

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
JANUARY 9, 2020
SCOTCH PLAINS, NJ
8:00AM**

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

ROLL CALL OF 2019 FUND COMMISSIONERS:

Sean McCarthy, Chairman	Township of Bernards	Absent
Megan Champney, Secretary	City of Summit	Present
Alexander Mirabella	Township of Scotch Plains	Present
Lorene K. Wright	Township of Harding	Present
James Gildea	Borough of Westfield	Present
Judy Sullivan	Township of Bedminster	Present
Joseph Carty	Borough of Far Hills	Absent

EXECUTIVE COMMITTEE ALTERNATES:

Anthony Suriano	Borough of Bernardsville	Present
Tom Atkins	Borough of Mountainside	Present
James Damato	Borough of Watchung	Present

ALTERNATE FUND COMMISSIONERS:

Margaret Heisey	Township of Scotch Plains	Absent
Sheila Tweedie	Borough of Far Hills	Absent
Pat Monaco	Township of Bernards	Absent
Trina Lindsey	Township of Bedminster	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Cathleen Kiernan, Nancy A. Ghani
----------------------------------	---

Attorney Davis & Leher	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Stephen Davis, Esq.
---------------------------	---

Treasurer	Ralph Maresca
-----------	----------------------

Claims Service	Qual-Lynx Claudia Acosta
----------------	------------------------------------

Safety Director/Law Enforcement Risk Control	J.A. Montgomery Brian Maitland, Matt Gemma Mike Palsi, Scott Thompson
---	---

Underwriting Manager	Conner Strong & Buckelew Ed Cooney
----------------------	--

Managed Care Provider	FMCO Suzanne Rajester
-----------------------	---------------------------------

ALSO PRESENT:

Amy Pieroni, Acrisure
Hallee Cramer, Meeker, Sharkey & Hurley
Craig Sutherland, Meeker, Sharkey & Hurley

Renee Bays, Meeker, Sharkey & Hurley
Dominick Cinelli, Brown & Brown
Rich Duthie, Pinnacle Risk Solutions

MOMENT OF SILENCE: Executive Director requested a moment of silence to honor and observe the recent passing of Chandler Coddington. Mr. Coddington was acknowledged as a key individual of the Fund's formation, as well as, a respected insurance professional serving the JIF for many years prior to retirement a few years ago.

MINUTES: Open and Closed Minutes of November 14, 2019

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR
NOVEMBER 14, 2019 AS PRESENTED:**

Moved: Commissioner Atkins
Second: Commissioner Gildea
Vote: Unanimous

CORRESPONDENCE:

NONE

MOTION TO ADJOURN SINE DIE MEETING:

Moved: Commissioner Gildea
Second: Commissioner Atkins
Vote: Unanimous

Executive Director called the 2020 reorganization meeting of the Suburban Municipal Joint Insurance Fund to order and asked for a roll call of 2020 Fund Commissioners.

ROLL CALL OF 2020 FUND COMMISSIONERS:

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

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 2020:

MOTION TO NOMINATE COMMISSIONER MEGAN CHAMPNEY-SUMMIT AS CHAIR AND COMMISSIONER ALEXANDER MIRABELLA-SCOTCH PLAINS TOWNSHIP AS SECRETARY AND;

MOTION TO NOMINATE COMMISSIONER JAMES GILDEA-TOWN OF WESTFIELD,

COMMISSIONER JUDY SULLIVAN-BEDMINSTER, COMMISSIONER JAMES DAMATO-BOROUGH OF WATCHUNG, COMMISSIONER SEAN MCCARTHY-BERNARDS AND COMMISSIONER LORENE WRIGHT-HARDING TOWNSHIP AS FIVE MEMBER EXECUTIVE COMMITTEE AND;

MOTION TO NOMINATE COMMISSIONER ANTHONY SURIANO-BERNARDSVILLE AS ALTERNATE #1, JOSEPH CARTY/ALTERNATE SHEILA TWEEDIE – FAR HILLS AS ALTERNATE #2 AND COMMISSIONER TOM ATKINS-MOUNTAINSIDE 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 Atkins
Second: Commissioner Mirabella
Vote: Unanimous

FUND ATTORNEY ADMINISTERED OATH OF OFFICE TO THE FUND COMMISSIONERS.

RESOLUTION 1-20 FUND PROFESSIONAL APPOINTMENT AND PROFESSIONAL SERVICE AGREEMENTS: Enclosed with the reorganization resolutions was Resolution 1-20 which confirmed 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, as well as, any additional contracts awarded within the past year. The Resolution was been updated to reflect the 2020 compensation amounts and estimated 3-year contact amounts as per Local Finance Notice 2017-10.

Resolution 1-20 listed the following re-appointments for 2020:

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	Conner Strong & Buckelew Companies
Safety Director	J.A. Montgomery Risk Control Services
Claims Administrator	Qual-Lynx
Managed Care	First Managed Care Option
Asset Manager	Wilmington Trust – <i>month to month contract basis</i>
Banking Manager	Investors Bank

RESOLUTION 2-20 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.

RESOLUTION 3-20 ESTABLISHING PUBLIC MEETING PROCEDURES: Resolution presented establishing 2020 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 2021 reorganization is scheduled for January 14, 2021; 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 4-20 ESTABLISHING FUND RECORDS PROGRAM: Resolution presented establishing a formal records retention program for Fund year 2020.

RESOLUTION 5-20 RISK MANAGEMENT PLAN: The 2020 Risk Management Plan prepared by the Underwriting Manager was included in the agenda for review. Executive Director said the Cyber Retention per Claim (page. 16) should reflect \$25,000 and it will be noted for the minutes, as well as, the plan to be filed with the regulatory agency.

Executive Director said the next following resolutions have been included to meet regulatory compliance as respects placement of insurance coverages. Included in the agenda were resolutions authorizing extraordinary unspecifiable services for public officials/employment practices liability, land use liability, volunteer director's and officer's liability and cyber liability coverages.

RESOLUTION 6-20 AWARDED EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH QBE SPECIALTY INSURANCE COMPANY FOR PRIMARY PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY COVERAGE.

RESOLUTION 7-20 AWARDED EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH QBE SPECIALTY INSURANCE COMPANY FOR OPTIONAL VOLUNTEER DIRECTOR'S AND OFFICER'S LIABILITY COVERAGE.

RESOLUTION 8-20 AWARDED EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH INDIAN HARBOR INSURANCE COMPANY FOR PRIMARY CYBER SECURITY LIABILITY COVERAGE.

RESOLUTION 9-20 AWARDED EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH BEAZLEY INSURANCE COMPANY FOR EXCESS CYBER SECURITY LIABILITY COVERAGE.

MOTION TO ADOPT RESOLUTIONS 1-20 THROUGH 4-20, 5-20 AS AMENDED AND RESOLUTIONS 6-20 THROUGH 9-20:

Moved: Commissioner Atkins
Second: Commissioner Gildea
Roll Call Vote: 8 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 2019. Fund Commissioners are

encouraged to volunteer to serve in the upcoming year. It was noted that Bob Burns-Borough of Watchung would be retiring soon and should be removed from the Executive Safety Committee. Commissioner Damato indicated he would serve as the designee for Watchung. Commissioner Wright said she would be willing to serve on a committee if needed.

EXECUTIVE DIRECTOR:

REPORT: Monthly reports 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 the agenda were tracking reports as of October 31, 2019 and November 30, 2019; Executive Director referred to the tracking reports as of November and noted the Fund's statutory surplus stands at \$3.3 million. Executive Director reviewed the Lost Time Accident Frequency (LTAF) as of November 30, 2019 and said the JIF's rate is 1.53; the overall MEL/JIF rate is 1.43.

MEMBERSHIP: Executive Director reported that Scotch Plains elected to renew its membership with the Suburban Municipal Joint Insurance Fund. Enclosed in the agenda for information only was a revised 2020 budget reflecting all members.

COVERAGE COMMITTEE: Executive Director reported a meeting of this committee will be scheduled this month via teleconference to review and adopt the JIF Crime Policy. Executive Director said the policy was rewritten to update language, but noted there were no coverage changes; it was approved by the MEL Coverage Committee for distribution to local JIFs for their review and adoption.

RCF 2020 REORGANIZATION MEETING: The Residual Claims Fund's 2020 Reorganization meeting was held on January 6, 2020 at 10:30 a.m. at the Forsgate Country Club. A copy of Commissioner Champney's report was distributed for information.

EJIF 2019 NOVEMBER MEETING & 2020 REORGANIZATION MEETING: The EJIF met on November 20, 2019 during the NJSLOM Convention and the 2020 Reorganization meeting was held on January 6, 2020 at 10:50 a.m. at the Forsgate Country Club. A copy of Commissioner Champney's reports were distributed for information.

MEL 2019 NOVEMBER MEETING & 2020 REORGANIZATION MEETING: The MEL met on November 20, 2019 during the NJSLOM Convention and the MEL 2020 Reorganization meeting was held on January 6, 2020 at 11:15 am in the Forsgate Country Club. A copy of Commissioner Champney's report was distributed for information.

POWER OF COLLABORATION: Enclosed in the agenda was the latest in the series of "Power of Collaboration" ads that will appear in the League of Municipalities magazine. The first highlights the savings to MEL members and taxpayers since its inception (January Ad) and the second highlights the program to address the protection and safe treatment of minors (February Ad).

2020 ASSESSMENTS: The 2020 assessments were mailed out via certified mail on 12/16/19, as well as, emailed to Risk Managers. As a reminder, first installment payments are due to Treasurer, Ralph Maresca, by January 31, 2020.

2020 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 has 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 2019 PAYMENTS- DIVIDENDS

Closed Years: \$48,577.00

CONFIRMATION DECEMBER 2019 PAYMENTS

2019: \$411,970.92

JANUARY 2020 VOUCHER PAYMENTS, RESOLUTION 10-20

Fund Year 2019:	\$563.70
Fund Year 2020:	\$462,576.20
Total:	\$463,139.90

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF OCTOBER 2019:

Fund Year 2019:	\$103,146.54
Fund Year 2018:	\$551.00
Fund Year 2017:	\$8,195.98
Fund Year 2016:	\$42,592.76
Fund Year 2015:	\$706.17
Closed:	\$0.00
Total:	\$155,192.45

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF NOVEMBER 2019:

Fund Year 2019:	\$67,029.01
Fund Year 2018:	\$2,500.00
Fund Year 2017:	\$2,148.90
Fund Year 2016:	\$4,138.94
Fund Year 2015:	\$0.00
Closed:	\$0.00
Total:	\$75,816.85

MOTION TO CONFIRM DECEMBER 2019 PAYMENTS, DECEMBER 2019 DIVIDEND CHECKS AND ADOPT RESOLUTION 10-20 APPROVING JANUARY 2020 BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF OCTOBER 2019 AND NOVEMBER 2019 CLAIM TRANSFERS AS SUBMITTED:

Moved:	Commissioner Atkins
Second:	Commissioner Wright
Roll Call Vote:	8 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, as well as, recent legislation passed regarding Domestic Violence Policy. The legislation states that all public employers must adopt a policy and designate a Human Resources Officers (HRO) to assist employees that are victims of domestic violence. Executive Directors said this new legislation and policy will be referenced in the model policy to be distributed this year as part of the updates conducted every 2-years to the Employment Practices Program.

Monthly Report Made Part of Minutes.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager provided a summary of the 2020 insurance renewal noting the following:

- Zurich, the MEL's excess property carrier, offered a 6% rate renewal which was positive considering the property market saw several adjustments and market hardening due to significant and numerous natural disasters.
- Safety National, Workers' Compensation carrier, renewed the 2nd year of a year contract with a 3.9% rate decrease.
- Brit, Munch and Chubb, Casualty carriers, provided favorable rates and renewals.

Also included was a memorandum on the 2020 Cyber Insurance Renewal noting the change in member retention from \$10,000 to \$25,000. Also included was a list of members that completed the checklists to achieve Tier 1 or Tier 2 status as part of the Cyber Compliance Program, which allows members to receive retention reimbursements in the event of cyber incident.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the December 2019 report submitted by FMCO. Managed Care Provider said the total provider billed amount for year-end was \$1,947,121, was re-priced to \$486,010 for a total savings of 75% and a PPO penetration of 94%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the November and December 2019 report noting the activities/trainings, MSI classes and a Safety Director bulletin distributed during that time. Safety Director said the monthly report will include a new section reporting on Law Enforcement Loss Control Services. A report of MSI training from 1/1/2019 to 12/31/2019 was distributed showing total classroom users at 447 and total online users at 201 for all Fund members.

Safety Director said there is an Executive Safety Committee meeting at 9AM in Scotch Plains following this meeting.

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 Gildea
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 Atkins
Second: Commissioner Gildea
Roll Call Vote: Unanimous

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

Moved: Commissioner Gildea
Second: Commissioner Damato
Roll Call Vote: 8 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Atkins
Second: Commissioner Gildea
Vote: Unanimous

MEETING ADJOURNED: 8:47AM

NEXT MEETING: February 13, 2020 - 8:00 AM

Nancy A. Ghani, Account Manager

for

ALEXANDER MIRABELLA, SECRETARY

RESOLUTION NO. 1-20

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, N.J.S.A. 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 N.J.S.A. 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, a notice advising of a competitive contract was published in the Star Ledger 2019 issue of the July 25th edition; 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 \$183,781.77 has been appropriated in the Administration Line Item of the 2020 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 \$66,279.67 has been appropriated in the Attorney Line Item of the 2020 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 \$19,157.14 has been appropriated in the Treasurer Line Item of the 2020 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 \$32,824.62 has been appropriated in the Actuary Line Item of the 2020 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 \$13,005.00 has been appropriated in the Auditor Line Item of the 2020 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 \$8,302.84 has been appropriated as the fee not to exceed in the Internal Auditor Line Item of the 2020 budget.
7. **Conner Strong & Buckelew Companies, as Underwriting Manager:** \$61,208.00 is the estimated dollars that will be expended in connection with the Underwriting Manager contract over its three-year term. Contract term is October 1, 2019 through December 31, 2022. The annual amount of \$20,000 has been appropriated in the Underwriting Manager Line Item of the 2020 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 \$66,381.62 has been appropriated in the Safety Director Line Item of the 2020 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 \$212,697.92, has been appropriated in the Claims Adjuster Line Item of the 2020 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 \$82,282.13 has been appropriated in the Workers Compensation Claims Fund Line Item of the 2020 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** .05% of the market value of the FUND's invested assets on a month to month basis until a successor is duly appointed.

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 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Chair

Alexander Mirabella

Secretary

RESOLUTION NO. 2-20

SUBURBAN MUNICIPAL JOINT INSURANCE FUND
(Hereafter referred to as "THE FUND")
ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2020 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 2020 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.

Megan Champney	CHAIR
Alexander Mirabella	SECRETARY
Ralph Maresca	TREASURER
Judith 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 2020 Fund assessments to the Aggregate Loss Fund Contingency Account.

ADOPTED:

This 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
2020 CASH MANAGEMENT AND INVESTMENT POLICY**

1.) **Cash Management and Investment Objectives**

The Suburban Municipal Joint Insurance Fund (hereinafter referred to as the FUND) objectives in this area are:

- a) Preservation of capital.
- b) Adequate safekeeping of assets.
- c) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e) Maximization of total return, consistent with risk levels specified herein.
- f) Investment of assets in accordance with State and Federal Laws and Regulations.
- g) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i) Stability in the value of the FUND's economic surplus.

2.) **Permissible Investments**

Investments shall be limited to investments authorized under N.J.S.A. 40A:5-1.1 Joint Insurance Funds and Chapter 38, Joint Insurance Funds, Subchapter 1. Investments 5:38-1.1, 5:38-1.2 and 5:38-1.3 of the New Jersey Administrative Code.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, N.J.S.A. 17:9-14 et seq. (GUDPA). Specifically authorized depositories include but are not limited to:

Investors Bank

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall identify the investment that is the most advantageous to the fund, unless otherwise directed by the FUND. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Fund's portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-16.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.

b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims impress accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

ADOPTED:

This 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary

RESOLUTION NO: 3-20

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

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2020; 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 14, 2021 except August and December.

II. 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.

III. 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 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Chair

Alexander Mirabella

Secretary

RESOLUTION NO. 4-20

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 2020 fund year.

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

- I.** _____, **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 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary

RESOLUTION 5-20

Suburban Municipal Joint Insurance Fund

(hereinafter the "Fund" or the "SBMU JIF")

ESTABLISHING THE 2020 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's Commissioners that the 2020 Plan of Risk Management shall be:

Definitions:

"Commissioners" mean: The Board of Fund Commissioners or the Executive Committee thereof as appropriate

"Member" means: A local unit of government that has joined the Fund

"Sexual Abuse" means: An action brought pursuant to Section 1 of P.L. 1992, c.109 (C.2A:61B-1), paragraph (1) of subsection c. of section 1 of P.L.1959 (C.2A:53A-7) or section 1 of P.L.2005, c.264 (C.2A:53A-7.4)

Section I – Coverage

Insurance Coverages

The following coverages are provided to the Fund's members, effective January 1, 2020:

- 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, 2019)
- 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% 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
- 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);

The Fund purchases Optional JIF Shared Aggregate Excess Liability Limits excess of \$20,000,000 from the MEL. This coverage is only available to members of the Fund who purchase all \$20,000,000 available to them from the Optional Excess Liability Limits.

- \$10,000,000 aggregate (equals \$30,000,000 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 **and reported** basis for each Fund year.

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

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: **Loss of Assets, Credit Card Forgery, Loss of Employee Benefit Plan Assets and Public Employee Dishonesty**
- 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**

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

10. **Environmental Impairment Liability**

- 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
- Member Retention, Per Claim: \$25,000

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

Individual Self-Insured Retentions

Optional Individual Self-Insured Retentions:

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, Commissioners 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 member 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 member's experience modified manual premium for that line of coverage. The Commissioners 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 Commissioners. The total amount of each member's annual assessment is certified by majority vote of the Commissioners 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 Commissioners may by majority vote levy upon the participating members 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 members 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 Commissioners.
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	January 31 st	1 st quarter
	April 30 th	2 nd quarter
	July 31 st	3 rd quarter
December 15 th	January 31 st	4 th quarter plus any adjustments
	<u>Etc.</u>	

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.
9. Sexual Abuse Liability Account: The Commissioners may establish a sexual abuse liability account. Reserves, IBNR, expenses, assets, assessments and other assets for this account shall be accounted for separately. After the end of the year before the Fund has finalized its year end accounting, the Commissioners may levy a supplementary assessment if the sexual abuse claims account is negative on a statutory basis.
10. At the discretion of the Commissioners, any supplemental assessments may be payable in equal installments for up to ten years. Deferred assessments shall become due and immediately payable if a member leaves the Fund.

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. General Re 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 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 governmental claims. 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 Commissioners will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of Banking and 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. In the event a member leaves the Fund, the Commissioners may assess the member's closed Fund Year account an amount not exceeding three (3) years stranded costs that the Fund incurs as a result of the member's withdraw. Stranded costs are those expenses incurred by the Fund that would otherwise have been paid from the withdrawing member's assessments had the member remained in the Fund. The dividend of any member that is no longer a member of the Fund and that member's share of the closed fund year account shall be held in escrow until the later of the tolling of the statute of limitations for all potential claims incurred during the membership period or the closure of all incurred claims by the Fund during the period of membership. A former member may apply to the Commissioners for a return of that member's remaining share of the closed Fund year account no sooner than when five (5) years have passed since the last Fund year in which the member participated has been closed. The Commissioners 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 for General and automobile liability
2. \$10,000 for workers compensation
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.
4. \$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.

ADOPTED:

This 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary

Resolution 6-20

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH QBE
SPECIALTY INSURANCE COMPANY
FOR PRIMARY PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY**

WHEREAS, there is a need for public officials/employment practices coverage for the Suburban Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to QBE Specialty Insurance Company for primary public officials/employment practices liability coverage in the amount of \$2,180,506.00 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, QBE Specialty Insurance Company will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that QBE Specialty Insurance Company has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit QBE Specialty Insurance Company from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$593,064.00 inclusive of commission from:

Line Items: POL/EPL Premium and Land Use Liability

NOW, THEREFORE, BE IT RESOLVED, that the Suburban Municipal Joint Insurance Fund authorizes the Executive Director to enter into a contract with QBE Specialty Insurance Company for the 2020 budget year for primary public officials/employment practices liability coverage in the amount of not to exceed \$593,064.00 inclusive of commission.

ADOPTED:

This 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary

Resolution 7-20

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH QBE
SPECIALTY INSURANCE COMPANY FOR
OPTIONAL VOLUNTEER DIRECTOR'S AND OFFICER'S LIABILITY COVERAGE**

WHEREAS, there is a need for optional volunteer director's and officer's liability coverage for the Suburban Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to QBE Specialty Insurance Company for optional volunteer director's and officer's liability coverage in the amount of \$ 15,466 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, QBE Specialty Insurance Company will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that QBE Specialty Insurance Company has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit QBE Specialty Insurance Company from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$4,114 inclusive of commissions from:

Line Items: Volunteer Director's and Officer's Liability

NOW, THEREFORE, BE IT RESOLVED, that the Suburban Municipal Joint Insurance Fund authorizes the Executive Director to enter into a contract with QBE Specialty Insurance Company for the 2020 budget year for optional volunteer director's and officer's liability coverage in the amount of not to exceed \$4,114 inclusive of commissions.

ADOPTED:

This 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary

Resolution 8-20

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH INDIAN HARBOR INSURANCE COMPANY FOR

PRIMARY CYBER SECURITY LIABILITY COVERAGE

WHEREAS, there is a need for primary Cyber Security Liability coverage for the Suburban Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to Indian Harbor Insurance Company for primary cyber security liability coverage in the amount of \$21,323.75 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, Indian Harbor Insurance Company will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that Indian Harbor Insurance Company has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit Indian Harbor Insurance Company from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$21,323.75 inclusive of commission from:

Line Items: Cyber Security Liability

NOW, THEREFORE, BE IT RESOLVED, that the Suburban Municipal Joint Insurance Fund authorizes the Executive Director to enter into a contract with Indian Harbor Insurance Company for the 2020 budget year for primary cyber security liability coverage in the amount of not to exceed \$21,323.75 inclusive of commission.

ADOPTED:

This 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH BEAZLEY
INSURANCE COMPANY, INC FOR
EXCESS CYBER SECURITY LIABILITY COVERAGE**

WHEREAS, there is a need for excess cyber security liability coverage for the Suburban Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to Beazley Insurance Company, Inc for excess cyber security liability coverage in the amount of \$27,000 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, Beazley Insurance Company, Inc will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that Beazley Insurance Company, Inc has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit Beazley Insurance Company, Inc from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$6,000 inclusive of commission from:

Line Items: Cyber Security Liability

NOW, THEREFORE, BE IT RESOLVED, that the Suburban Municipal Joint Insurance Fund authorizes the Executive Director to enter into a contract with Beazley Insurance Company, Inc for the 2020 budget year for primary cyber security liability coverage in the amount of not to exceed \$6,000 inclusive of commission.

ADOPTED:

This 9th day of January 2020 before the Governing Body:

SUBURBAN MUNICIPAL JOINT INSURANCE

Megan Champney

Alexander Mirabella

Chair

Secretary