

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
OCTOBER 14, 2021
VIA TELECONFERENCE
8:00AM**

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

ROLL CALL OF 2021 FUND COMMISSIONERS:

Megan Champney, Chairwoman	City of Summit	Absent
Alexander Mirabella, Secretary	Township of Scotch Plains	Absent
James Gildea	Borough of Westfield	Present
Robin Ray	Township of Bedminster	Present
James Damato	Borough of Watchung	Present
Sean McCarthy	Township of Bernards	Present
Vincent DeNave	Township of Harding	Present

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	Present
Sheila Tweedie	Borough of Far Hills	Present
Pat Monaco	Township of Bernards	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Cathleen Kiernan, Nancy A. Ghani, Brandon Tracy
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Attorney & Leher	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis
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Stephen Davis, Esq.

Treasurer	Ralph Maresca
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Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Jonathon Tavares
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Claims Service	Qual-Lynx Kathy Kissane PERMA Robyn Walcoff
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Safety Director/Law Enforcement	J.A. Montgomery Risk Consulting Eleanor Moss
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Managed Care Provider	FMCO Alyssa Hrubash
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ALSO PRESENT:

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

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

MINUTES: Open and Closed Minutes of September 9, 2021.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR SEPTEMBER 9, 2021 AS PRESENTED:

Moved:	Acting Chair Gildea
Second:	Commissioner Damato
Vote:	9 Ayes – 0 Nays

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.

Included in the agenda were tracking reports as August 31st. Executive Director said as of August 31st the Fund's Financial Fast Track reflected a surplus of \$4.2 million. Executive Director reviewed the Surplus (Deficits) by Fund Year Section of the Financial Fast Track and noted the dividend of \$95,000 being released out of the closed years, which has \$2.5 million.

Contracts Review Committee: The Contracts Review Committee met on October 4th to review 2022 budget options, based on the JIF retentions of \$250,000, \$300,000 or \$400,000 for liability and workers' compensation. Included in Appendix II of the agenda were the minutes from the meeting.

Executive Director provided a summary review of the budget that reflected the changes recommended by the Committee. The Committee increased the Suburban Municipal JIF's self-insured retention to \$300,000, which is one of the last MEL affiliated local JIFs with retentions less than \$300,000. Executive Director a study was conducted to review the actual claims experience to see how many claims will be in the new layer the Fund is retaining, which yielded favorable results. Executive Director said the savings by increasing our attachment point to the MEL outweigh the risk. The local JIFs have been increasing their retentions as the working layer of claims are piercing the MEL layer more frequently. The MEL was designed to handle large unexpected losses.

Executive Director reviewed a new line item, Workers' Compensation Pension (*line 5*), which is in response to the State's change on the way they are going to manage accidental disability pension. This has been added to the MEL and local JIF budgets and represent an 11% increase, based on the Comptroller estimation. Executive Director said this will likely show in the MEL layer. This line item can be adjusted as we gain experience. Executive Director said the Contingency (*line 6*) was added last year in response to the sexual molestation bill and the Fire Fighters Care Presumption Act. This was removed due to the lack of claims and potential losses has been built into the actuarial projections. Executive Director added the full actuarial projections are not included because the JIF has the

retrospective program, which charges an additional assessment if the claim fund is greater than the actuarial loss projection. This assessment is capped at 5%.

Executive Director reviewed the various premiums noting a 7.97% increase on *line 14 for the POL EPL premium for the JIF*, which is a result of less than favorable loss experience. Executive Director noted the EJIF Dividend on *line 12* represents a 20% increase credit towards the Fund. MEL *line 17* and MEL Property *line 18* saw increases of 17.64% and 22.18% respectively. Executive Director said increases in the MEL layer constitutes a number of items, such as Cyber being transferred to the MEL, experiencing two years of rate increases from the carriers, and the cancellation of the MEL retrospective Program. Executive Director said the MEL retrospective rating premium was taking longer than expected to develop and affecting the surplus. The MEL is billing at 100% of the claims fund whereas last year the MEL only billed an 85% of the claims. Executive Director said the MEL property is being impacted by the global market.

Executive Director added *lines 24 through 34* represent a 2% increases for the professional fees, which are determined at the January meeting. These increases were recommended for 2022 as Fund professionals are facing a staffing crisis.

Committee Chairman Gildea said the Committee also reviewed the dividend calculation worksheet included in the agenda and recommended the release of \$95,000 from Closed Years in an effort to offset the budget increase and commended the committee for their diligence. Mr. Sutherland echoed Committee Chairman Gildea's comments and added the Fund structure provides protection against the hard market place. Executive Director said the Fund is scheduled to hold its public hearing on the budget in Scotch Plains in November. The board discussed whether to keep it as an in person meeting or revert to a remote meeting and Acting Chair Gildea, with the Board's approval, ask the Fund office to poll the Board of Fund commissioners via email to determine the next meeting location.

MOTION TO INTRODUCE THE 2022 BUDGET AND SCHEDULE A PUBLIC HEARING ON NOVEMBER 12, 2021 AT 8:00AM.

Moved: Commissioner McCarthy
Second: Commissioner Suriano
Roll Call: 9 Ayes – 0 Nays

MOTION TO ADOPT RESOLUTION 23-21 AUTHORIZING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$95,000 FROM THE CLOSED YEARS ACCOUNT, SUBJECT TO STATE APPROVAL.

Moved: Commissioner Mortimer
Second: Commissioner McCarthy
Roll Call: 9 Ayes – 0 Nays

Residual Claims Fund (RCF): The public hearing on the RCF 2022 budget will be held on October 20, 2021 at 10:30AM in the Forsgate Country Club. Included in the agenda was a copy of the RCF's 2022 Proposed Operating Budget.

Environmental JIF: The public hearing on the EJIF 2022 budget will be held on October 20, 2021 at 10:50AM in the Forsgate County Club. Included in the agenda was a copy of the EJIF's 2022 Proposed Budget, as introduced.

MEL JIF: The public hearing on the MEL 2022 budget will be held on October 20, 2021 at 11:15AM in the Forsgate Country Club. Included in the agenda was a copy of the MEL's 2022 Proposed Budget, as introduced. Executive Director said the MEL issued a draft Budget

in September and will introduce the budget in October. The draft budget allows the local JIFs to set their budgets.

Power of Collaboration: Included in the agenda was the latest in the series of “Power of Collaboration ads that will appear in the League of Municipalities magazine. Executive Director said the ad highlights the MEL’s quick transition to online training during the pandemic and the value provided to its members through high quality accessible training.

Risk Management Information/Operating System (RMIS): In July, members and risk managers received an email with a link to renewal worksheets to begin the 2022 underwriting renewal. The deadline to complete the renewal worksheets was August 31st and the schedules are now locked. Executive Director said once unlocked members will be able to make regular changes.

Employment Practices Compliance Program: Please visit the MEL webpage to review all the elements of the MEL’s EPL Compliance Program. Executive Director said **the deadline to complete all elements of the program is November 1, 2021**. Link to outline of program and model documents: <https://njmel.org/insurance/public-officials/risk-management-program/>. Executive Director said this deadline will give the Fund Office an opportunity to follow up with members since QBE will not allow extensions after December 31st. If members do not meet the requirements by the deadline, they will see a significant increase in their deductible. Executive Director added the POL/EPL compliance is on a claims-made basis; so once compliant their deductible will decrease on the date of compliance.

This year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar “Protecting Children From Abuse – Managers/Supervisors”. This course for Managers includes an Employment Practices component. A reminder email was sent to members who have not yet met this training requirement.

Police Chief & Command Staff: A make-up session was held Thursday September 23, 2021 from 8:30 AM - 11:45 AM in Lyndhurst. Executive Director said an additional training has been scheduled for November 1, 2021 at Montville Senior House from 8:30AM – 11:45AM. Included in the agenda was the training flyer. A reminder email was sent to members who did not meet the MEL’s requirement.

Retrospective Premium: In accordance with the Retrospective Premium program adopted by the Fund in 2010, we are in the process of reviewing claims experience for the 2016, 2017, 2018, 2019, and 2020 claims year, including reserves and incurred but not reported reserves (IBNR). Fund year 2016 has now been transferred to the RCF so this will be the final calculation for 2016. Any member that triggered the retrospective premium will be billed on the 2022 assessment billing.

TREASURER:

VOUCHER LIST:

OCTOBER 2021 VOUCHER PAYMENTS, RESOLUTION 24-21

Fund Year 2021:	\$123,348.65
Total:	\$123,348.65

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR THE MONTH OF AUGUSTS 2021:

Fund Year 2021:	\$64,159.73
Fund Year 2020:	\$27,451.72

Fund Year 2019:	\$18,678.44
Fund Year 2018:	\$11,146.26
Fund Year 2017:	\$4,231.44
Closed:	\$0.00
Total:	\$125,667.59

MOTION TO CONFIRM AUGUST 2021 PAYMENTS, ADOPT RESOLUTION 24-21 APPROVING OCTOBER BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF AUGUST 2021 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Damato
 Second: Commissioner Mortimer
 Roll Call: 9 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 affecting municipalities.

Monthly Report Made Part of Minutes.

UNDERWRITING MANAGER:

2022 RENEWAL MEMO: Included in the agenda was a memo focusing on the critical underwriting items being requested in Origami for the 2022 renewal and general reminders covered in the MEL bulletins.

CERTIFICATE REPORT: Included in the agenda was the certificate report for the period 8/22/21 to 9/22/21. Mr. Tavares noted 10 reports were submitted for the period.

CYBER COMPLIANCE REPORT: Included in the agenda was a bulletin issued for Cybersecurity Awareness Month. Mr. Tavares said the bulletin focused on being Cyber smart and added the week 2 bulletin focusing on phishing attacks and scams has been issued.

CYBER COMPLIANCE REPORT: Included in the agenda was the cyber compliance report as of 9/31/21. Underwriting Manager reviewed the two reports; one detailing members who are in compliance with the new cyber program and the second report listing the grandfathered members who were in compliance with version 1 of the cyber risk management program. Grandfathered status will last until January 1, 2022. Any member who are not grandfathered will have to comply with version 2 immediately. Underwriting Manager encouraged members to continue reaching out regarding the cyber-compliance process.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the August 2021 report submitted by FMCO. Managed Care Provider said the total provider billed amount to date was \$225,808 and was re-priced to \$91,309 for a total savings of 60% and a PPO penetration of 94%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the October 2021 report noting the activities/trainings, MSI classes and bulletin(s) distributed in July and August. Ms. Moss

reported the MEL app is now the exclusive distributor for the Safety Director's communications, which will be consist of a summary of the monthly newsletter.

Monthly Report Made Part of the Minutes.

CLAIMS:

REPORT: Claims Administrator said there are 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 McCarthy
Second: Commissioner Damato
Roll Call: 9 Ayes – 0 Nays

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

Moved: Commissioner Damato
Second: Commissioner Suriano
Roll Call: 9 Ayes – 0 Nays

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

Moved: Commissioner Damato
Second: Commissioner Suriano
Roll Call: 9 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Damato
Second: Commissioner Suriano
Roll Call: 9 Ayes – 0 Nays

MEETING ADJOURNED: 8:53AM

NEXT MEETING: November 12, 2021 - 8:00 AM

Brandon Tracy, Account Analyst

for

ALEXANDER MIRABELLA, SECRETARY

RESOLUTION NO. 23-21

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND
AUTHORIZING REFUND FROM CLOSED YEARS ACCOUNT**

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Fund Commissioners have determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Fund Commissioners of the Suburban Municipal Joint Insurance Fund, as follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from any claim fund which has been completed for not less than twenty-four months. Based upon this requirement, surplus monies in closed fund years are eligible for refunds at the discretion of the FUND, the Department of Insurance and the Department of Community Affairs.

2. The Fund Commissioners have balanced the interests of the member municipalities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. It is the conclusion of the Executive Committee that the following amount can be refunded at this time:

\$95,000 Closed Years

3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the approval of Actuarial Advantage (Fund Actuary) expressed in its Actuarial Report valued as of December 31, 2020 and Auditor's Report of the Historical Operating Results as of December 31, 2020. The aforementioned refund monies shall be allocated, as required and necessary, from the various loss and contingency funds for the respective years, all in accordance with the Actuary's analysis of available monies.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member municipalities for the year in question, provided, however, the FUND Treasurer shall deduct any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

Adopted at the adopted at the October 14, 2021 meeting of the Suburban Municipal Joint Insurance Fund.

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 24 – 21

October 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 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001979			
001979	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 10/21	6,993.98
			6,993.98
001980			
001980	QUAL-LYNX	CLAIM ADJUSTING SERVICES 10/21	18,079.32
			18,079.32
001981			
001981	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR FEE 10/21	5,642.44
			5,642.44
001982			
001982	PERMA RISK MANAGEMENT SERVICES	POSTAGE 8/21	25.91
001982	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 10/21	15,621.45
			15,647.36
001983			
001983	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 10/21	2,790.09
			2,790.09
001984			
001984	RALPH A MARESCA, JR	TREASURER FEE 10/21	1,628.37
			1,628.37
001985			
001985	MEEKER SHARKEY & HURLEY	HARDING TWP - RMC 4TH INS 2021	2,161.00
001985	MEEKER SHARKEY & HURLEY	FAR HILLS BOROUGH - RMC 4TH INS 2021	768.00
001985	MEEKER SHARKEY & HURLEY	BEDMINSTER TWP - RMC 4TH INS 2021	4,807.00
001985	MEEKER SHARKEY & HURLEY	BERNARDS TWP - RMC 4TH INS 2021	10,328.00
			18,064.00
001986			
001986	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINT & DR 10/21	175.00
			175.00
001987			
001987	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 10/21	1,701.00
			1,701.00
001988			
001988	COURIER NEWS	ADVERTISE SEPT. 2021 MTG CHANGE/VIRTUAL	8.17
			8.17
001989			
001989	ACCESS	ACCT #416 - ARC. AND STOR. - 8.31.21	35.42
			35.42

001990			
001990	ACRISURE, LLC DBA RELIANCE INSURANCE GROUP	CITY OF SUMMIT - RMC 4TH QTR 2021	15,946.00
			15,946.00
001991			
001991	PINNACLE INSURANCE SOLUTIONS	4TH QUARTER COMMISSION 2021	4,601.00
			4,601.00
001992			
001992	TOWN OF WESTFIELD	RMC 4TH QTR 2021	17,462.00
			17,462.00
001993			
001993	TOWNSHIP OF SCOTCH PLAINS	RMC 4TH QTR 2021	9,040.50
			9,040.50
001994			
001994	BROWN & BROWN METRO, LLC	BO. OF BERNARDSVILLE - RMC 4TH INS 2021	5,534.00
			5,534.00
		Total Payments FY 2021	123,348.65
		TOTAL PAYMENTS FUND YEARS	123,348.65

Chairperson

Attest:

Dated: _____

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

Treasurer