

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND  
OPEN MINUTES  
MARCH 11, 2021  
VIA TELECONFERENCE  
8:00AM**

Meeting of the Fund Commissioners called to order by Acting Chairman Mirabella. Open Public Meetings notice read into record. Ms. Ghani noted for the record no questions were submitted from members of the public.

**ROLL CALL OF 2021 FUND COMMISSIONERS:**

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

**EXECUTIVE COMMITTEE ALTERNATES:**

Anthony Suriano	Borough of Bernardsville	Present
Joseph Carty	Borough of Far Hills	Absent
Glenn Mortimer	Borough of Mountainside	Present

**ALTERNATE FUND COMMISSIONERS:**

Margaret Heisey	Township of Scotch Plains	Absent
Sheila Tweedie	Borough of Far Hills	Present
Pat Monaco	Township of Bernards	Absent
Robin Ray	Township of Bedminster	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services <b>Cathleen Kiernan, Joseph Hrubash, Nancy A. Ghani, Robyn Wyckoff, Jennifer Conicella, Brandon Tracy</b>
Attorney	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Leher <b>Stephen Davis, Esq.</b>
Treasurer	<b>Ralph Maresca</b>
Claims Service	Qual-Lynx <b>Claudia Acosta</b>
Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
Safety Director/Law Enforcement Risk Consulting	J.A. Montgomery <b>Brian Maitland, John Schwartz, Matthew Genna</b>
Managed Care Provider	FMCO <b>Alyssa Hrubash</b>

**ALSO PRESENT:**

Lindsay Travali, **Acrisure**  
Amy Pieroni, **Acrisure**

Dominic Cinelli, **Brown & Brown**  
Shakirah Stanford, **Brown & Brown**  
Rich Duthie, **Pinnacle Risk Solutions**  
Hallee Cramer, **Meeker, Sharkey & Hurley**  
Craig Sutherland, **Meeker, Sharkey & Hurley**  
Renee Bays, **Meeker, Sharkey & Hurley**  
Tom Sharkey, **Meeker, Sharkey & Hurley**

**MINUTES:** Open and Closed Minutes of February 11, 2021.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR FEBRUARY 11, 2021 AS PRESENTED:**

Moved:	Commissioner Gildea
Second:	Commissioner McCarthy
Vote:	Unanimous

**CORRESPONDENCE:**

NONE

**EXECUTIVE DIRECTOR:**

**DUE DILLIGENCE REPORTS:** 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.

Executive Director said the Financial Fast Track as of January 31, 2021 will be included in the next agenda as PERMA's Accounting department is currently working to submit documentation to the JIF's Auditors related to the 12/31/20 Audit. Executive Director reviewed the loss ratio report where the fund was at or below the actuarial target for all years except for 2017 and 2020 Fund Year. This was due in part to a couple of large claims excluding Covid-19 claims. Lost Time Accident Frequency (LTAF) as of January 31, 2021 is 0.67; the overall MEL/JIF rate is 0.18.

Executive Director reviewed the employment practices compliance status, which shows if members have completed the items on the EPL checklist, which consists of updating the member's model personnel manual and employee handbook, attending managers and supervisors training, and police command staff training. Executive Director said J.A. Montgomery is working to schedule in person training for Police Command Staff Training in a venue large enough to accommodate social distancing. Executive Director noted the MEL management committee met and agreed to extend the deadline for updates and training to November 1, 2021. Please visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program.

**2021 MEL/RCF/EJIF MARCH 26<sup>TH</sup> VIRTUAL MEETING & RETREAT:** The MEL, RCF and EJIF will hold their March meetings in conjunction with the MEL Annual Retreat. This year's retreat will be held on March 26<sup>th</sup> via Zoom. The purpose of the retreat is to provide the sub-committees of the MEL an expanded opportunity to report directly to the Boards of the MEL, RCF and EJIF. Please visit the MEL webpage just prior to the meeting for the information on how to participate virtually. Executive Director encouraged Fund Commissioners, Risk Managers, and Professionals to attend.

**2021-2022 INSURANCE CRISIS AND ACCIDENTAL DISABILITY PENSIONS:** Included in the agenda were two memorandums prepared by David Grubb, MEL Executive Director, concerning emerging issues that will increase insurance costs, and disability pensions. Executive Director said the insurance crisis memo highlighted several external factors such as natural disaster and civil unrest that are negatively affecting the current state of the global insurance market thus affecting the programs excess insurance rates and ability to purchase certain coverages.

The memo also addressed Senate Bill 3375, which would significantly affect workers compensation by changing the medical treatments arising from workers' compensation claims. This would affect the Managed Care Provider's ability to direct care within their network after the initial care and dictate how the Fund pays the medical bills. Executive Director used the Managed Care report to show what the Fund currently pays for medical care based on the Managed Care's network and what would be usual and customary. Usual and Customary is significantly higher.

The second memo addressed the Department of Labor's change in the accidental disability pension, which will substantially increase workers' compensation costs. Executive Director said this change was implemented after the Comptroller's report concluded the pension offset of any permanency award when employee receives an accidental pension; transferred workers' compensation cost to the pension system. Since program was established to prevent "duplicate payments" to injured worker when received an accidental disability and permanency awards, change will now push the offset to pension. Executive Director said the MEL Executive Director is working to propose a compromise that would trigger either a pension offset or workers compensation offset, suggesting that the pension would serve as the offset if a municipal employee is on accidental disability and permanently disabled. If the worker was on accidental disability, but can still work elsewhere workers compensation would receive the offset.

**CANNABIS LEGALIZATION:** As a result of the recent adoption of the cannabis legislation in New Jersey, a number of critical issues and questions have, and will continue to, arise. MEL Fund Attorney is finalizing a bulletin with a list of issues, which each respective member should address and confer with its legal counsel. Executive Director said the memo will address issues such as the impact on employment and land use issues.

**2021 MEL/MR HIF & NJCE JIF EDUCATIONAL SEMINAR:** The 10th annual seminar will be conducted virtually on 2 half-day sessions: Friday, May 14<sup>th</sup> and Friday, May 21 from 9 am to 12 noon. The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. Executive Director said the State Agency has approved half-day credits for registrants who attend one of the two half-day sessions. There is no fee for employees and insurance producers associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) members, and New Jersey Counties Excess Joint Insurance Fund (NJCE JIF) members as well as personnel who work for service companies that are engaged by MEL member JIFs, MR HIF member HIFs, and NJCE member Commissions.

Included in the agenda was the agenda for the seminar; this will also be the topic of the MEL's "Power of Collaboration" Ad in the League of Municipalities magazine. Executive Director said Jaine Testa would be distributing an email with directions to register shortly.

**2020/2021 ELECTED OFFICIALS SEMINAR:** The MEL's Annual Elected Officials Seminar is available through the MEL Safety Institute. Included in the agenda were the directions to complete the course.

The MEL will provide a credit of \$250 against each member's assessment for each municipal elected official and authority commissioner who completes the course by May 1, 2021. The credit will continue to be extended to the member's CEO (i.e. municipal manager/administrator or authority executive director). The maximum credit is 5% of the member's assessment. Executive Director said the MSI encountered an adobe issue so any elected officials who completed the course within the past two weeks and did not run a certificate showed up as incomplete. We were able to adjust the status for elected officials who completed the course within that that timeframe.

**CYBER TASK FORCE:** The MEL's Cyber Task Force has been working on modifications to the MEL's Cyber Risk Management Program and is expected to be released on Monday, March 8<sup>th</sup> along with a one-page memorandum summarizing the updates. Commissioner Sullivan asked where she could locate the memorandum summarizing Version 2 of the Cyber Risk Management Program. Underwriting Manager said he would distribute the memorandum, and link to the program. Underwriting Manager said the taskforce focused on clarifying language throughout the plan and the introduction of a third tier. Tier 3 will require additional security measures. Members who comply with all three tiers will reduce their deductible from \$25,000 to zero dollars. Executive Director said members will see a \$200,000 deductible in their policies; however, the program is structured so that the MEL will take \$175,000 excess of \$25,000. The members are responsible for the \$25,000 deductible, which may be reduced through compliance with the cyber program.

**MODEL PERSONNEL MANUAL:** Executive Director said Matt Giacobbe and Fred Semrau are holding a 2<sup>nd</sup> webinar on March 12<sup>th</sup> at 10 AM to provide members with an overview of the revised Model Personnel Manual and Employee Handbook and discussion on the new cannabis legislation and covid-19 vaccines. Included in the agenda was a memorandum regarding "Frequently Asked Questions" about the Model Personnel Policies Procedures and the Employee Handbook. Executive Director said a recording of the first seminar has been posted to the MEL webpage.

**2021 FINANCIAL DISCLOSURES:** Executive Director said JIF Commissioners should anticipate the online filing of the Financial Disclosure forms inclusive of any other municipal related positions that require filing. It is anticipated the Division of Local Government Services will distribute a notice with filing instruction in March with a deadline to file by April 30<sup>th</sup>.

**TREASURER:**

**VOUCHER LIST:**

**MARCH 2021 VOUCHER PAYMENTS, RESOLUTION 13-21**

Fund Year 2020:	\$2,202.12
Fund Year 2021:	\$52,910.58
Total:	\$55,112.70

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF JANUARY 2021:**

Fund Year 2021:	\$12,662.70
Fund Year 2020:	\$124,781.64
Fund Year 2019:	\$1,614.00
Fund Year 2018:	\$9,816.50
Fund Year 2017:	\$953.40
Closed:	\$0.00
Total:	<b>\$149,828.24</b>

**MOTION TO ADOPT RESOLUTION 13-21 APPROVING MARCH 2021 BILLS LIST, AND APPROVE CONFIRMATION & CERTIFICATION OF JANUARY 2021 CLAIM TRANSFERS AS SUBMITTED:**

Moved:	Commissioner Gildea
Second:	Commissioner Sullivan
Vote:	Unanimous

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

**ATTORNEY:**

**REPORT:** Fund Attorney asked members to review the Goulding v. NJ Friendship House, Inc., which was included in the agenda as part of the Attorney Report. The case focused on an employee who was

injured while serving as a volunteer for their employers “Family Fun Day.” Claimant filed for Workers’ Compensation, which the Employer and later the lower courts denied. An appeal from the Supreme Court ruled that claimant’s injury was compensable, rejecting the workers’ compensation court’s determination that the event was a social or recreational activity. Even if it was, the court held that claimant would satisfy the two-part statutory exception under N.J.S.A. 34:15-7. Fund Attorney said this decision could significantly increase those who can qualify for workers compensation benefits if injured at a “social event” sponsored by the municipal entity or group.

Monthly Report Made Part of Minutes.

**UNDERWRITING MANAGER:**

**CERTIFICATE REPORT:** Included in the agenda was the certificate report for the period 1/22/21 to 2/22/21.

**CYBER COMPLIANCE REPORT:** Included in the agenda was the cyber compliance report as of 2/26/21. Underwriting Manager noted members who complied with Tier 1 and/or Tier 2 of version 1 of the cyber risk management program are grandfathered until January 2022, at which time members will need to comply with version 2 requirements. Members who were not previously in compliance with version 1 will need to meet version 2 requirements of the cyber program.

**MICROSOFT PATCH:** Underwriting Manager said Microsoft experienced a major vulnerability and threat in their email exchange program, which is affecting members of the MEL. Microsoft sent out patching and testing to cure the security patch. Underwriting Manager will distribute a notice to members explaining the Microsoft patch in detail and encouraged members to reach out if they have any questions or concerns regarding this matter.

Monthly Report Made Part of Minutes.

**MANAGED CARE:**

**MONTHLY REPORT:** Included in the agenda was the February 2021 report submitted by FMCO. Managed Care Provider said the total provider billed amount to date was \$434,029 and was re-priced to \$102,955 for a total savings of 76% and a PPO penetration of 95%.

Monthly Activity Report Made Part of Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Included in the agenda was the March 2021 report noting the activities/trainings, MSI classes and a Safety Director bulletin distributed in February. Loss Control surveys were not conducted in February due to inclement weather. Safety Director said J.A. Montgomery will be hosting nine additional EPL trainings until September 21<sup>st</sup> with the last night training on April 27<sup>th</sup> at 6pm. Safety Director reminded attendees the deadline to complete this course has been extended to November 1, 2021. The virtual Safety Kickoff meeting is scheduled at 9am following the meeting. Safety Director announced J.A. Montgomery will be hosting a webinar reviewing the MSI website, and safety catalog on Wednesday, March 31<sup>st</sup> at 10 AM.

Monthly Report Made Part of the Minutes.

**CLAIMS:**

**REPORT:** Claims Administrator said they have no Payment Authority Requests to present during Closed Session.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

Commissioner Judy Sullivan announced this will be her last meeting as she is retiring, and thanked the Fund for the opportunity to serve as a Fund Commissioner. Ms. Sullivan said alternate commissioner

Robin Ray would be stepping in to her role as Bedminster's Fund Commissioner. Acting Chairman Mirabella congratulated Commissioner Sullivan on a long and distinguished career and wished the best in her retirement.

**PUBLIC COMMENT:**

NONE

**MOTION TO ADJOURN:**

Moved:	Commissioner McCarthy
Second:	Commissioner Mirabella
Vote:	Unanimous

**MEETING ADJOURNED:** 8:26AM

**NEXT MEETING:** April 8, 2021 - 8:00 AM

Brandon Tracy, Account Analyst

for

ALEXANDER MIRABELLA, SECRETARY

# SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 13 – 21

March 2021

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

**BE IT RESOLVED** that the Suburban Municipal Joint Insurance Fund’s Executive Board, hereby authorizes the Fund treasure 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 2020**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001878			
001878	PERMA RISK MANAGEMENT SERVICES	2020 1099 A.ATRIX FILINGS	19.12
			<b>19.12</b>
001879			
001879	DIFRANCESCO BATEMAN, P.C.	PROFESSIONAL SERVICES 12/20	1,656.52
			<b>1,656.52</b>
001880			
001880	NJ ADVANCE MEDIA	ACCT#XSUBU0555780 - BDGT - 11.23.20	74.06
			<b>74.06</b>
001881			
001881	ALLSTATE INFORMATION MANAGEMNT	ACCT#416 - ARC & STOR - 12.31.20	35.42
			<b>35.42</b>
001882			
001882	ACRISURE, LLC DBA RELIANCE INSURANCE GROUP	BALANCE OF 2020 RMC FEE - WATCHUNG	417.00
			<b>417.00</b>
		<b>Total Payments FY 2020</b>	<b>2,202.12</b>

**FUND YEAR 2021**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001883			
001883	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 3/21	6,993.98
			<b>6,993.98</b>
001884			
001884	QUAL-LYNX	CLAIMS ADJ. SERVICES 3/21	18,079.32
			<b>18,079.32</b>
001885			
001885	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR FEE 3/21	5,642.44
			<b>5,642.44</b>
001886			
001886	PERMA RISK MANAGEMENT SERVICES	POSTAGE 1/21	14.40
001886	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 3/21	15,621.45
			<b>15,635.85</b>
001887			
001887	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 3/21	2,790.09
			<b>2,790.09</b>
001888			
001888	RALPH A MARESCA, JR	TREASURER FEE 3/21	1,628.37
			<b>1,628.37</b>

001889			
001889	NJ ADVANCE MEDIA	AD#: XSUBU0555780 - AD - 1.27.21&1.29.21	122.36
001889	NJ ADVANCE MEDIA	AD#: XSUBU0555780 - MTG - 1.11.21	57.35
001889	NJ ADVANCE MEDIA	ACCT#: XSUBU0555780 - MTG - 2.9.21	27.90
			<b>207.61</b>
001890			
001890	NEWTECH SERVICES INC.	MONTHLY MAINT & DR 3/21	175.00
			<b>175.00</b>
001891			
001891	ALLSTATE INFORMATION MANAGEMNT	ACCT #416 - ARC. AND STOR. - 1.31.21	35.42
			<b>35.42</b>
001892			
001892	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 3/21	1,701.00
			<b>1,701.00</b>
001893			
001893	COURIER NEWS	ACCT NO. 3384 - MTG - 2.13.21	11.18
001893	COURIER NEWS	ACCT NO. 3384 - MTG - 2.7.21	10.32
			<b>21.50</b>
		<b>Total Payments FY 2021</b>	<b>52,910.58</b>
		<b>TOTAL PAYMENTS FUND YEARS</b>	<b>55,112.70</b>

\_\_\_\_\_  
Chairperson

Attest:  
\_\_\_\_\_

Dated:

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

\_\_\_\_\_  
Treasurer