIONERS:

Judy Sullivan	Township of Bedminster	Present
Megan Champney	City of Summit	Absent
Alexander Mirabella	Township of Scotch Plains	Present
Tom Atkins	Borough of Watchung	Present
Sean McCarthy	Township of Bernards	Present
Lorene K. Wright	Township of Harding	Present
James Gildea	Borough of Westfield	Present
Joseph Carty/Alt Sheila Tweedie	Borough of Far Hills	Absent
James Debbie	Borough of Mountainside	Absent
Michael Sullivan/Alt Sandra Jones	Borough of Bernardsville	Absent

ELECTION OF CHAIRPERSON, SECRETARY, FIVE MEMBER EXECUTIVE COMMITTEE AND EXECUTIVE ALTERNATES. Executive Director said the Suburban JIF conducts meetings as a Board of Fund Commissioners rather than Executive Committee when quorum is achieved. Executive Director said nominations are open for Chairperson, Secretary and five member executive committee and executive alternates.

Commissioner Gildea provided the following nominations for 2019:

MOTION TO NOMINATE COMMISSIONER SEAN MCCARTHY-BERNARDS AS CHAIR AND COMMISSIONER MEGAN CHAMPNEY-SUMMIT AS SECRETARY AND;

MOTION TO NOMINATE COMMISSIONER ALEXANDER MIRABELLA-SCOTCH PLAINS TOWNSHIP, TOM ATKINS-BOROUGH OF WATCHUNG, COMMISSIONER LORENE WRIGHT-HARDING TOWNSHIP, COMMISSIONER JAMES GILDEA-TOWN OF WESTFIELD AND COMMISSIONER JUDY SULLIVAN-BEDMINSTER, AS FIVE MEMBER EXECUTIVE COMMITTEE AND;

MOTION TO NOMINATE COMMISSIONER JOSEPH CARTY AS ALTERNATE #1, COMMISSIONER JAMES DEBBIE AS ALTERNATE #2 AND COMMISSIONER MICHAEL SULLIVAN-BERNARDSVILLE AS ALTERNATE #3:

Moved: Commissioner Gildea
Second: Commissioner Atkins
Vote: Unanimous

HEARING NO OTHER NOMINATIONS FOR CHAIR, SECRETARY, EXECUTIVE COMMITTEE OR ALTERNATES, MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTIONS:

Moved: Commissioner Mirabella
Second: Commissioner Atkins
Vote: Unanimous

FUND ATTORNEY ADMINISTERED OATH OF OFFICE TO THE FUND COMMISSIONERS.

RESOLUTION 1-19 FUND PROFESSIONAL APPOINTMENT AND PROFESSIONAL SERVICE AGREEMENTS: Enclosed in the agenda with the reorganization resolutions was Resolution 1-19 which reconfirms the board's decision to award professional service agreements in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq. for fund years 2018, 2019 and 2020. Executive Director said the Resolution has been updated to reflect the 2019 compensation amounts and noted the contracts are entering the 2nd of a 3-year term.

Resolution 1-19 listed the following appointments for 2019:

Administrator	PERMA Risk Management Services Cathleen A. Kiernan, Executive Director Joseph Hrubash, Deputy Executive Director David Grubb, Deputy Executive Director
Attorney	Stephen Davis, Esquire
Treasurer	Ralph Maresca
Actuary	The Actuarial Advantage
Auditor	Suplee, Clooney & Company
Internal Auditor	Russo & Associates LLC
Underwriting Manager	Gallagher Bollinger
Safety Director	J.A. Montgomery Risk Control Services
Claims Administrator	Qual-Lynx
Managed Care	First Managed Care Option
Asset Manager	Wilmington Trust
Banking Manager	Investors Bank

RESOLUTION 2-19 ESTABLISHING A FISCAL MANAGEMENT PLAN: Resolution submitted designating Official Depositories and approving a Cash Management Plan; authorizing Signatories on Administrative Accounts; and authorizing Signatories on Claim Accounts; establishing a rate of interest for delinquent assessments; and certifying Approval Officer for all Fund expenses. Executive Director said the resolution would be noted that the additional Fund Commissioner signatory would be Commissioner Judy Sullivan.

In addition, Executive Director said a new item listed under *Permissible Investments* was the MEL Joint Cash Management Program. Legislation was passed which expanded the allowable investments that joint insurance funds could participate. Executive Director said members of the MEL Investment Committee met

with Department of Banking and Insurance to review draft regulations and a sub-committee will be meeting within the month to continue discussions on operations and formation.

RESOLUTION 3-19 ESTABLISHING PUBLIC MEETING PROCEDURES: Resolution presented establishing 2019 Meeting Dates as the second Thursday of every month at 8:00 am in the Scotch Plains Municipal Building with exception of no meetings scheduled in August and December and the 2020 reorganization is scheduled for January 9, 2020; resolution also designates the official newspaper as Star Ledger; and the MEL's webpage www.njmel.org and the Fund's webpage www.smjif.org for official notices.

RESOLUTION 4-19 ESTABLISHING FUND RECORDS PROGRAM: Resolution presented establishing a formal records retention program for Fund year 2019.

RESOLUTION 5-19 RISK MANAGEMENT PLAN: The 2019 Risk Management Plan prepared by the MEL Underwriting Manager was included in the agenda for review.

Executive Director said the MEL provides primary employee dishonesty and faithful performance coverage for those positions that are required by law to be individually bonded at a limit of \$1,000,000 per occurrence per limit. Executive Director said the MEL expanded the coverage and may provide limits above the \$1,000,000 only if recommended by a member's Auditor, which shall be subject to underwriting and issued via endorsement and is noted in the Risk Management Plan.

MOTION TO ADOPT RESOLUTIONS 1-19 through 5-19:

Moved: Commissioner Atkins
Second: Commissioner Gildea
Roll Call Vote: 6 Ayes - 0 Nays

Resolutions Made Part of Minutes.

COMMITTEE APPOINTMENTS: The Fund has four standing committees. Included in the agenda was a listing of the standing committees from 2018. Fund Commissioners are encouraged to volunteer to serve in the upcoming year. It was noted that John Ellis of Scotch Plains and Jack Dibble of Gallagher Bollinger should be removed from the Executive Safety Committee list and updated with the appropriate individuals.

EXECUTIVE DIRECTOR:

REPORT: Monthly report submitted to Fund Commissioners including monthly Fast-track Accident Frequency, Fast-track Financial report, Fixed Income Portfolio Summary, Claim Activity Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and the Monthly and Annual Regulatory Checklist. Included in this month's agenda were the reports for October 2018 and November 2018.

Executive Director referred to the Financial Fast Track as of November 30, 2018 and said the fund's statutory surplus stands at \$3.3 million.

Executive Director referred to the Lost Time Accident Frequency (LTAF) as of November 30, 2018 and said the JIF's rate is 1.71 as compared to 1.52 at the same time last year; the overall MEL/JIF rate is 1.99.

WATCHUNG-ADDITIONAL INSURED MIDDLE BROOK REGIONAL HEALTH COMMISSION: In May 2018, the Executive Committee approved a request to extend coverage to Middle Brook Regional Health Commission as an additional insured subject to final approval by

Watchung. In November 2018, the fund office received notification that Watchung approved Middle Brook Regional Health Commission and this entity was added to the borough's program. Executive Director said the agenda should have noted the additional assessment as \$4,000 and not \$9,215 as this entity was added as an additional insured and not a separate member of the Fund, which would have resulted in a higher premium.

RULES/CONTRACTS REVIEW: A conference call with the Rules/Contracts Review Committee is scheduled January 8, 2019 to address a concern raised by Jim Gilmore, AJG Bollinger. Mr. Gilmore assumed the responsibilities of the Underwriting Manager contract upon Jack Dibble's retirement. In reviewing the contract language, he raised a concern with the non-compete clause. Executive Director said it would be appropriate to discuss this matter in Closed Session.

CYBER LIABILITY: During the month of December, there was a rash of ransomware attacks hitting New Jersey municipalities, which included MEL JIF members. As a result, XL Caitlin, the Fund's carrier, asked for additional premium. The MEL JIF will process these payments in 2019 (amounting to \$100 per member) in an effort to protect the coverage for member JIFs.

The MEL's Cyber Task Force promulgated Minimum Standards for Cyber Security in 2017. If implemented, these standards may have prevented some of the claim activity. The Cyber Task Force will be meeting to review 2019 objectives.

MEL Underwriting Manager said the ransomware attacks have been able to access networks by sending phishing emails, which are often formatted to seem legitimate and dupe an individual into clicking on a link that sets off the virus. MEL Underwriting Manager said at first the ransom amounts were \$1,000, but he has seen recent amounts as large as \$100,000 to \$300,000 which does not include the expenses related to network clean-up and legal forensics teams.

MEL Underwriting Manager encouraged members review the MEL Cyber Risk Management Plan, which establishes a minimum set of technology proficiency standards and provides reimbursement of up to \$7,500 of a member's deductible if they were in compliance with the minimum standards at the time of the claim. MEL Underwriting Manager said employee training and strong passwords on network devices are some of the few tactics members can use to prevent cyber incidents. Executive Director said there are no members of this fund that currently have adopted the MEL Cyber Risk Management Plan; it will be re-circulated following this meeting and is also available on the MEL website www.njmel.org.

Mr. Quatrone said he received word from Police Chiefs in JIF member towns that there is an FBI agent(s) assigned to investigate these cyber claims, but he is unaware of the level of involvement.

Mr. Duthie said Mountainside experienced a cyber event and he felt the FBI response/involvement was not aggressive enough. Mr. Duthie felt participation in the MEL Cyber Risk Management Plan should be mandatory given the risk exposure. MEL Underwriting Manager said the MEL's Cyber Task Force will be discussing whether this should be mandatory or not.

Mr. Cinelli said one of his clients was hacked on Christmas Eve and they followed the contacts noted in the MEL/JIF cyber claims roadmap, which greatly assisted in the management of the loss. Mr. Cinelli also wished to credit Ed Cooney who kept in contact and provided assistance despite the holiday season.

Discussion ensued regarding the increased cost of these types of claims and the need to be proactive instead of reactive. Commissioner Gildea said last year Westfield's police department was hacked

through the mobile video systems in the police cars, which did not have strong passwords. Commissioner Gildea said Westfield did pay a ransom of approximately \$3,000 to have its system released and the response by the fund's carrier legal forensic teams was excellent.

Commissioner Wright inquired if there any other carriers that offer cyber security coverage and whether they also provide guidelines on how to prevent these claims. In response, MEL Underwriting Manager said there are several carriers that provide cyber liability coverage, but they were not competitive when compared to the fund's current carrier. MEL Underwriting Manager said the carriers did not have available guidelines on how to prevent claims, but did collect information on what members currently do to prevent claims. MEL Underwriting Manager said XL Caitlin is encouraged with the guidelines set by the MEL Cyber Task Force and the effort to get members to review their cyber security measures, which will result in premiums that will not fluctuate from year to year.

Executive Director said in addition to MEL Cyber Risk Management Plan, the MEL/JIF cyber claims roadmap will be mailed to all members.

RCF 2019 REORGANIZATION MEETING: The Residual Claims Fund's 2019 Reorganization meeting was held on January 2, 2019 at 10:30AM at the Forsgate Country Club; enclosed in the agenda was a copy of Commissioner Champney's report.

EJIF 2018 NOVEMBER MEETING & 2019 REORGANIZATION MEETING: The EJIF met on November 14, 2018 during the NJSLOM Convention and the 2019 Reorganization meeting was held on January 2, 2019 at 10:50AM at the Forsgate Country Club; enclosed in the agenda was a copy of Commissioner Gildea's November report and Commissioner Champney's January report.

MEL 2018 NOVEMBER MEETING & 2019 REORGANIZATION MEETING: The MEL met on November 14, 2018 during the NJSLOM Convention and the 2019 Reorganization meeting was held on January 2, 2019 at 11:15AM at the Forsgate Country Club; enclosed in the agenda was a copy of Commissioner Gildea's November report and Commissioner Champney's January report.

Commissioner Atkins said he was happy to see that the MEL honored Senator John Dorsey for his efforts and contributions to the municipal insurance industry. Executive Director said Senator Dorsey was one of the legislation sponsors that allowed for the formation of New Jersey joint insurance funds. The Morris JIF will also be honoring Senator Dorsey and sending tribute resolutions to his daughters and law firm.

Chairman McCarthy said at this time it would be appropriate to also honor Commissioner Gildea for his time and efforts as the JIF representative on the RCF, EJIF and MEL boards and the respective claims committees. Chairman McCarthy presented Commissioner Gildea with a small token of appreciation; Commissioner Gildea said he was happy to have served as representative noting it was helpful to get a comprehensive picture of how the MEL and JIF operate together especially with respect to management of claims.

2019 ASSESSMENTS: The 2019 Assessments were mailed out via certified mail on 12/14/18, as well as, emailed to Risk Managers. As a reminder, first installment payments are due to Treasurer, Ralph Maresca, by January 31, 2019.

2019 BUDGET: In accordance with the regulations, the budget adopted by the Fund has been advertised in the Fund's official newspaper. In addition, PERMA has sent the budget to member municipalities and filed the same with the State.

INCLEMENT WEATHER PROCEDURE: A procedure has been instituted for Commissioners to confirm whether a meeting has been cancelled. The Executive Director will talk to the Chair to determine if a meeting should be cancelled. In the case of an early morning or evening meeting, PERMA will leave a message, which can be obtained by dialing the Fund's main number (201) 881-7632. For meetings that occur during normal business hours, meeting status can also be obtained by dialing the Fund office.

TREASURER:

VOUCHER LIST:

CONFIRMATION DECEMBER 2018 PAYMENTS- DIVIDENDS

Closed Years: \$44,592.00

JANUARY 2019 VOUCHER PAYMENTS, RESOLUTION 6-19

Fund Year 2018: \$5,142.07

Fund Year 2019: \$450,190.08

Total: \$455,332.15

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF OCTOBER 2018:

Fund Year 2018: \$38,897.68

Fund Year 2017: \$949.60

Fund Year 2016: \$0.00

Fund Year 2015: \$2,906.45

Fund Year 2014: \$0.00

Closed: \$0.00

Total: \$42,753.73

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF NOVEMBER 2017:

Fund Year 2018: \$53,135.87

Fund Year 2017: \$3,887.27

Fund Year 2016: \$8,570.26

Fund Year 2015: \$4,636.48

Fund Year 2014: \$1,023.42

Closed: \$0.00

Total: \$71,253.30

MOTION TO CONFIRM DECEMBER 2018 PAYMENTS AND ADOPT RESOLUTION 6-19 APPROVING JANUARY BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF OCTOBER 2018 AND NOVEMBER 2018 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Atkins

Second: Commissioner Gildea

Roll Call Vote: 6 Ayes-0 Nays

Voucher List and Treasurer's Report Made Part of Minutes.

ATTORNEY:

REPORT: Included in the agenda was a report of appellate decisions impacting municipalities.
Monthly Report Made Part of Minutes.

JIF UNDERWRITING MANAGER:

REPORT: Included in the agenda in Appendix II was a report of certificates issued from 11/1/18 to 12/31/18.

Monthly Report Made Part of Minutes.

MEL UNDERWRITING MANAGER:

REPORT: Included as part of the report was a List of Certificates issued for the period of 11/22/18 to 12/28/18.

MEL Underwriting Manager provided a summary of the 2019 insurance renewal noting the following:

- Zurich, the MEL’s excess property carrier, offered a flat renewal based on continued positive loss experience.
- After a 30+ year partnership with the MEL, Genesis (casualty coverage) recently experienced a change in underwriter and management and initially quoted a 6% rate increase. This coverage was marketed and ultimately bound with BRIT who agreed to a quota share structure providing \$1.3 million in savings. Additional casualty limits - \$10 million shared aggregate limit - above the \$20 million offered by the MEL will be reviewed by each local JIF.
- Safety National (workers’ compensation) agreed to a two-year option with a 4% rate decrease
- QBE will continue to provide Public Officials/Employment Practices/VDO coverages; the overall rate increase is 2% and varies based on local JIF experience.

Commissioner Wright inquired on the available options for additional casualty limits. In response, Executive Director said the carrier would only provide quotes if all JIF members are at the \$20 million limit and noted all members in this fund are; options for additional limits would be presented at the next meeting or when available.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the December 2018 report submitted by FMCO. Managed Care Provider said the total provider billed amount for year end was \$1,301,347, was re-priced to \$510,209 for a total savings of 61% and a PPO penetration of 88%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the November and December 2018 report noting the activities/trainings, MSI classes and a Safety Director bulletin distributed. Safety Director said there is an Executive Safety Committee meeting at 9AM in Scotch Plains.

Monthly Report Made Part of the Minutes.

CLAIMS:

REPORT: Claims Administrator said they have Payment Authority Requests to present during Closed Session.

**RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES:
PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION AND
CONTRACT MATTERS:**

Moved:	Commissioner Atkins
Second:	Commissioner Mirabella
Roll Call Vote:	Unanimous

PAYMENT AUTHORIZATION REQUESTS: Executive Committee reviewed payment authorization requests presented by Claims Service in Executive Session.

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 6 Ayes - 0 Nays

MOTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO INVOKE THE 90-DAY TERMINATION CLAUSE ON THE JIF UNDERWRITING MANAGER CONTRACT:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 6 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

ACKNOWLEDGMENT: Commissioner Gildea thanked Commissioner Sullivan for her service as Chair during 2018 and thanked Commissioner McCarthy for accepting to serve as Chair for 2019.

MOTION TO ADJOURN:

Moved: Commissioner Atkins
Second: Commissioner Mirabella
Vote: Unanimous

MEETING ADJOURNED: 9:10AM

NEXT MEETING: February 14, 2019 - 8:00 AM

Nancy A. Ghani, Account Manager

for

MEGAN CHAMPNEY, SECRETARY

RESOLUTION NO. 1-19

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

WHEREAS, the Suburban Joint Insurance Fund (hereinafter the Fund) requires the services of certain professionals and service organizations for the 2018, 2019 & 2020 Fund years; and

WHEREAS, NJSA 40a11-15 (6) allows for a contract duration of three (3) years; and,

WHEREAS, the Fund resolved to award Professional Service Agreements in accordance with a fair and open process pursuant to NJSA 19:44A-20.4 et. seq.; and,

WHEREAS, a notice soliciting proposals was published in the Star Ledger, 2017 issue of the June 30th edition and posted on the Suburban Municipal website www.smjif.org under the Public Bids section; and,

WHEREAS, responses were received from professional service providers and service organizations as listed below on July 21, 2017 at 2 pm; and,

WHEREAS, the Fund's Rules & Contract Committee recommended the award of contracts to the below listed Professional Service Providers and service organizations based on a review of their; responses, experience and prior service provided at the rates established by the Board of Fund Commissioners; and,

WHEREAS, the Fund Treasurer has indicated that sufficient funds exist for the award of these contracts in the usual and customary accounts.

WHEREAS, the Suburban Joint Insurance Fund Joint Insurance Fund resolved to appoint the Fund Professionals – noted below – to three year terms commencing on January 1, 2018 and ending on December 31, 2020 in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

NOW THEREFORE, BE IT RESOLVED that the contracts for the following professionals be appointed for a three year term (*unless otherwise specified*):

1. **PERMA Risk Management Services as Administrator**, Cathleen A. Kiernan is appointed as **Executive Director**, and Joseph Hrubash and David N. Grubb as **Deputy Executive Directors**, and both as **agents for process of service**. \$540,605.28 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$180,178.21 has been appropriated in the Administration Line Item of the 2019 budget.

2. **Stephen Davis, Esquire as Fund Attorney:** \$194,964.68 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$64,980.07 has been appropriated in the Attorney Line Item of the 2019 budget.
3. **Ralph Maresca as Fund Treasurer:** \$56,352.47 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$18,781.70 has been appropriated in the Treasurer Line Item of the 2019 budget.
4. **The Actuarial Advantage as Fund Actuary:** \$96,555.62 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$32,181.00 has been appropriated in the Actuary Line Item of the 2019 budget.
5. **Suplee, Clooney, et al as Fund Auditor:** \$38,255.00 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$12,750.00 has been appropriated in the Auditor Line Item of the 2019 budget.
6. **Russo & Associates, LLC as Internal Auditor.** \$24,423.30 is the estimated dollars that will be expended in connection with the Internal Auditor Insurance Services contract over its three-year term. The annual amount of \$8,140.04 has been appropriated as the fee not to exceed in the Internal Auditor Line Item of the 2019 budget.
7. **Gallagher Bollinger Inc., as Underwriting Manager:** \$230,261.16 is the estimated dollars that will be expended in connection with the Underwriting Manager contract over its three-year term. The annual amount of \$76,743.69 has been appropriated in the Underwriting Manager Line Item of the 2019 budget.
8. **J.A. Montgomery Risk Control Services as Fund Safety Service Provider:** \$195,265.58 is the estimated dollars that will be expended in connection with the Safety Director contract over its three-year term. The annual amount of \$65,080.02 has been appropriated in the Safety Director Line Item of the 2019 budget.
9. **Qual-Lynx as the Claims Service Organization:** \$625,663.89 is the estimated dollars that will be expended in connection with the Claims Service contract over its three-year term. The annual amount of \$208,527.37 has been appropriated in the Claims Adjuster Line Item of the 2019 budget.
10. **FMCO as the Managed Care Organization:** \$242,037.89 is the estimated dollars that will be expended in connection with the Managed Care Provider contract over its three-year term. The annual amount of \$80,668.75 has been appropriated in the Workers Compensation Claims Fund Line Item of the 2019 budget.

11. **Investors Bank for Banking Manager** at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn the federal funds rate less .25% with a floor of .65%.
12. **Wilmington Trust as the Asset Manager** at an annual fee of 5 basis points of the market value of the FUND's invested assets.

\$6,600 is the estimated dollars that will be expended in connection with this contract over its three-year term. Approximately \$2,200 will be appropriated in 2019 from earnings.

NOW, THEREFORE, BE IT RESOLVED, all Professional Service Providers and Service Organizations appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service contracts attached to this Resolution.

BE IT FURTHER RESOLVED, that in accordance with NJSA 19:44A-20.7, the decision of the Fund's Board of Fund Commissioners that the procurement process utilized, constitutes a fair and open process, shall be final.

ADOPTED:
this 10th day of January 2019 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

Sean McCarthy

Chairman

Megan Champney

Secretary

RESOLUTION NO. 2-19

SUBURBAN MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")
ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2019 FUND YEAR

WHEREAS, THE FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

WHEREAS, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.); and

NOW, THEREFORE BE IT RESOLVED by the Board of Fund Commissioners that for the 2019 Fund Year:

1. All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Sean McCarthy	CHAIR
Megan Champney	SECRETARY
Ralph Maresca	TREASURER
Judy Sullivan	COMMISSIONER

2. All funds for Claims payments shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Ralph Maresca, Treasurer
Dave S. Ruber, Qual-Lynx
Alice H. Lihou, Qual-Lynx
Janet Buggle, Qual-Lynx

3. For Wire Transfers - that the FUND does hereby require that Investors Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.
4. The Cash and Investment Policy attached herewith, shall be adopted.
5. The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment.
6. Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

7. In accordance with the MEL's Retrospective Rating Program, the FUND does hereby transfers the aggregate excess contingency line item collected with 2018 Fund assessments to the Aggregate Loss Fund Contingency Account.

ADOPTED:

this 10th day of January 2019 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

Sean McCarthy

Chairman

Megan Champney

Secretary

RESOLUTION NO: 3-19

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
(hereafter the “FUND”)**

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2019; and

NOW, THEREFORE BE IT RESOLVED, by the Board of Fund Commissioners that:

- I.** The Board of Fund Commissioners/Executive Committee shall conduct Public Meetings at the Scotch Plains Municipal Building to conduct the official business of the FUND on the second Thursday of each month at 8AM including the reorganization meeting on January 9, 2020 except August and December.
- II.** Each Public Comments session is limited to thirty (30) minutes; any one person may address the Chairperson for a maximum of five (5) minutes; once a particular topic has been addressed by a member of the public, subsequent comments on that same topic by other people is limited to a maximum of two (2) minutes; citizens who have spoken once during the session will not be recognized a second time; and speakers are required to state their names and addresses.
- III.** The following is hereby designated the official newspaper (s) of the Fund:
The Star Ledger, Newark, New Jersey 07101. The MEL’s webpage is designated for official notices www.njmel.org, as well as, the Fund’s webpage www.smjif.org.
- IV.** The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

ADOPTED:

this 10th day of January 2019 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

Sean McCarthy

Chairman

Megan Champney

Secretary

RESOLUTION NO. 4-19

SUBURBAN MUNICIPAL JOINT INSURANCE FUND
(Hereinafter the "FUND")

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS: The FUND must establish a formal record retention program for the 2019 fund year.

NOW, THEREFORE BE IT RESOLVED, by the Board of Fund Commissioners that:

I. Megan Champney, **Fund Secretary**, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive-Suite 216 Parsippany, NJ 07054.

II. The Account Manager designated by the Executive Director is hereby appointed as **Assistant Fund Secretary**.

III. The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.

IV. Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Allstate Archives, 24 Beckwith Avenue, Paterson, New Jersey. The FUND's Executive Director shall coordinate the archive process and shall insure that all records are properly indexed and accessible.

ADOPTED:
this 10th day of January 2019 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

Sean McCarthy

Chairman

Megan Champney

Secretary

Resolution 5-19

Suburban Municipal Joint Insurance Fund (hereinafter the "Fund" or the "Sub Muni JIF")

ESTABLISHING THE 2019 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's governing body the 2019 Plan of Risk Management shall be:

Section I – Coverage

Insurance Coverages

The following coverages are provided to the Fund's members, effective January 1, 2019:

- Workers' Compensation
- Liability (including optional excess)
- Public Officials Liability / Employment Practices Liability (including optional excess)
- Optional Volunteer Directors & Officers Liability
- Crime
- Non-Owned Aircraft Liability
- Annual Aggregate Stop Loss
- Environmental Impairment Liability
- Cyber
- Property & Equipment Breakdown (effective December 31, 2018)
- Emergency Service Volunteer Automobile Physical Damage

Limits of Coverage

Unless otherwise stated, all limits shown apply less any local member unit's SIRs/deductibles, or excess of 125% of the JIFs' actuarial projected loss funds as respects Annual Aggregate Stop Loss. All references to the "MEL" stand for the "Municipal Excess Liability Joint Insurance Fund". **Please note, the following is a general discussion of the coverages and limits provided via the Fund; however, the actual terms and conditions are defined in the policy documents and all issues shall be decided on such. Additional coverages, limits and conditions may apply. Please also note, deductibles may differ for individual members; please refer to your policy(ies) for full details.**

1. Workers' Compensation

- Workers' Compensation: \$250,000
- Employer's Liability: \$250,000
- USL&H, Harbor Marine/Jones Act, Incidental Foreign Workers' Compensation, Communicable Disease: Included
- MEL Excess Limit: Statutory
- Employer's Liability Excess Limit: \$6,750,000

2. Liability (*includes General, Automobile, Employee Benefits and Law Enforcement Liability*)

- Fund Limit: \$250,000
- MEL Excess Limit: \$4,750,000
 - The \$3,000,000 layer excess of \$2,000,000 is subject to a \$3,000,000 per local member unit annual aggregate (Automobile Liability is not aggregated)
- Sublimits: The following sublimits are part of, and not in addition to, the limits above:
 - Good Samaritan Liability: Included
 - Quasi Municipal Organization Liability: Included (if approved)
 - Fungus or Spores: \$1,000,000
 - Disinfectants Release Hazard Coverage: \$1,000,000
 - Dam and Reservoir: \$5,000,000

- a. \$5,000,000 per occurrence for any member entity owned dams defined as Class III or IV in New Jersey Administrative Code, Title 7, Department of Environmental Protection, Chapter 20, 7:20-1.8;
- b. Included for premises owned, occupied or controlled by the member entity on which a dam or reservoir is located, or from the operations conducted on such premises;
- c. \$2,000,000 per occurrence for any member entity owned dam defined as Class I or II in New Jersey Administrative Code, Title 7, Department of Environmental Protection, Chapter 20, 7:20-1.8; and
- d. \$2,000,000 per occurrence for any Class III or IV member entity owned dam involved with a Class I or II member entity owned dam.
 - Sanitary/Storm Water System Sewerage Backup and/or Sanitary System Sewerage Backup, Escape or Release: \$3,000,000 Per Occurrence and \$4,000,000 Annual Aggregate for all member entities
 - Subsidence: \$3,000,000 Per Occurrence and \$4,000,000 Annual Aggregate for all member entities
 - Quasi Entities Coverage: \$5,000,000 Per Occurrence (where approved)
 - Skateboard Facilities: \$5,000,000 Per Occurrence (where approved)
 - Riot, Civil Commotion or Mob Action: \$5,000,000 Per Occurrence
 - Failure to Supply Utility: \$5,000,000 Per Occurrence
 - Garagekeepers Liability: \$2,000,000 Per Occurrence
 - New Jersey Personal Injury Protection (NJ PIP): \$250,000
 - New Jersey Uninsured/Underinsured Motorist (NJ UM/UIM): \$15,000 / \$30,000 / \$5,000

3. **Optional Excess Liability Limit**

The MEL offers Optional Excess Liability Limits excess of the MEL Excess Limit.

- The following limits are the Optional Excess Limits:
 - \$2,000,000 (equals \$7,000,000 total);
 - \$5,000,000 (equals \$10,000,000 total);
 - \$10,000,000 (equals \$15,000,000 total); and
 - \$15,000,000 (equals \$20,000,000 total).

4. **Public Officials Liability / Employment Practices Liability**

Each local member unit is 100% commercially insured with QBE Specialty Insurance Company for \$2,000,000 in the aggregate per member on a claims made basis for each Fund year.

- Deductibles and Coinsurance:
 - \$20,000 is the standard deductible per claim and 20% of the first \$250,000 of the loss is the standard coinsurance, although other deductibles and coinsurances may apply.
 - Local member units may qualify based on certain criteria to have options to purchase a lower deductible and/or coinsurance contribution.
 - Members with adverse loss experience may be subject to higher deductibles and/or coinsurance.
- Optional Wage Coverage: \$0 aggregate per member

5. **Optional Excess Public Officials Liability / Employment Practices Liability**

The MEL offers Optional Excess Public Officials Liability / Employment Practices Liability limits excess of the local member units' primary \$2,000,000 Public Officials Liability / Employment Practices Liability policies with QBE Specialty Insurance Company as follows:

- \$1,000,000 (equals \$3,000,000 total);
- \$2,000,000 (equals \$4,000,000 total);
- \$3,000,000 (equals \$5,000,000 total);
- \$4,000,000 (equals \$6,000,000 total); and
- \$8,000,000 (equals \$10,000,000 total).

6. Optional Volunteer Directors & Officers Liability

Fire companies and Emergency Service Units have the option of purchasing optional Volunteer Directors & Officers Liability coverage. The coverage is 100% commercially insured with QBE Specialty Insurance Company and applies to the non-firematic/emergency activities of such entity per the following options:

Option	Limit of Liability	Deductible
1	\$1,000,000	\$1,000
2	\$1,000,000	\$2,000
3	\$1,000,000	\$5,000
4	\$2,000,000	\$1,000
5	\$2,000,000	\$2,000
6	\$2,000,000	\$5,000

7. Crime

- The Fund provides Crime coverage with a limit of \$50,000 for: Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, and Computer Fraud with Funds Transfer Fraud
- The member deductible is \$2,500
- MEL Crime
 - MEL Crime Excess: \$950,000 excess of the Fund Crime limit
 - MEL Crime Statutory Position:
 - a. The MEL provides primary employee dishonesty and faithful performance coverage for those employed positions which are required by law to be individually bonded and where they have applied and have been approved for coverage at a limit of \$1,000,000 per occurrence per position. The MEL can provide MEL Crime Statutory Position limits, based on underwriting and via endorsement, above \$1,000,000, matching the member's auditor's recommendation, but no more than \$2,000,000. Such additional limit is available upon request and approval by the MEL.
 - b. The deductible is \$1,000
 - MEL Crime Excess Public Officials:
 - a. The MEL provides excess employee dishonesty and faithful performance coverage for those employed positions which are required by law to be individually bonded and where they have not applied or have not been approved for coverage under the MELJIF Statutory Position Program at a limit of \$1,000,000
 - b. The deductible is the greater of the underlying bond/policy in place or the statutory limit required

8. Non-Owned Aircraft Liability

- \$5,000,000; and
- Medical Expense for each passenger: \$5,000
- The coverage is 100% commercially insured with Endurance

9. Annual Aggregate Stop Loss

- a. \$1,000,000, subject to sublimits of: \$250,000 each occurrence for Workers' Compensation, General Liability, Law Enforcement Liability and Automobile Liability; and
- b. \$100,000 each occurrence for Property and Crime
- c.

10. Environmental Impairment Liability

- d. Environmental Impairment Liability is provided to the Fund's local member units by the New Jersey Environmental Risk Management Fund (EJIF). Please refer to the EJIF's Plan of Risk Management.

11. Cyber

The Fund is 100% commercially insured for Cyber insurance with Indian Harbor Insurance Company (primary insurer) and Beazley (excess insurer) for the following limits:

- Limits:
 - Fund Annual Aggregate: \$16,000,000
 - Third Party, Per Claim: \$10,000,000
 - First Party, Per Claim: \$6,000,000
- Retention, Per Claim: \$10,000

12. Property & Equipment Breakdown

- The Fund provides a \$100,000 limit per occurrence (Property & Time Element combined)
- The MEL provides a \$400,000 limit excess of the Fund's limit
- The MEL purchases additional excess property limits, as follows: \$125,000,000, including certain sublimits, including, but not limited, to:
 - Aggregate, Earth Movement: \$100,000,000
 - Aggregate, Flood (includes Storm Surge): \$100,000,000
 - a. Per Location, Special Flood Hazard Area (SFHA): \$52,500,000
 - Named Storm: Included
 - Vehicles: \$15,000,000
- Member deductibles:
 - All Other: \$2,500
 - Automobile Physical Damage: \$2,500
 - Equipment Breakdown: \$5,000
 - SFHA Flood :
 - a. Building: \$500,000
 - b. Contents: \$500,000
 - c. Time Element: \$500,000
 - Named Storm (Covered Property in Atlantic, Ocean, Monmouth and Burlington counties east of the Garden State Parkway, and any covered property in Cape May County):
 - a. Property Damage: 1% of TIV at location, per occurrence
 - b. Time Element: 1% of 12 months gross earnings at location, per occurrence
 - c. Minimum, per location: \$500,000
 - d. Maximum, per occurrence: \$1,000,000

13. Emergency Service Volunteer Automobile Physical Damage

- The Suburban Fund provides for deductible reimbursement coverage to *Title 34 Volunteers* for collision and comprehensive damages resulting from motor vehicle accident while volunteering services to the town not to exceed \$2,500 or the deductible on the volunteers' auto policy whichever is less.

Individual Self-Insured Retentions

Optional Individual Self-Insured Retentions: None

Amount of Risk to be Retained by the Fund

Unless otherwise stated, all limits shown apply less any local member unit's SIRs/deductibles.

1. **Workers' Compensation:** \$250,000
2. **Liability:** \$250,000
 - NJ Uninsured/Underinsured Motorist: \$15,000 / \$30,000 / \$5,000
 - NJ Personal Injury Protection: \$250,000
3. **Optional Excess Liability Limit:** \$0

4. **Public Officials Liability / Employment Practices Liability:** \$0
5. **Optional Excess Public Officials Liability / Employment Practices Liability:** \$0
6. **Optional Volunteer Directors & Officers Liability:** \$0
7. **Crime:** \$50,000
 - MEL Crime Excess: None
 - MEL Crime Statutory Position: None
 - MEL Crime Excess Public Officials: None
8. **Non-Owned Aircraft Liability:** \$0
9. **Annual Aggregate Stop Loss:** 125% of the JIF's actuarial projected loss funds
10. **Environmental Impairment Liability:** \$0
11. **Cyber:** \$0
12. **Property:** \$100,000
 - Equipment Breakdown: \$0
 - SFHA Flood: \$0
 - Named Storm (Covered Property in Atlantic, Ocean, Monmouth and Burlington counties east of the Garden State Parkway, and any covered property in Cape May County): \$0
13. **Emergency Service Volunteer Automobile Physical Damage** \$2,500

Commercial Insurance / Reinsurance Purchased

The insurance/reinsurance listed below may contain sublimits, retentions and deductibles in addition to such already stated.

1. **Non-Owned Aircraft Liability:** The Fund purchases this coverage through the MEL from Endurance
2. **Excess Property & Equipment Breakdown:** The Fund purchases this coverage from the MEL
3. **Excess Liability:** The Fund purchases this coverage from the MEL
4. **Excess Workers' Compensation:** The Fund purchases this coverage from the MEL
5. **Excess Crime:** The Fund purchases this coverage from the MEL
6. **Public Officials Liability / Employment Practices Liability:** The Fund purchases this coverage from QBE Specialty Insurance Company
7. **Optional Volunteer Directors & Officers Liability:** The Fund purchases this coverage from QBE Specialty Insurance Company
8. **Cyber:** The Fund purchases this coverage from Indian Harbor Insurance Company and Beazley
9. **Environmental Impairment Liability:** EJIF
10. **Annual Aggregate Stop Loss:** MEL
11. **Emergency Service Volunteer Automobile Physical Damage:** None

Section II – Conditions

The Amount of Unpaid Claims to be Established

1. The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Fund expects the claims servicing company to set reserves at 85% accuracy. The Fund also establishes reserves

recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the Fund has adequate reserves to pay all claims and allocated loss adjusted expense liability.

2. Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Executive Committee and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Fund.

The Method of Assessing Contributions to be Paid by Each Member of the Fund

1. By November 15th of each year, the actuary computes the probable net cost for the upcoming Fund year by line of coverage and for each prior Fund year. The actuary includes all budget items in these computations. The annual assessment of each participating municipality is its' pro rata share of the probable net cost of the upcoming Fund year for each line of coverage as computed by the actuary.
2. The calculation of pro rata shares is based on each municipality's experience modified manual premium for that line of coverage. The Fund's governing body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Fund wide average increase plus a percentage selected by the governing body. The total amount of each member's annual assessment is certified by majority vote of the Fund's governing body at least one (1) month prior to the beginning of the next fiscal year.
3. The treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust fund account by Fund year for each type of coverage in which the member participates.
4. If a local unit becomes a member of the Fund or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
5. The Fund's governing body may by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. All supplemental assessments are charged to the participating municipalities by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.
6. Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the chairman or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Fund's governing body.
7. The method of collecting assessment contributions to be paid by each member of the Fund is shown below:

Mail Bill	Due Date	Amount Due
December 15 th , 2018	January 31st	1 st quarter
	April 30th	2 nd quarter
	July 31st	3 rd quarter
December 15, 2019	January 31st	4 th quarter plus any adjustments
	Etc.	

8. The Fund has also adopted a loss sensitive retrospective rating plan and has filed the endorsement with the Department of Banking and Insurance and the Department of Community Affairs.

Procedures Governing Loss Adjustment and Legal Expenses

1. The Fund engages a claims service company to handle all claims, except for the JIF's POL/EPL and Volunteer D&O, which are handled by Summit Risk Services representing QBE Specialty Insurance Company. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Fund attorney, the MEL's attorney's office, as well as the claims department of the MEL's three major liability insurers/re-insurers (i.e. BRIT and Munich

Re for liability, and Safety National for workers' compensation). Every three years, the MEL's internal auditors also conduct an audit.

2. Each member local unit is provided with a claims reporting procedure and appropriate forms.
3. In order to control workers' compensation medical costs, the Fund has engaged a managed care organization (MCO) whose procedures are integrated into the Fund's claims process.
4. To provide for quality defense and control costs, the Fund has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Fund attorney, as well as the various firms which audit the claims adjusters.

Procedures for the Closure of Fund Years, including the Maintenance of All Relevant Accounting Records

1. The Fund utilizes the Municipal Excess Liability Residual Claims Fund (RCF) to facilitate the closure of Fund years.
2. Upon the transfer of outstanding liabilities of a Fund year to the RCF, the Fund adopts a resolution closing that year and transfers all remaining assets to the closed Fund year account. This amount is allocated by member local units using the same procedure as is used to calculate a dividend. Each month, interest is credited to the closed Fund year account by member.
3. Each year, the Fund's governing body will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of Insurance as appropriate. Further, in the event an open Fund year incurs a deficit, the Fund's governing body will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member by member basis.
4. A member may apply to the Fund's governing body for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Fund's governing body will decide on the former member's request after evaluating the likelihood of any additional assessments from the RCF.
5. All dividends from the RCF will be deposited in the closed Fund year account on a member by member basis.
6. The Fund will retain all records in accordance with the Fund's record retention program.

Assumptions and Methodology Used for the Calculation of Appropriate Reserve Requirements to be Established and Administered in Accordance with Sound Actuarial Principles

1. The general approach in estimating the loss reserves of the Fund is to project ultimate losses for each Fund year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or funding requirement.
2. The following is an overview of the two actuarial methods used to project the ultimate losses.
 - a. Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
 - b. Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

The Maximum Amount a Certifying and Approving Officer May Approve Pursuant to N.J.A.C. 11:15-2.22

1. \$10,000
2. \$50,000 Emergency Court House Authority upon the joint authorization of the Fund Attorney and Executive Director. Whenever this procedure is used, the claim shall be reported to the Commissioners at their next meeting.
3. With the advance approval of the Fund Attorney, the certifying and approving officer may also pay provider bills if waiting until after the next regularly scheduled FUND meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

ADOPTED:

this 10th day of January 2019 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

Sean McCarthy

Chairman

Megan Champney

Secretary

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 6-19

JANUARY 2019

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Suburban Joint Insurance Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2018

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001475			
001475	PERMA RISK MANAGEMENT SERVICES	DECEMBER POSTAGE	74.50
			74.50
001476			
001476	RALPH A MARESCA, JR	TREASURER FEE 12/18	1,534.45
			1,534.45
001477			
001477	DiFRANCESCO,BATEMAN,COLEY,YOSP	LEGAL SERVICES THRU 11.30.18	3,533.12
			3,533.12
		Total Payments FY 2018	5,142.07

FUND YEAR 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001478			
001478	MUNICIPAL EXCESS LIABILITY JIF	FPB 1ST QTR 2019	1,423.00
			1,423.00
001479			
001479	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 1/19	6,722.40
			6,722.40
001480			
001480	MUNICIPAL EXCESS LIABILITY JIF	PROPERTY 1ST QTR 2019	87,540.00
001480	MUNICIPAL EXCESS LIABILITY JIF	MEL 1ST QTR 2019	249,888.00
			337,428.00
001481			
001481	N.J. MUNICIPAL ENVIRONMENTAL	2019 FIRST INSTALLMENT	66,771.00
			66,771.00
001482			
001482	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 1/19	5,423.33
			5,423.33
001483			
001483	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 1/19	15,014.85
			15,014.85

001484			
001484	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEES 1/19	2,681.75
			2,681.75
001485			
001485	RALPH A MARESCA, JR	TREASURER FEE 1/19	1,565.14
			1,565.14
001486			
001486	ARTHUR J. GALLAGHER	UNDERWRITING MANAGER FEE 1/19	6,395.31
			6,395.31
001487			
001487	MUNICIPAL EXCESS LIABILITY JIF	MSI 1ST QTR 2019	6,661.00
			6,661.00
001488			
001488	NEWTECH SERVICES INC.	MONTHLY WEB MAINT/HOST 1/19	75.00
			75.00
001489			
001489	ALLSTATE INFORMATION MANAGEMNT	ACCT#416 - ARC & STOR - 11.30.18	29.30
			29.30
		Total Payments FY 2019	450,190.08

TOTAL PAYMENTS ALL FUND YEARS \$455,332.15