

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
FEBRUARY 14, 2019
SCOTCH PLAINS, NJ
8:00AM**

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

ROLL CALL OF 2019 FUND COMMISSIONERS:

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

EXECUTIVE COMMITTEE ALTERNATES:

Joseph Carty	Borough of Far Hills	Absent
James Debbie	Borough of Mountainside	Absent
Anthony Suriano	Borough of Bernardsville	Present

ALTERNATE FUND COMMISSIONERS:

Margaret Heisey	Township of Scotch Plains	Present
Sheila Tweedie	Borough of Far Hills	Present
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	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, Matt Gemma
JIF Underwriting Manager	Gallagher Bollinger Jim Gilmore
MEL Underwriting Manager	Conner Strong & Buckelew Ed Cooney
Managed Care Provider	FMCO Allyson Cronk

ALSO PRESENT:

Craig Sutherland, Meeker, Sharkey & Hurley
Hallee Cramer, Meeker, Sharkey & Hurley
Juanita Perez, Brown & Brown

Amy Pieroni, Acrisure
Lindsey Travali, Acrisure

MINUTES: Open and Closed Minutes of January 10, 2019.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR JANUARY 10, 2019 AS PRESENTED:

Moved: Commissioner Atkins
Second: Commissioner Gildea
Vote: Unanimous – 3 Abstain by Commissioners Heisey, Tweedie and Suriano.

CORRESPONDENCE:

PERMA 2/8/19 CYBER INCIDENT: Included in the agenda was correspondence on a cyber-attack of PERMA's email system. Executive Director said the attack temporarily disabled the company's email system and contact database; however, PERMA was able to maintain client contact through contact information downloaded from Origami.

Executive Director said the company followed the same breach protocols that have been suggested to members through the MEL Cyber Security Standards. MEL Underwriting Manager stressed the importance of employee training and awareness of phishing emails, as well as, secure backup of data files. Executive Director said there is no evidence that data was compromised or damaged due to the cyber-attack.

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.

Copies of the Financial Fast Track as of December 31, 2018 were distributed, which reflected a statutory surplus stands at \$3.5 million. Executive Director referred to the Lost Time Accident Frequency (LTAF) as of December 31, 2018 and said the JIF's rate is 1.71 as compared to 1.39 at the same time last year; the overall MEL/JIF rate is 1.95.

RULES AND CONTRACTS COMMITTEE: Jim Gilmore of Gallagher Bollinger raised a concern with the non-compete clause in the JIF Underwriting Manager contract. At the January meeting, the Board authorized the Executive Director to invoke the 90-day termination clause with this contract and directed the Rules and Contracts Committee to continue discussions on this matter.

Executive Director said the Rules and Contracts Committee met on January 30, 2019 to review contract language, as well as, met with Jim Gilmore and Lauren Potts of Gallagher Bollinger to discuss the 1/1/19 transition of Mountainside from Gallagher Bollinger to a new risk management firm. Executive Director said the Rules & Contracts Committee recommended the 90-day termination clause be invoked due to material change in personnel and revisit the matter at the conclusion of 90-day period.

2019 MEL/RCF/EJIF MARCH 29TH MEETING AND ANNUAL RETREAT: The MEL, RCF and EJIF will be holding their March meetings in conjunction with the MEL Annual Retreat. Executive Director said a location is being secured and all members of this board will be invited to attend. The purpose of the retreat is provide the sub-committees of the MEL an expanded opportunity to report directly to the Boards of the MEL, RCF and EJIF.

2019 MEL, MRHIF AND NJCE EDUCATIONAL SEMINAR: The 9th annual seminar is scheduled for Friday, May 3, 2019, beginning at 9:00 AM at the National Conference Center in East Windsor, NJ.

The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and Municipal Reinsurance Health Insurance Fund (MRHIF) members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs. Enclosed in the agenda was the enrollment form. An electronic fillable form will also be distributed via email to fund commissioners and risk managers.

ONLINE ELECTED OFFICIALS TRAINING COURSE: Every year, the MEL holds training seminars for elected officials and reduces a member's assessment by \$250 for each municipal elected official completing the course by May 1st. Instructor-led sessions locations and dates will be posted on the MEL website at njmel.org. This course will be available online in February; instructions were enclosed in the agenda. The course covers ways to prevent employment practices lawsuits. Commissioner Atkins requested the Fund office issue a notification once the online course is launched.

CYBER TASK FORCE: The MEL's Cyber Task Force met on February 4th to review next steps in address the evolving cyber risks faced by members. MEL Underwriting Manager said the task force reviewed the slow response of MEL members to submit their minimum loss control program and discussed various incentives to encourage greater participation.

Executive Director said 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 an additional 15% premium. Executive Director said the MEL processed these payments in 2019 (amounting to \$100 per member) in an effort to protect the coverage for member JIFs, but local JIFs will have to budget for this in 2020.

Executive Director said following the January meeting of the Suburban Municipal JIF, the Fund office sent another copy of the Cyber Risk Management Program and the 1-page Cyber Incident Road Claims Map. Implementing the program provides members the opportunity to recover part of the policy deductible, in the event of a loss.

SAFETY BREAKFAST: The Annual Safety Breakfast has been scheduled for Tuesday February 26, 2019 at 9:00AM (8:30AM Registration) at the Delta Hotels by Marriott (formerly known as Indigo Hotel) on 80 Allen Road - Basking Ridge, NJ. Invitations have been emailed by JA Montgomery Risk Control.

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:

FEBRUARY 2019 VOUCHER PAYMENTS, RESOLUTION 7-19

Fund Year 2019:	\$380,686.35
Total:	\$380,686.35

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

Fund Year 2018:	\$48,523.19
Fund Year 2017:	\$25,684.67
Fund Year 2016:	\$22,559.99
Fund Year 2015:	\$6,046.54
Fund Year 2014:	\$0.00
Closed:	\$0.00
Total:	\$102,814.39

MOTION TO ADOPT RESOLUTION 7-19 APPROVING FEBRUARY BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF DECEMBER 2018 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Atkins
Second: Commissioner Gildea
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.
Monthly Report Made Part of Minutes.

JIF UNDERWRITING MANAGER:

REPORT: Included in the agenda was a report of certificates issued from 1/8/19 to 1/25/19. JIF Underwriting Manager said a total of 2 certificates were issued and 98 certificates for renewal were issued the prior month.

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 12/21/18 to 1/30/19.

CYBER RISK MANAGEMENT COMPLIANCE REPORT: Included as part of the report was a list of JIF members that submitted a cyber compliance program – to date no JIF members have submitted a program. MEL Underwriting Manager said as discussed the MEL Cyber Task recently met to review options on how to encourage more members to submit a compliance program. MEL Underwriting Manager said the Task Force will be distributing additional materials for information, as well as, free resources on cyber risk.

In response to Chairman McCarthy, MEL Underwriting Manager said approximately 75 members out of the MEL-wide system have submitted compliance programs. MEL Underwriting Manager said a majority of those members have contracted with outside IT vendors and approximately 20% have in-house IT departments.

MEL Underwriting Manager said the biggest defense is to conduct train employee on phishing emails and cyber security. Executive Director said local JIFs are considering issuing Requests for Qualifications for cyber security vendors. Commissioner Wright requested information on recommended vendors; MEL Underwriting Manager said he would distribute the Cyber Hygiene Vendor report issued by the MEL Task Force.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the January 2019 report submitted by FMCO. Managed Care Provider said the total provider billed amount was 211,530, was re-priced to \$52,815 for a total savings of 75% and a PPO penetration of 95%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the January 2019 report noting the activities/trainings, MSI classes and Safety Director bulletins distributed. Safety Director said Chief Quatrone is no longer with J.A. Montgomery and Keith Hummel will be responding to any Law Enforcement Risk Control issues for the interim period.

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 Gildea
Second: Commissioner Atkins
Roll Call Vote: 8 Ayes – 0 Nays

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 Atkins
Roll Call Vote: 8 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Gildea
Second: Commissioner Atkins
Vote: Unanimous

MEETING ADJOURNED: 8:28AM

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

Nancy A. Ghani, Account Manager
for
MEGAN CHAMPNEY, SECRETARY

Resolution 7-19

VOUCHER LIST:

FEBRUARY 2019 VOUCHER PAYMENTS, RESOLUTION 7-19

Fund Year 2019:	\$380,686.35
Total:	\$380,686.35

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

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Total:	\$102,814.39

**MOTION TO ADOPT RESOLUTION 7-19 APPROVING FEBRUARY BILLS LIST AND
APPROVE CONFIRMATION & CERTIFICATION OF DECEMBER 2018 CLAIM
TRANSFERS AS SUBMITTED:**

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

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

Resolution 8-19

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTAL BILLS LIST**

Resolution No. 8-19

FEBRUARY 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>
001505			
001505	DELTA BY MARRIOT BASKING RIDGE	ANNUAL SAFETY BREAKFAST2018	1,487.00
			1,487.00
001506			
001506	DiFRANCESCO,BATEMAN,COLEY,YOSP	LEGAL SERVICES THRU 12.31.18	4,458.41
			4,458.41
		Total Payments FY 2018	5,945.41

FUND YEAR 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001507			
001507	PERMA RISK MANAGEMENT SERVICES	POSTAGE 1/19	50.40
			50.40
001508			
001508	NJ ADVANCE MEDIA	ACCT:XSUBU0555780 - CONTRACTS - 1.29.19	254.28
			254.28
001509			
001509	ALLSTATE INFORMATION MANAGEMNT	ACCT#416 - ARC & STOR - 1.31.19	29.30
			29.30
001510			
001510	ACRISURE LLC	1ST QTR RMC 2019 FEE - SUMMIT	15,816.00
			15,816.00
001511			
001511	PINNACLE INSURANCE SOLUTIONS	1ST QTR 2019 RMC FEE - MOUNTAINSIDE	4,562.00
			4,562.00
		Total Payments FY 2019	20,711.98

TOTAL PAYMENTS ALL FUND YEARS \$26,657.39