

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND  
OPEN MINUTES  
APRIL 11, 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	Present
Tom Atkins	Borough of Watchung	Present
Lorene K. Wright	Township of Harding	Present
James Gildea	Borough of Westfield	Absent
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	Absent
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 <b>Cathleen Kiernan, Nancy A. Ghani</b>
Attorney Leher	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & <b>Tim Beck, Esq.</b>
Treasurer	<b>Ralph Maresca</b>
Claims Service	Qual-Lynx <b>Claudia Acosta</b>
Safety Director/Law Enforcement Risk Control	J.A. Montgomery <b>Brian Maitland</b>
JIF Underwriting Manager	Gallagher Bollinger <b>Les James</b>
Managed Care Provider	FMCO <b>Mary Bresdola</b>

**ALSO PRESENT:**

Lindsey Travali, Acrisure  
Rich Duthie, Pinnacle  
Craig Sutherland, Meeker, Sharkey & Hurley  
Hallee Cramer, Meeker, Sharkey & Hurley  
Dominic Cinelli, Brown & Brown

**MINUTES:** Open and Closed Minutes of March 14, 2019.

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

Moved:	Commissioner Atkins
Second:	Commissioner Sullivan
Vote:	Unanimous

**CORRESPONDENCE:**

**NONE**

**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.

Executive Director said there were two Financial Fast Tracks – January and February – in the agenda and referred to the report as of February 28, 2019 and said the statutory surplus is \$3.5 million. Executive Director said this fund has returned approximately 30% of member assessments as dividends since its inception.

Executive Director reviewed the Lost Time Accident Frequency (LTAF) as of February 28, 2019 and said the JIF's rate is 1.75; the overall MEL/JIF rate is 1.08. Executive Director said the overall LTAF was 5.73 when the tracking report was initially developed in 1991.

**SHARED AGGREGATE LIMITS:** Executive Director said as a follow up to last month's discussion, this Board authorized participation in the shared aggregate to be processed within assessments already certified for 2019. A notice was emailed on 4/4/19 to Fund Commissioners and Risk Managers advising of this, as well as, providing the opportunity to opt-out of coverage and return a pro-rated amount of the additional cost to access the shared aggregate.

Executive Director said Mountainside confirmed their participation and coverage effective 2/28/19 based on the initial notification that was distributed. Executive Director said all other members will participate in the coverage effective 3/15/19 and noted Watchung confirmed their participation.

**2019 RCF/EJIF/MEL MARCH 29<sup>TH</sup> MEETINGS & RETREAT:** The RCF, EJIF and MEL held their March meetings in conjunction with the MEL Annual Retreat on Friday, March 29<sup>th</sup>. The purpose of the retreat was to provide the sub-committees of the MEL an expanded opportunity to report directly to the Boards of the MEL, RCF and EJIF. Enclosed in the agenda were copies of Commissioner Champney's reports of the meetings.

Chairman McCarthy said he attended the retreat and appreciated the invitation and the opportunity to review all of the oversight done by the MEL and its sub-committees on behalf of local joint insurance funds. Chairman McCarthy noted the MEL Legislative Committee tracks various legislation affecting municipalities and said the retreat was a worthwhile event.

Commissioner Atkins referred to the EJIF report and inquired why the JIF owns property on 38 Lagoon Drive. In response, Executive Director said the property was privately owned and experienced a loss where a MEL affiliated member was held liable for the damage; the resulting resolution was for the EJIF to remediate the damage and purchase the property in order to eventually sell it.

**MEL HELPLINE:** The MEL Safety Institute has established the new MEL Employment Practices Helpline (EPL); a dedicated resource to guide members on employment related issues. Enclosed in the agendas was a copy of the announcement.

Executive Director said the previous Helpline was serviced by Enquiron, a national service provider, but there were concerns that members were not getting assistance specific and relevant to New Jersey employment matters. Executive Director said the MEL Underwriting Manager negotiated with QBE, the JIF's EPL/POL carrier, to provide a valuable resource to MEL members. Executive Director said the three firms staffing the Helpline are affiliated with and have working knowledge of joint insurance funds. Executive Director said the fund office will be contacting members to identify 2 representatives per town that will have access to the Helpline.

**2019 MEL, MRHIF AND NJCE EDUCATIONAL SEMINAR:** The 9<sup>th</sup> 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, Municipal Reinsurance Health Insurance Fund (MRHIF) or NJCE members as well as personnel who work for service companies that are engaged by those entities. Enclosed in the agenda was the enrollment form and an electronic fillable form was 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 1<sup>st</sup>. Enclosed in the agenda were the instructions on how to access the online course, which covers ways to prevent employment practices lawsuits. Ms. Ghani said members can contact the fund office for a list of individuals that have attended either the instructor-led or online training sessions.

**MEL CYBER TASK FORCE:** The MEL's Cyber Task Force met on April 1<sup>st</sup> to review member compliance, claims experience and review of next steps. Included in the agenda as part of the MEL Underwriting Manager's report was the Cyber Risk Management Compliance report. Ms. Ghani said the Cyber Task Force released the Cyber Risk Management Compliance in 2017 and is working to encourage members to participate in the compliance program. Ms. Ghani said the Task Force has stressed the importance of employee training and secure back-up of data.

Commissioner Atkins referred to the Cyber Risk Management Compliance report (page 40) and inquired why there was no participation by JIF members as of yet. Executive Director said when the compliance program was initially introduced it included an incentive component to recover some of the \$10,000 deductible in the event of a cyber incident. At that time, ransomware amounts were approximately \$2,500, and well below the deductible; however, current ransomware based on recent activity have ballooned to much higher amounts.

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 members may already be following protocols noted in the Cyber Risk Management Program, but just may have not submitted this in to the fund office or MEL Underwriting Manager. Executive Director said the MEL Cyber Task Force will continue discussions on increasing participation in the Cyber Risk Management Compliance program. In addition, they are drafting a resource for members on how to select an IT professional.

Mr. Duthie inquired if the Cyber Risk Management Compliance program would become mandatory given the exposure. In response, Executive Director said the MEL Cyber Task Force has discussed implementing it as a mandatory program, but will likely incentivize through varying deductibles based on compliance similar to the current employment practices liability program.

Chairman McCarthy inquired if JIF-wide cyber training for employees could be pursued. In response, Executive Director said it could, but noted a few members have already entered into agreements with service providers. Executive Director said the cost is based on employee headcount and from proposals that she has seen is relatively inexpensive.

**LEAGUE MAGAZINE:** Included in the agenda was a copy of the latest in the series of "Power of Collaboration" ads, scheduled to appear in the March and April issues of the League magazine. The March ad highlights the savings of the New Jersey Sustainable Energy Joint Meeting (NJSEM) and the April ad focuses on the MEL Safety Institute classroom and online trainings. Ms. Ghani said the MEL Safety Institute, which is in its 16<sup>th</sup> year of existence, has provided instructor-led training to over 425,000 municipal employees and online training to 99,000 employees.

**FINANCIAL DISCLOSURES:** The Division of Local Government Services distributed a notice that online filings could begin on April 2<sup>nd</sup> for JIF Commissioners, as well as, any other municipal related positions that require filing. Ms. Ghani reported that emails were sent to Fund Commissioners and Professionals regarding the filing. The deadline to file is April 30<sup>th</sup> and the Local Finance Board has issued violations in the past for not filing.

**TREASURER:**

**VOUCHER LIST:**

**APRIL 2019 VOUCHER PAYMENTS, RESOLUTION 10-19**

Fund Year 2018:	\$4,000.00
Fund Year 2019:	\$426,974.88
Total:	\$430,974.88

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

Fund Year 2019:	\$9,702.87
Fund Year 2018:	\$86,820.03
Fund Year 2017:	\$5,040.18
Fund Year 2016:	\$8,160.95
Fund Year 2015:	\$247,928.34
Closed:	\$0.00
<b>Total:</b>	<b>\$357,652.37</b>

**MOTION TO ADOPT RESOLUTION 10-19 APPROVING APRIL BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF FEBRUARY 2019 CLAIM TRANSFERS AS SUBMITTED:**

Moved:	Commissioner Atkins
Second:	Commissioner Mirabella
Roll Call Vote:	6 Ayes-0 Nays – 1 Abstain (Commissioner Wright)

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 3/2/19 to 3/28/19.

Monthly Report Made Part of Minutes.

**MEL UNDERWRITING MANAGER:**

**REPORT:** Included as part of the report were the List of Certificates issued for the period of 2/22/19 to 3/22/19.

**CYBER RISK MANAGEMENT COMPLIANCE REPORT:** Included as part of the report was a list of JIF members that submitted a cyber compliance program; report indicated that to date no members have submitted a program.

Monthly Report Made Part of Minutes.

**MANAGED CARE:**

**MONTHLY REPORT:** Included in the agenda was the March 2019 report submitted by FMCO. Managed Care Provider said the total provider billed amount was \$597,193, was re-priced to \$144,825 for a total savings of 76% and a PPO penetration of 94%.

Monthly Activity Report Made Part of Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Included in the agenda was the March 2019 report noting the activities/trainings conducted, upcoming MSI classes in the region, safety bulletins that were distributed, as well as, a notice on 4 sessions of Leadership Skills Classes.

Monthly Report Made Part of the Minutes.

**CLAIMS:**

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

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

Moved: Commissioner Atkins  
Second: Commissioner Mirabella  
Roll Call Vote: 7 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 Mirabella  
Second: Commissioner Atkins  
Roll Call Vote: Unanimous

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

Moved: Commissioner Mirabella  
Second: Commissioner Atkins  
Roll Call Vote: 7 Ayes - 0 Nays

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

**ACKNOWLEDGEMENT:** Commissioner Atkins expressed condolences to the family of Dr. Derrick Nelson, Principal of Westfield, who had unfortunately died after donating bone marrow.

**PUBLIC COMMENT:**

NONE

**MOTION TO ADJOURN:**

Moved:	Commissioner Mirabella
Second:	Commissioner Atkins
Vote:	Unanimous

**MEETING ADJOURNED:** 8:33AM

**NEXT MEETING:** May 9, 2019 - 8:00 AM

Nancy A. Ghani, Account Manager

for

MEGAN CHAMPNEY, SECRETARY

# SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 10-19

APRIL 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>
001527			
001527	BERNARDS TOWNSHIP	SAFETY AWARDS BALANCE 3.7.19	2,000.00
			<b>2,000.00</b>
001528			
001528	BEDMINSTER TOWNSHIP	GOLD STATUS - SAFETY INCENTIVE 2018	2,000.00
			<b>2,000.00</b>
		<b>Total Payments FY 2018</b>	<b>4,000.00</b>

**FUND YEAR 2019**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001529			
001529	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 4/19	6,722.40
			<b>6,722.40</b>
001530			
001530	APEX INSURANCE SVCS c/o XL INSURANCE	XL/TECH ERR & OM INS 2OF2 2019	6,129.50
			<b>6,129.50</b>
001531			
001531	APEX INSURANCE SVCS c/o QBE INS	QBE/VOL D & O 2OF2 2019	2,057.00
001531	APEX INSURANCE SVCS c/o QBE INS	QBE/POL&EPL 2OF2 2019	265,679.00
			<b>267,736.00</b>
001532			
001532	APEX INSURANCE SVCS c/o BEAZLEY	BEAZLEY/XS CYBER 2OF2 2019	3,000.00
			<b>3,000.00</b>
001533			
001533	QUAL-LYNX	PERFORMANCE BOND # 106451927 - 2019	176.00
001533	QUAL-LYNX	CLAIM ADJUSTING SERVICES 4/19	17,377.28
			<b>17,553.28</b>
001534			
001534	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 4/19	5,423.33
			<b>5,423.33</b>
001535			
001535	PERMA RISK MANAGEMENT SERVICES	POSTAGE 3/19	27.35
001535	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 4/19	15,014.85
			<b>15,042.20</b>



001536			
001536	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEES 4/19	2,681.75
			<b>2,681.75</b>
001537			
001537	RALPH A MARESCA, JR	TREASURER FEE 4/19	1,565.14
			<b>1,565.14</b>
001538			
001538	MEEKER SHARKEY & HURLEY	RMC FEE 2ND QTR 2019 - HARDING TWP	2,141.00
001538	MEEKER SHARKEY & HURLEY	RMC FEE 2ND QTR 2019 - FAR HILLS BORO	760.00
001538	MEEKER SHARKEY & HURLEY	RMC FEE 2ND QTR 2019 - WATCHUNG BORO	4,713.00
001538	MEEKER SHARKEY & HURLEY	RMC FEE 2ND QTR 2019 - BEDMINSTER TWP	4,766.00
001538	MEEKER SHARKEY & HURLEY	RMC FEE 2ND QTR 2019 - BERNARDS TWP	10,242.00
001538	MEEKER SHARKEY & HURLEY	RMC FEE 2ND QTR 2019 -BERNARDSVILLE BORO	5,488.00
			<b>28,110.00</b>
001539			
001539	ARTHUR J. GALLAGHER	UNDERWRITING FEE 4/19	6,395.31
			<b>6,395.31</b>
001540			
001540	NEWTECH SERVICES INC.	WEB MAINT/HOSTING 4/19	75.00
			<b>75.00</b>
001541			
001541	ALLSTATE INFORMATION MANAGEMNT	ACCT#416 - ARC & STOR - 2.28.19	29.30
			<b>29.30</b>
001542			
001542	DiFRANCESCO,BATEMAN,COLEY,YOSP	LEGAL SERVICES THRU 2/19	2,558.17
			<b>2,558.17</b>
001543			
001543	ACRISURE LLC	2ND QTR RMC 2019 FEE - SUMMIT	15,816.00
			<b>15,816.00</b>
001544			
001544	PINNACLE INSURANCE SOLUTIONS	2ND QTR 2019 RMC FEE - MOUNTAINSIDE	4,562.00
			<b>4,562.00</b>
001545			
001545	SCOTCH PLAINS TOWNSHIP	RMC FEE 2ND QTR 2019 - SCOTCH PLAINS TWP	8,936.00
			<b>8,936.00</b>
001546			
001546	WESTFIELD TOWNSHIP	RMC FEE 2ND QTR 2019 - WESTFIELD	17,319.75
001546	WESTFIELD TOWNSHIP	RMC FEE 2ND QTR 2019 - WESTFIELD	17,319.75
			<b>34,639.50</b>
		<b>Total Payments FY</b>	<b>426,974.88</b>

**TOTAL PAYMENTS ALL FUND YEARS \$430,974.88**