

SUBURBAN METRO JOINT INSURANCE FUND

October 20, 2020

Teleconference Call

9:30 AM

The meeting was called to order by Secretary Steven Rovell. Open Public Meeting Notice read into record. Salute to American Flag.

ROLL CALL OF 2020

Mauro Tucci, Chair
Steve Rovell, Sec
Thomas Duch
John Serapiglia, Jr.
Intashan Chowdhury
Joseph Catenaro
Carrie Nawrocki
Allan Susen
TBD
Richard Budris
Keri Eglentowicz
Charles Cuccia

FUND COMMISSIONERS:

Township of Nutley Absent
Belleville Township Present
City of Garfield Present
Passaic Manchester Regional HS Absent
Borough of Prospect Park Absent
Fairfield Township Present
Hudson Reg'l Health Commission Absent
Borough of Haledon Absent
Nutley Board of Education Absent
Essex Reg'l Health Commission Present
Town of Secaucus Present
Little Falls Township Present

2020 FUND COMMISSIONER ALTERNATES:

Vincent Cozzarelli Belleville Township Absent
Andrew J. Pavlica City of Garfield Absent
Brian Zinn Manchester Regional HS Absent
Regina Goham Hudson Reg'l Health Commission Absent
Leena Abaza Borough of Haledon Absent
Marisol Leguizamon Essex Reg'l Health Commission Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator Perma Risk Management Services
Cathleen Kiernan

Attorney Piro, Zinna, Cifelli, Paris & Genitempo
James Piro

Claim Services Qual-Lynx
Claudia Acosta

Treasurer **William Homa**

Safety J.A. Montgomery Consulting
Brian Maitland

Underwriter Conner Strong & Buckelew
Edward Cooney

Managed Care FMCO
Suzanne Rajsteter

OTHERS PRESENT:

Caty Lambe, Qual-Lynx
Karen Waters, RMC
Jennifer Stowe, RMC
Frank Covelli, RMC
Joe Rude, RMC
Danielle Voda, RMC
Zach Edleman, RMC
Dawn Alexander, RMC
Robert Searle, RMC
John Schwartz, J.A. Montgomery RC
Ken Schulz, J.A. Montgomery RC
Jennifer Conicella, Perma
Tracy Lopez, Perma

APPROVAL OF MINUTES: September 15, 2020 – Open Minutes

MOTION TO APPROVE OPEN MINUTES AS NOTED ABOVE

MOTION:	Commissioner Cuccia
SECOND:	Commissioner Duch
VOTE:	Unanimous,

Correspondence

Executive Director referred to correspondence from the Township of Belleville advising that they are reserving their rights to explore alternative options for membership renewal.

EXECUTIVE DIRECTORS REPORT

2021 Budget

Executive Director said The Finance Committee met on October 9, 2020 for review of the Proposed 2021 Budget as outlined within the agenda; the proposed budget does not include the Township of Belleville, which is considering its options. Minutes from the meeting were reviewed as distributed as well as the 2021 detailed budget introduction.

The budget breakdown includes Loss Projections representing 46% of the budget, Excess Insurance Premiums – 36%, (this includes POL/EPL through QBE) and Administrative Expenses of 12%. The projected loss fund increase is 0.47%. For the POL/EPL Coverage, QBE looks at the JIFs as a whole program and in addition, rates on individual loss experience. For 2021, QBE Insurance is asking for a 3% increase from the overall program with MEL affiliated JIFs. The distribution to local JIFs is based on a five-year loss ratio with a range of a 4% decrease to a 7% increase. Based on its experience, the Suburban Metro JIF has decreased by -2.3%. The administrative expenses provided a 2% increase and the projected total preliminary budget increase is 2%.

The MEL adopted a flat rate budget, however, based on exposure changes and underwriting information received, the MEL property increased 2.47%. This is the result of increased property and outdoor property.

Executive Director reminded members in 2016, the MEL implemented experience rating against its claims funds – based on 10 year loss history. The 2021 experience rating for the Suburban Metro JIF has deteriorated from a .978 experience mod factor in 2020 to 1.070 in 2021.

Executive Director asked if there were any questions or comments with regards to the 2021 Budget introduction. Commissioner Cuccia said they felt that this budget was fair in its presentation and after review and consideration as part of the Finance Committee was pleased to present same. With no further comments or questions,

MOTION TO INTRODUCE THE 2021 BUDGET IN THE AMOUNT OF \$6,387,000 AND SCHEDULE A PUBLIC HEARING ON MONDAY, NOVEMBER 16, 2020 AT 9:30 AM.

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

Executive Director said as a result of a follow up conference call with the Finance Committee, an add-on item addressing the recommendation to release a dividend was provided the Board of Commissioners for consideration.

Commissioner Duch added that the Finance Committee agreed to the release of a dividend as provided last year in the amount of \$250,000. Given the target determination of \$4.4M in the Closed Year account, it was deemed agreeable and can be utilized by our members.

MOTION TO ADOPT RESOLUTION #28-20 AUTHORIZING THE RELEASE OF DIVIDEND FROM THE CLOSED YEAR ACCOUNT IN THE AMOUNT OF \$250,000.00

MOTION:	Commissioner Duch
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

Service Animals

Executive Director said the Finance Committee discussed coverage for service animals and recommends a sub-limit of \$15,000 and recommended a deductible of \$2,500. This is a result of a coverage inquiry from the Town of Secaucus as they now have two service dogs.

Underwriting Manager said the MEL Coverage Committee discussed property coverage for service animals noting that this coverage could be provided based on approval of the local fund; currently service animals are provided third party liability coverage. Service Animals within police departments and municipalities are considered property in 48 states in United States including New Jersey; like property they can become damaged and suffer significant cost. Property coverage for service animals are common in the insurance industry. It would be the decision of the local Fund to provide property coverage for service animals since the limit would be within the JIF's Self-Insured Retention. Underwriting Manager confirmed "Pet Coverage" is not provided by the Fund for medical coverage; that would be purchased in the public market. Commissioner Eglentowicz confirmed the purchase of Pet Coverage in the public market for the newly added service dogs.

The Board of Fund Commissioners approved the sub-limit coverage of \$15,000 with a deductible of \$2,500.

2020 Fiscal Management Plan Amendment

Executive Director said the Fund Office has been notified that Ms. Janet Buggle has retired from Qual-Lynx. Ms. Buggle is an authorized signer on the Qual-Lynx claims accounts therefore she should be removed. The Fund Office has spoken with Investors Bank and in order for them to remove Ms. Buggle they require an amended Fiscal Management Plan that no longer lists her as an authorized signer.

MOTION TO ADOPT RESOLUTION #26-20 AMENDING THE SUBURBAN ESSEX JOINT INSURANCE FUND 2020 FISCAL MANAGEMENT PLAN.

MOTION:	Commissioner Duch
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

Residual Claims Fund (RCF)

Executive Director said the public hearing on the RCF 2021 budget will be held on October 21, 2020 at 10:30AM at via Zoom audio/video. The 2021 Proposed Operating Budget was reviewed as distributed.

Environmental JIF

Executive Director said the public hearing on the EJIF 2021 budget will be held on October 21, 2020 at 10:50AM via Zoom audio/video. The EJIF's 2021 Proposed Budget was reviewed as distributed.

MEL JIF

Executive Director said the MEL adopted their 2021 budget and flat rate table at the June 3rd meeting; copies of the budget were previously distributed. The MEL will be meeting on October 21, 2020 at 11:15AM via Zoom audio/video.

Employment Practices Program

Executive Director said due to the confusion of the training components of the EPL/POL program, a webinar has been scheduled for October 29th at 2:00 to provide guidance to members' counsel and administrators on the new Personnel Manual and Employee Handbook. Memorandum also summarizes the various training elements of the Employment Practices Compliance Program. A copy of the notice was emailed to all members on October 13, 2020.

Statutory Bonds

Executive Director has confirmed that the Underwriting Manager's office has contacted municipal clerks of towns that are renewing their JIF membership to secure updated bond applications for statutory positions.

Fund Name Change

Executive Director said as noted during the September meeting, The Department of Banking & Insurance has officially granted approval of the name change from Suburban Essex Joint Insurance Fund to Suburban Metro Joint Insurance Fund. The name change will take some time to convert all related documents to the new name (i.e. IRS, checks, correspondence etc.) Officially, we will begin to utilize the new name January 2021 noting that there will be items that may take a little longer to convert. Please note, the website has been updated to www.submetrojif.org; the original web address will remain active to direct parties to the website for a period of time.

Cyber Task Force

Executive Director said the MEL’s Cyber Task Force has been working on modifications to the MEL’s Cyber Risk Management Program and is expecting to complete soon; modifications will include a Tier three component and Tiers 1 & 2 will be modified.

D2 Cybersecurity Status Report

Executive Director referred to the monthly status report from the cyber security provider which recaps member participation and training to date.

TREASURER REPORT

Fund Treasurer referred to and revised the October bill list and full treasurer reports. Resolution #27-20 was presented for approval as outlined below:

FUND YEAR	AMOUNT
2020	\$ 159,056.49
Total	\$ 159,056.49

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF SEPTMEBER 2020:

2016:	\$ 9,230.50
2017:	\$ 59,518.60
2018:	\$ 20,308.88
2019:	\$ 38,883.73
2020:	\$ 91,886.23

MOTION TO ADOPT RESOLUTION 27-20 APPROVING THE OCTOBER BILL LIST AND APPROVE THE CERTIFICATION OF SEPTEMBER CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED.

MOTION:	Commissioner Cuccia
SECOND:	Commissioner Duch
VOTE:	Unanimous

In response to Commissioner Rovell regarding Fund Treasurer not providing monthly investment report as normally shown due to the transfer of funds to the JMCI (October 1, 2020), Fund Treasurer noted that he does expect that a monthly report would be provided from the JCMI on the status of investments for reporting back to the Fund. Executive Director noted that there are current reports that are constantly reviewed and will be available to share; there are Funds for which they are pending enrollment to the JMCI.

Treasurer's Report & Investment Report made part of the minutes.

ATTORNEY

Fund Attorney referred the agenda report as distributed which outlined new liability cases, closed liability cases, new workers compensation cases and workers compensation cases that have closed. Fund Attorney referred to correspondence provided outlining Senate Bill 2380 which was signed into law on September 14, 2020. Fund Attorney said at his request, Defense Attorney Steven J. Martino, Esq. provided a memo on its impact on Suburban Essex JIF Workers Compensation cases arising from Covid-19 and referred to same as distributed. Fund Attorney noted that although

signed into law on September 14, 2020 it is retroactive to March 9, 2020 when the Governor declared the public health emergency. Fund Attorney said, under this law, the Essential Employee who contracts Covid-19 is presumed to have contracted it through its employment. The law provides the employee a presumption that the Covid-19 condition is compensable, and the employer has the burden to dispute the presumption, however the employee still has the burden of providing competent objective medical evidence that the employee has a permanent restriction that affects their ability to work or perform functions outside of work, such as household chores or recreational activities.

Executive Director said although not confirmed, under the Excess WC policy with Safety National we await determination that Covid-19 claims will be deemed one occurrence.

Attorney Report made part of the minutes.

UNDERWRITING MANAGER

Executive Director referred to the Underwriting Manager report beginning with the Cyber Compliance report. There are members that are shown as “incomplete” this will happen if the questions listed are not answered properly by the drop down option. (Yes/No). The listing of Certificates of Insurance were also reviewed as distributed.

As reported in September, Executive Director said the Underwriting Manager continues to actively market our renewal inclusive of alternative options to remain at the flat rate at the MEL level, which was adopted.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed for the month of September which indicates \$326,006 in provider bills, repriced at \$95,994 resulting in a savings of \$23,012 or 71%. There were 29 claims reported, 9-medical only and 2-lost time for a total of 11 managed cases. There were 185 bills submitted or which 177 were in network and 8 were out of network for a 96% network penetration.

Managed Care Report made part of the minutes.

SAFETY DIRECTOR

Safety Director referred to the report as distributed which outlined loss surveys completed in September as well as upcoming meeting schedule. Safety Director referred to the listing of bulletins and notices as distributed to members and the newly added outline of the MSI Now and MEL Medical Library monthly updates.

Safety Director referred to the listing of the October Webinars inclusive of training this evening, namely “Protecting Children from Abuse – For Managers/Supervisors and Elected Officials and encouraged attendance for same. Executive Director said this training would count towards the Managers/Supervisors training of the EPL/POL Program.

CLAIMS SERVICE

Claims Administrator said the Board of Commissioners met at 9:00 AM this morning to review a total of 10 PARs for recommendation.

**MOTION TO APPROVE PAYMENT AUTHORITY REQUESTS AS PRESENTED BY
THE CLAIMS ADMINISTRATOR PRIOR TO THE PUBLIC MEETING OF THE
FUND.**

MOVED: Commissioner Cuccia
SECOND: Commissioner Duc
VOTE: Unanimous

OLD BUSINESS:
None

NEW BUSINESS:

Executive Director said with regards to virtual meetings, we await direction from the MEL Fund Attorney which will outline procedures to take with regards to the handling of virtual meetings which will require the adoption of that procedure by way of a resolution. Once confirmed, we will provide to members.

PUBLIC COMMENT:
None

MOTION TO ADJOURN:

MOVED: Commissioner Catenaro
SECOND: Commissioner Duch
VOTE: Unanimous

MEETING ADJOURNED: 10:10 AM

RESOLUTION NO: 26-20
SUBURBAN ESSEX JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")

**AMENDING THE ESTABLISHED 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, THE FUND's Governing Body hereby appoints the following professionals for the 2020 Fund Year:

- I.** 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:

Mauro Tucci	CHAIRMAN
Steve Rovell	SECRETARY
William Homa	TREASURER
Thomas Duch	COMMISSIONER

- II.** 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

Alice H. Lihou	Qual-Lynx
David S. Ruber	Qual-Lynx
William Homa	Fund Treasurer

- III.** 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.

- IV.** The Cash and Investment Policy attached herewith, shall be adopted.

- V.** 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.

- VI.** 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.

ADOPTED:

this day before the Governing Body:

**SUBURBAN ESSEX JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 27-20

OCTOBER 2020

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

BE IT RESOLVED that the Suburban Essex 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.

<u>FUND YEAR 2020</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001919			
001919	NJ ADVANCE MEDIA	VOIDED	0.00
001919	NJ ADVANCE MEDIA	VOIDED	0.00
001919	NJ ADVANCE MEDIA	VOIDED	0.00
			0.00
001903			
001903	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 10/20	12,152.00
			12,152.00
001904			
001904	DUGHI, HEWIT & DOMALEWSKI, P.C.	LEG SERV FOR NUTLEY BOE SF PROP CLAIM	3,617.50
			3,617.50
001905			
001905	QUAL-LYNX	CLAIM ADJ SERVICES 10/20	27,872.95
			27,872.95
001906			
001906	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR FEE 10/20	6,167.35
			6,167.35
001907			
001907	DYNAMIC TESTING SERVICES LLC	NUTLEY BOE 9.28.2020	585.76
001907	DYNAMIC TESTING SERVICES LLC	BELLEVILLE 9.28.2020	210.11
001907	DYNAMIC TESTING SERVICES LLC	GARFIELD 9.28.2020	365.04
001907	DYNAMIC TESTING SERVICES LLC	PROSPECT PARK 9.28.2020	399.00
001907	DYNAMIC TESTING SERVICES LLC	FAIRFIELD 9.28.2020	154.93
001907	DYNAMIC TESTING SERVICES LLC	SECAUCUS 9.3.2020	154.93
001907	DYNAMIC TESTING SERVICES LLC	PROSPECT PARK 9.3.2020	299.25
001907	DYNAMIC TESTING SERVICES LLC	BELLEVILLE 9.3.2020	210.11
001907	DYNAMIC TESTING SERVICES LLC	NUTLEY 9.28.2020	365.04
001907	DYNAMIC TESTING SERVICES LLC	HALEDON 9.3.2020	309.86
			3,054.03
001908			
001908	PERMA RISK MANAGEMENT SERVICES	POSTAGE 9/20	6.00
001908	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR 10/20	23,045.21
			23,051.21
001909			
001909	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 10/20	2,785.17
			2,785.17
001910			
001910	PIRO, ZINNA, CIFELLI, PARIS &	ATTORNEY FEE 9/20	7,329.17
			7,329.17
001911			
001911	WILLIAM M. HOMA, CPA	TREASURER FEE 10/20	1,337.75
			1,337.75
001912			
001912	NEWTECH SERVICES, INC.	WEB SERV - UPDATES TO JIF 10/20	350.00
			350.00
001913			
001913	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 10/20	747.00
			747.00
001914			
001914	THE CANNING GROUP LLC	QPA SERVICES 9/20	650.00
001914	THE CANNING GROUP LLC	QPA SERVICES 8/20	650.00
			1,300.00
001915			
001915	APPLIEDINFO PARTNERS, INC.	CAAS CYBER & PHISH TRAINING - 8.13.2020	21,392.00
			21,392.00
001916			
001916	ALLSTATE INFORMATION MANAGEMNT	ACCT#415 - ARC & STOR - 8.31.20	124.60
			124.60
001917			
001917	C. WALTER SEARLE INS AGNCY LLC	NUTLEY BOE - 2ND RMC 2020	15,984.50
001917	C. WALTER SEARLE INS AGNCY LLC	NUTLEY - 2ND RMC 2020	20,000.00
			35,984.50
001918			
001918	AL ALEXANDER AGENCY INC.	HALEDON - RMC 10/20	11,422.17
			11,422.17
001920			
001920	NJ ADVANCE MEDIA	ACCT# 1000867515 - AD - 9.12.20	23.25
001920	NJ ADVANCE MEDIA	ACCT#1000867515 - AD - 8/20	345.84
			369.09
		Total Payments FY 2020	159,056.49
		TOTAL PAYMENTS ALL FUND YEARS	159,056.49

RESOLUTION # 28-20
RESOLUTION OF THE BOARD OF FUND COMMISSIONERS
OF THE SUBURBAN ESSEX JOINT INSURANCE FUND
AUTHORIZING REFUND FROM CLOSED YEAR ACCOUNTS

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 members to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Fund Commissioners of the **Suburban Essex 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 members 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 Board of Fund Commissioners that the following amount can be refunded at this time:

Closed Year Account	<u>\$250,000.00</u>
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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, 2019 and Auditor's Report of the Historical Operating Results as of December 31, 2019. 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 members which were members of the FUND for the years in question in the same ratio as said members were assessed for the years in question.

SUBURBAN ESSEX JOINT INSURANCE FUND

MOVED BY: Commissioner Thomas Duch

SECONDED BY: Commissioner Charles Cuccia

AFFIRMATIVE VOTES: 5

NEGATIVE VOTES: 0

The foregoing is a true and exact copy of a Resolution adopted at the October 20, 2020, meeting of the **Suburban Essex Joint Insurance Fund**.