

**SUBURBAN ESSEX JOINT INSURANCE FUND
JANAURY 16, 2018**

**NUTLEY PARKS & RECREATION BUILDING
9:30 AM**

The meeting was called to order by Chairman Mauro Tucci. Open Public Meeting Notice read into record.

Pledge of Allegiance

ROLL CALL OF 2017

FUND COMMISSIONERS:

Mauro Tucci, Chair	Township of Nutley	Present
Steve Rovell, Sec	Belleville Township	Absent
Thomas Duch	City of Garfield	Absent
John Serapiglia, Jr.	Passaic Manchester Regional HS	Absent
Danielle Ireland	Borough of Prospect Park	Absent
Joseph Catenaro	Fairfield Township	Present
Carrie Nawrocki	Hudson Reg'l Health Commission	Absent
Allan Susen	Borough of Haledon	Absent
Karen Yeamans	Nutley Board of Education	Absent
Richard Budris	Essex Reg'l Health Commission	Present
Keri Eglentowicz	Town of Secaucus	Present
Charles Cuccia	Little Falls Township	Present

2017 FUND COMMISSIONER ALTERNATES:

Charles Voorhees	Town of Secaucus	Absent
Vincent Cozzarelli	Belleville Township	Present
Andrew J. Pavlica	City of Garfield	Present
Brian Zinn	Manchester Regional HS	Absent
John Marmora	Nutley Bd. Of Ed.	Present
Regina Goham	Hudson Reg'l Health Commission	Present
Leena Abaza	Borough of Haledon	Absent
Marisol Leguizamon	Essex Reg'l Health Commission	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	Perma Risk Management Services Cathleen Kiernan
Attorney	Piro, Zinna, Cifelli, Paris & Genitempo Angelo Cifelli
Claim Services	Qual-Lynx Caty Lambe
Treasurer	William Homa
Safety	J.A. Montgomery Risk Control

Underwriter

Ken Schulz
Conner Strong & Buckelew
Edward Cooney

Managed Care

FMCO
Mary Bresadola

OTHERS PRESENT:

Mary Fenui, Nutley
Karen Waters, IMAC
Barry Maurillo, IMAC
Joe Rude, EBCSG
Frank DeMaio, Nutley
C. Robert Searle, Searle Agency
Frank Covelli, PIA
Danielle Voda, Fairview Insurance

APPROVAL OF MINUTES:

November 13, 2017 – Open Minutes
November 13, 2017 – Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES AS NOTED ABOVE:

MOTON: Commissioner Cuccia
SECOND: Commissioner Marmora
VOTE: Unanimous

CORRESPONDENCE:

None

Sine Die - Chairs vacated. Chairman asked Executive Director to conduct meeting.

Executive Director called meeting to order.

ROLL CALL OF 2017

Mauro Tucci, Chair
Steve Rovell, Sec
Thomas Duch
John Serapiglia, Jr.
Danielle Ireland
Joseph Catenaro
Carrie Nawrocki
Allan Susen
Karen Yeamans
Richard Budris

FUND COMMISSIONERS:

Township of Nutley Present
Belleville Township Absent
City of Garfield Absent
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

Keri Eglentowicz	Town of Secaucus	Present
Charles Cuccia	Little Falls Township	Present

2017 FUND COMMISSIONER ALTERNATES:

Charles Voorhees	Town of Secaucus	Absent
Vincent Cozzarelli	Belleville Township	Present
Andrew J. Pavlica	City of Garfield	Present
Brian Zinn	Manchester Regional HS	Absent
John Marmora	Nutley Bd. Of Ed.	Present
Regina Goham	Hudson Reg'l Health Commission	Present
Leena Abaza	Borough of Haledon	Absent
Marisol Leguizamon	Essex Reg'l Health Commission	Absent

Executive Director said regulations require Joint Insurance Funds with memberships greater than seven to elect an Executive Committee. The practice of the Suburban Essex Joint Insurance Fund is to operate as a Board of Fund Commissioners, however, the Fund can operate as an Executive Committee when a quorum of the Board is not achieved.

Executive Director asked for nominations;

MOTION TO NOMINATE MAURO TUCCI, TOWNSHIP OF NUTLEY AS CHAIRMAN FOR FUND YEAR 2018

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Pavlica
VOTE:	Unanimous

MOTION TO NOMINATE STEVEN ROVELL, BELLEVILLE TOWNSHIP, AS SECRETARY FOR FUND YEAR 2018:

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Eglentowicz
VOTE:	Unanimous

MOTION TO CLOSE NOMINATIONS ELECT MAURO TUCCI AS CHAIRMAN AND DAVID DRUMELER AS SECRETARY:

MOTION:	Commissioner Budris
SECOND:	Commissioner Marmora
VOTE:	Unanimous

MOTION TO NOMINATE THE FOLLOWING AS EXECUTIVE COMMITTEE MEMBERS: THOMAS DUCH – BOROUGH OF GARFIELD, JOSEPH CATENARO – FAIRFIELD TWP., DANIELLE IRELAND – PROSPECT PARK, CARRIE NAWROCKI-

**HUDSON REGIONAL HEALTH COMMISSION AND JOHN SERAPIGLIA –
MANCHESTER REGIONAL HIGH SCHOOL**

MOTION: Commissioner Catenaro
SECOND: Commissioner Cuccia
VOTE: Unanimous

MOTION TO NOMINATE COMMISSIONERS RICHARD BUDRIS – ESSEX REG. HEALTH, ALLAN SUSEN – HALEDON, KAREN YEAMANS – NUTLEY BOE, KERI EGLENTOWICZ – TOWN OF SECAUCUS AND CHARLES CUCCIA AS ALTERNATE EXECUTIVE COMMITTEE MEMBERS.

MOTION: Commissioner Catenaro
SECOND: Commissioner Marmora
VOTE: Unanimous

MOTION TO CLOSE NOMINATIONS AND CONFIRM THE ELECTION OF THE 2018 EXECUTIVE COMMITTEE MEMBERS AND ALTERNATES AS NOMINATED.

MOTION: Commissioner Catenaro
SECOND: Commissioner Nawrocki
VOTE: Unanimous

Fund Attorney administered the oath and swore in the Commissioners present. Signed copies will be made part of the January minutes.

EXECUTIVE DIRECTOR'S REPORT

Executive Director reviewed Organizational Resolutions #1-18 thru #5-18.

Appointment of Fund Professionals – Resolution #1-18 appointing Fund Professionals; this year the resolution now includes the estimated fees to be paid over the three year period of professional services which responds to the newly imposed State required form. In 2015 RFQ's were issued for professional positions including Defense Panel for the 2016-2018 term; the appointments listed with the resolution is a result of the RFQ process for which the Fund is in the final year of the three-year appointments. Executive Director said the fees shown have been increased by 2% as authorized during the November 2017 public hearing of the 2018 Budget.

Fiscal Management Plan – Resolution #2-18 designates Official Depositories and approves the Cash Management Plan; authorizing Signatories on Administrative Accounts; and authorizing Signatories on Claim Accounts. Signatories will remain as Chairman Tucci, Secretary Rovell, Treasurer William Homa, and Commissioner Thomas Duch.

Public Meeting Procedures – Resolution #3-18 indicates that the Governing Body shall conduct Public Meetings at the Nutley Parks & Recreation Building to conduct the official business of the FUND on the third Tuesday of each month at 9:30 AM including the meeting to be held on January

15, 2019. In addition, the February meeting will be held at the Nutley Annex Building and the November meeting will be held on Monday, November 12, 2018 in order not to conflict with the League of Municipalities Convention. The Resolution also outlines the designation of the Star Ledger and the Suburban Essex JIF webpage (www.sejif.org) for posting of official notices.

Fund Records Program - Resolution presented establishes a formal records retention program for Fund year 2018.

Risk Management Plan - The Underwriting Manager reviewed the 2018 Risk Management Plan as distributed noting that the RMP will appear slightly different from prior years as we have condensed several repetitive indications of coverage making it an easy read for members. Executive Director outlined the increase from \$25,000 to \$50,000 for Emergency Court House Authority which will follow the minimum for which most JIFs administered by Perma obtain.

MOTION TO ADOPT RESOLUTIONS #1-18 THRU #5-18 AS PRESENTED

MOTION:	Commissioner Cuccia
SECOND:	Commissioner Marmora
ROLL CALL VOTE:	Unanimous

Organizational Resolutions Nos. 1-18 through 5-18 made part of January 16, 2018 Minutes.

Finance Committee

Executive Director said, as discussed in November, Chairman Tucci appointed Commissioners to a Finance Committee. Committee met on Monday, January 8, 2018. Minutes of the meeting distributed.

Committee Chairman Cuccia said the Committee reviewed a financial model for the JIF that was developed by the Actuary and updated by the Executive Director's office. Model looks at prior claims and estimates future payments to project surplus. Following review, the Committee recommended releasing a sustainable amount of surplus of \$300,000 but only when net statutory surplus would still be greater than \$4,000,000 to discuss a financial model of the Fund. Committee will review financials again once the year-end audit report is complete.

MOTION TO ACCEPT THE RECOMMEDATIONS OF THE FINANCE COMMITTEE

MOTION:	Commissioner Cuccia
SECOND:	Commissioner Catenaro
ROLL CALL VOTE:	Unanimous

RCF 2018 Reorganization Meeting

Executive Director said the RCF held its Reorganization meeting on Wednesday, January 3, 2018 in Jamesburg, New Jersey. Commissioner Catenaro's report was reviewed as distributed.

E-JIF 2018 Reorganization Meeting

Executive Director said the E-JIF also held its Reorganization meeting on Wednesday, January 3, 2018 in Jamesburg, New Jersey. Commissioner Catenaro's report of November 15 and January 3rd were reviewed as distributed.

MEL 2017 Reorganization Meeting

Executive Director said the MEL held its Reorganization Meeting on Wednesday, January 3, 2018 in Jamesburg, New Jersey. Chairman Tucci's report of November 15 and January 3rd were reviewed as distributed.

Chairman Tucci thanked everyone who is a part of the Suburban Essex JIF; it is a pleasure working with everyone the work ethic is fantastic. Chairman Tucci also noted that during the MEL's reorganization meeting they also appointed their professionals, Mr. Hirsch is now the MEL Chairman and Chairman Tucci added that he was asked to serve as the Secretary of the MEL and that he was very pleased and honored to be considered.

2018 Assessments

First installment payments are due to the Treasurer, Bill Homa, by **January 31, 2018.**

Risk Management Information/Operating System (RMIS)

Executive Director said the MEL awarded a contract to Origami Risk to provide the online underwriting database; anticipated launch date is early January 2018. This past summer marked the last renewal utilizing the Exigis program. The system will remain locked as the data is transitioned to the new platform and verified. Once verification is complete, then the new platform will be made available to members to amend their schedules. We are also working with Origami on training. The program will include the ability to view claims from various claims administrators.

Inclement Weather Procedure

As a reminder, Perma has instituted a procedure for Commissioners to confirm whether or not a meeting has been canceled. The Executive Director will discuss with the Fund Chairperson if the meeting should be canceled. In the event of an early morning or evening meeting(s), Perma will provide a recorded message indicating the status of the meeting. The recorded message can be obtained by calling the Fund's main number (201) 881-7632 at any time of the day or night. For meetings that occur during the course of normal business hours, meeting status can be obtained by utilizing the same number.

Pro- Forma Reports

Executive Director reviewed November reports which included monthly Financial Fast-track, Interest Rate Summary Comparison, Loss Ratio Analysis by fund year and line of coverage, Claim

Activity Report, Lost Time Accident Frequency, Lost Days Report and MSI Usage report. In addition, the Regulatory Checklist, EPL/POL status report and the current list of Risk Management Consultant agreements were also reviewed.

TREASURER

Fund Treasurer thanked the Board for the reappointment of position for third year of the 2016-2018 term and referred to the Treasurers Report as distributed for the months of November and December.

CONFIRMATION OF DECEMBER 2017 PAYMENT OF VOUCHERS:

FUND YEAR	AMOUNT
2017	\$ 518,015.95
Total	\$ 518,015.95

RESOLUTION 06-18 PAYMENT OF JANUARY VOUCHERS:

FUND YEAR	AMOUNT
2017	\$ 15,450.78
2017	\$ 133,652.69
Total	\$ 149,103.47

RESOLUTION CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF NOVEMBER 2017:

2013:	\$	(\$190.00)
2014:	\$	15,601.96
2015:	\$	9,674.31
2016:	\$	40,608.28
2017:	\$	237,934.17

Fund Treasurer said the credit for \$190 in the 2013 year is a voided check. Fund Treasurer also reviewed the investment portfolio for the months of November and December which currently has a rate of 1.350%.

MOTION TO ACCEPT THE REPORT OF THE TREASURER AS PRESENTED, CONFIRM THE DECEMBER BILL LIST AND ADOPT RESOLUTION 6-18 JANUARY BILL LIST:

MOTION: Commissioner Cuccia
SECOND: Commissioner Marmora
ROLL CALL VOTE: Unanimous

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

ATTORNEY

Fund Attorney thanked the Fund for the reappointment of services. Fund Attorney reviewed the agenda report as distributed for the months of November and December.

Attorney Report made part of the minutes.

UNDERWRITING MANAGER

Underwriting Manager reviewed the 2018 property and casualty renewal. The property renewal, despite a great deal of volatility in the market due to storms and wildfires, experienced a flat renewal from its primary incumbent carrier, Zurich. The fund now offers their members the broadest coverage in the market for POL/EPL coverages. One known claim area, POL Land Use claims is being closely monitored. The fund now offers its member \$1 million in land use coverage, the broadest coverage in the market.

Cyber Risk Management Program: Members can now take preventive steps in cyber risk management and receive a reimbursement on their deductible. The program has two tiers: Tier I offers a \$5,000 reimbursement and Tier II, \$7,500 reimbursement based on a \$10,000 deductible. By having minimum technology standards documented members can reduce their deductible by up to about 90%.

Executive Director said the purpose of the program was twofold: To implement steps to protect risk and to offer members the opportunity to recover some of their \$10,000 deductible from the MEL. In response to Commissioner Rheinhardt, Underwriting Manager said members will submit an initial checklist which will be retained by Underwriting. If there is an event, member will submit an additional checklist with further documentation. The program is described in further detail in Appendix III. Further information is available through coverage bulletins posted on the MEL website at njmel.org.

Lastly Underwriting Manager reviewed the listing of Certificates of Insurance previously distributed.

List of Certificates made part of the minutes.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed as of December that outlines provider bills of \$221,610 repriced at \$59,885 resulting in a savings of \$161,725 or 73%

Report Made Part of the Minutes.

SAFETY DIRECTOR

Safety Director thanked the Fund for their reappointment of services and referred to the agenda report as distributed covering the months of November and December which outlined all activity during those months and included the MSI training programs and bulletins which were recently distributed.

Monthly Safety Report Attached & made part of the Minutes.

CLAIMS SERVICE

Closed Session

RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES: PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION.

MOTION:	Commissioner Budris
SECOND:	Commissioner Pavlica
VOTE:	Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Pavlica
VOTE:	Unanimous

MOTION TO APPROVE PAYMENT AUTHORITY REQUESTS FOR FILE NUMBERS AS SUBMITTED.

MOVED:	Commissioner Pavlica
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT

RMC Karen Waters, questioned the status of the land use training video on the Learning Management System. Executive Director said the training has already been filmed and is in the editing stages. Once finalized, the members will be notified.

Ms. Waters also questioned if a wellness program will be offered through the Fund to employees of member towns. Executive Director responded that when service was considered, professionals realized that the majority of town offer this program through the employee's health benefits; at this time a wellness program is not available through the Fund.

Lastly, Ms. Waters questioned the Cyber Liability Program and the check list asking who will approve the member as being in compliance and requirements have been met. Underwriting Manager responded the all check lists should be directed to the Underwriting Department and also noted that all requirements should be met prior to a claim and not at the time of a claim. Members should be discussing the program with their IT personnel now following the guidelines as outlined.

MOTION TO ADJOURN:

MOTION:

Commissioner Pavlica

SECOND:

Commissioner Catenaro

VOTE:

Unanimous

MEETING ADJOURNED: 10:45 AM

Resolution No. 1-18
of the
SUBURBAN ESSEX JOINT INSURANCE FUND
CONCERNING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

WHEREAS, the Suburban Essex Joint Insurance Fund (hereinafter the Fund) found it necessary and appropriate to obtain certain professional services and other extraordinary and other unspecifiable services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.) for the 2018, 2019 & 2020 Fund years; and,

WHEREAS, NJSA 40a11-16 (6) allows for a contract duration of three (3) years; and,

WHEREAS, the Fund resolved to award Professional Service Agreements commencing January 1, 2018 in accordance with a fair and open process pursuant to NJSA 19:44A-20.4 et. seq.; and,

WHEREAS, a notice soliciting proposals was published in the Star Ledger 2015 issue of the July 24th edition and posted on the FUND website www.sejif.org under the Public Bids section; and,

WHEREAS, responses were received from professional service providers and service organizations on August 18, 2015 at 10:00 am; and,

WHEREAS, the Fund's Board of Commissioners served as the Evaluation Committees for the respective Professional Service Provider and Service Organization and made recommendations on 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 Board of Fund Commissioners of the Suburban Essex Joint Insurance Fund resolved to appoint the Fund Professionals – noted below – to three year terms commencing on January 1, 2016 and ending on December 31, 2018 (unless otherwise noted) at its January 2016 Reorganization Meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

- 1) **PERMA Risk Management Services as Administrator, Cathleen Kiernan** is appointed as **Executive Director, Joseph P. Hrubash** as **Deputy Executive Directors** and as **agents for process of service**. \$725,291 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$265,804 has been appropriated in the Administration Line Item of the 2018 budget.
- 2) **James Piro, Esq. of Piro, Zinna, Cifelli, Paris & Genitempo** as **Fund Attorney providing General Counsel, Litigation Management and OPRA requests**. \$242,629 is the estimated dollars that will be expended in connection with the General Counsel contract over its three-year term. The annual amount of \$83,497 has been appropriated in the Attorney Line Item of the 2018 budget.
- 3) **Qual-Lynx** as the **Claims Administrator for all lines of insurance**. \$934,188 is the estimated dollars that will be expended in connection with the Claims

Administration contract over its three-year term. The annual amount of \$321,487 has been appropriated in the Claims Administration Line Item of the 2018 budget.

- 4) **William Homa as Fund Treasurer.** \$45,386 is the estimated dollars that will be expended in connection with the Treasurer contract over its three-year term. The annual amount of \$15,429 has been appropriated in the Treasurer Line Item of the 2018 budget.
- 5) **The Actuarial Advantage as Fund Actuary.** \$94,496 is the estimated dollars that will be expended in connection with the Actuary contract over its three-year term. The annual amount of \$32,124 has been appropriated in the Actuary Line Item of the 2018 budget.
- 6) **Lerch, Vinci & Higgins as Fund Auditor.** \$42,892 is the estimated dollars that will be expended in connection with the Auditor contract over its three-year term. The annual amount of \$14,595 has been appropriated in the Auditor Line Item of the 2018 budget.
- 7) **Conner Strong & Buckelew Companies as Underwriting Manager.** \$25,343 is the estimated dollars that will be expended in connection with the Underwriting Manager contract over its three-year term. The annual amount of \$8,616 has been appropriated in the Underwriting Manager Line Item of the 2018 budget.
- 8) **JA Montgomery Risk Control** is hereby appointed to provide **Loss Control Services and Focus Accident Investigation at \$120 per hour as requested by the Executive Director.** \$161,267 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$56,428 has been appropriated in the Safety Director line item of the 2018 budget. Hourly rate of \$120. \$17,560 is estimated to be the amount expended over the three-year term of the contract for Focus Accident Investigations. For 2018, an estimated amount of \$7,000 has been appropriated in Miscellaneous Expense & Contingency Line item of the 2018 budget.
- 9) **First Managed Care Option (FMCO) as Managed Care Provider.** \$403,347 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 \$138,806 has been appropriated in the Workers Compensation Claims Fund Line Item of the 2018 budget.
- 10) **Russo & Associates LLC** is appointed **Payroll Auditor.** \$22,612 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of at a fee of \$478 per payroll audit (10), \$194 per vehicle audit (3) and \$256 expand their scope of service for the review of personnel employment by payroll classification by each member entity (10). \$7,927 has been appropriated in the Internal Auditor line item of the 2018 budget.
- 11) **Wilmington Trust** as the **Asset Manager** - .05% of the market value of the FUND's invested assets. \$7,525 is the estimated dollars that will be expended in connection with this contract over its three-year term. \$2,508 will be appropriated in 2018 from earnings.

- 12) **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% and a ceiling of 2.0%
- 13) **NewTech** as **Website Manager** at a monthly rate of \$75. \$2,700 is the estimated dollars that will be expended in connection with the Website Manager contract over its three-year term. The annual amount of \$900 has been appropriated in the Miscellaneous Expense & Contingency Line Item of the 2018 budget.
- 14) Dynamic Testing Services as the **CDL Drug & Alcohol Monitor** as per following fee schedule for the 2018 year – DOT Drug Test \$54.10 Per person, DOT Alcohol Test \$43.70 per person; after hours testing \$270.50; request of split test positive results \$270.50; Onsite Driver Training class \$54.10 Per person/per hour; Onsite Supervisor Trainings – \$107.16 Per person/per class (Minimum 2 hours). \$25,518 is the estimated dollars that will be expended in connection with this contract over its three-year contract term. \$9,000 has been appropriated in the Miscellaneous Expense & Contingency Line Item of the 2018 budget.

BE IT FURTHER 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 Agreements.

BE IT FURTHER RESOLVED, that in accordance with NJS A 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 16th day of January, 2018 before the Governing Body:

RESOLUTION NO: 2-18

SUBURBAN ESSEX JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")

ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2018 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 2018 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
Steven 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
Janet Buggle	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

2018 CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The Suburban Essex 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 the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Government money market mutual funds.
- c.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- d.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- e.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for investment by local units.
- f.) Debt obligations of federal agencies or government corporations with maturities not greater than ten (10) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased

through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that the investment a fixed rate of interest not dependent on any index or external factors.

- g.) Local Government Investment Pools
- h.) Repurchase agreements of fully collateralized securities, subject to rules and conditions establish by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than ten (10) years from date of purchase. At any given time, the Fund's investment portfolio shall conform to the following criteria:

- a) Any bonds or other obligations held by the FUND shall have a minimum long-term investment grade underlying credit rating, or equivalent rating provided by a Nationally Recognized Statistical Rating Organization as outlined by the U.S. Securities and Exchange Commission, with the exception of bonds issued pursuant to the Municipal Qualified Bond Act, which may have an underlying credit rating below investment grade so long as the Municipal Qualified Enhanced Rating is investment grade, or equivalent rating provided by NRSO.
- b) A minimum of thirty-five (35) percent of aggregate total par amount of bonds and other obligations shall have a minimum long-term, underlying credit rating of AA-, or equivalent rating by an NRSRO.
- c) The aggregate par amount of bonds or other obligations with a long-term underlying credit rating below A-, or equivalent rating by an NRSRO, shall not exceed thirty (30) percent of the aggregate total par amount of bonds, investments and other obligations held by the Fund.
- d) The aggregate par amount of bonds or other obligations with maturities longer than five (5) years shall not exceed sixty (60) percent of the aggregate total par amount of bonds, investments and other obligations held by the FUND.

Any exception to or deviations from the above criteria must be approved by the New Jersey Division of Local Governmental Services and the New Jersey Division of Investment.

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, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories are as follows:

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 minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. 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 Funds 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 imprest 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.

RESOLUTION NO: 3-18

**SUBURBAN ESSEX JOINT INSURANCE FUND
(hereafter the "FUND")**

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2018, and

NOW, THEREFORE BE IT RESOLVED, by the Governing Body of the FUND that:

- I.** The Governing Body shall conduct Public Meetings at the Nutley Parks & Recreation Building, 44 Park Avenue, Nutley, NJ to conduct the official business of the FUND on the third Tuesday of each month at 9:30 AM including the meeting to be held on January 15, 2019. (The February, July & August meetings will be held at the Nutley Annex Building, 65 Bloomfield Avenue, Nutley, NJ). In addition, the November meeting will be held on Monday, November 12, 2018 in order not to conflict with the League of Municipalities convention and the Thanksgiving Holiday.
- II.** The following is hereby designated the official newspaper (s) of the Fund:
The Star Ledger, Newark, New Jersey 07101. The Suburban Essex JIF's webpage is designated for official notices www.sejif.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 day;

RESOLUTION NO. 4-18

SUBURBAN ESSEX JOINT INSURANCE FUND
(Hereinafter the "FUND")

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS: The FUND must establish a formal record retention program for the 2016 Fund year.

NOW, THEREFORE BE IT RESOLVED, by the FUND's Governing Body 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: Allstate Business Archives, located at 80 Beckwith Avenue, Paterson, New Jersey 07503. The FUND's Executive Director shall coordinate the archive process and shall insure that all records are properly indexed and accessible.

ADOPTED:

this day before the Governing Body

Suburban Essex Municipal Joint Insurance Fund

(hereinafter the "Fund" or the "Sub Essex JIF")

ESTABLISHING THE 2018 PLAN OF RISK MANAGEMENT Resolution #5-18

BE IT RESOLVED by the Fund's governing body the 2018 Plan of Risk Management shall be:

Section I – Coverage

Insurance Coverages

The following coverages are provided to the Fund's members, effective January 1, 2018:

- 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
- Environmental Impairment Liability
- Cyber
- Property & Equipment Breakdown (effective December 31, 2017)
- Educator's Legal Liability (for Fund's member Boards of Education)

Limits of Coverage

Unless otherwise stated, all limits shown apply less any local member unit's SIRs/deductibles. 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. Please also note, additional coverages, limits and conditions may apply.**

1. Workers' Compensation

- Workers' Compensation: \$300,000
- Employer's Liability: \$300,000
- USL&H, Harbor Marine/Jones Act, Incidental Foreign Workers' Compensation, Communicable Disease: Included
- MEL Excess Limit: Statutory
- Employer's Liability Excess Limit: \$6,700,000

2. Liability (*includes General, Automobile, Employee Benefits and Law Enforcement Liability*)

- Fund Limit: \$300,000
- MEL Excess Limit: \$4,700,000
 - The \$3,250,000 layer excess of \$1,750,000 is subject to a \$3,250,000 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. \$1,750,000 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. \$1,750,000 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: \$2,750,000 Per Occurrence and \$3,750,000 Annual Aggregate for all member entities
 - Subsidence: \$2,750,000 Per Occurrence and \$3,750,000 Annual Aggregate for all member entities
 - Quasi Entities Coverage:\$5,000,000Per Occurrence (where approved)
 - Skateboard Facilities: \$5,000,000 Per Occurrence (where approved)
 - a. Subject to 20% member coinsurance of the first \$100,000
 - 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).

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 basis for each Fund year.

- Deductibles and Coinsurance:
 - \$20,000 is the standard deductible per claim and 20% of the first \$250,000 of the loss is the standard coinsurance, although other deductibles and coinsurances may apply.
 - Local member units may qualify based on certain criteria to have options to purchase a lower deductible and/or coinsurance contribution.
 - Members with adverse loss experience may be subject to higher deductibles and/or coinsurance.
- Optional Wage Coverage: \$50,000 aggregate per member

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: Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, and Computer Fraud with Funds Transfer Fraud
- The member deductible is \$2,500 (\$500 for Boards of Education)
- 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
 - 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. 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.

10. 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: \$12,000,000
 - Third Party, Per Claim: \$6,000,000
 - First Party, Per Claim: \$6,000,000
- Retention, Per Claim: \$10,000

11. 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
 - 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
 - Boards of Education:\$1,000

12. Educator's Legal Liability:\$250,000

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:** \$300,000
 - Boards of Education:\$250,000
2. **Liability:** \$300,000
 - NJ Uninsured/Underinsured Motorist: \$15,000 / \$30,000 / \$5,000
 - NJ Personal Injury Protection: \$250,000
 - Boards of Education:\$250,000
 - Medical Payments:\$5,000
3. **Optional Excess Liability Limit:** None
4. **Public Officials Liability / Employment Practices Liability:** None
5. **Optional Excess Public Officials Liability / Employment Practices Liability:** None
6. **Optional Volunteer Directors & Officers Liability:** None
7. **Crime:** \$50,000
 - MEL Crime Excess: None
 - MEL Crime Statutory Position: None
 - MEL Crime Excess Public Officials: None

- Boards of Education:\$250,000
8. **Non-Owned Aircraft Liability:** None
 9. **Environmental Impairment Liability :** None
 10. **Cyber:** None
 11. **Property:** \$100,000
 - Equipment Breakdown: None
 - SFHA Flood: None
 - 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): None
 - Boards of Education: \$250,000
 12. Educator's Legal Liability: \$250,000

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:** Environmental Impairment Liability: The Fund purchases this coverage from the EJIF
10. **Boards of Education:** The member boards of education purchase all of their excess insurance from the SPELL JIF. Please refer to the SPELL JIF Plan of Risk Management. Includes Educator's Legal Liability ,Pollution & Mold Liability.

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, Board of Fund 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 municipality 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 municipality's experience modified manual premium for that line of coverage. The Fund's governing body 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 governing body. The total amount of each member's annual assessment is certified by majority vote of the Fund's governing body 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 Fund's governing body may by majority vote levy upon the participating municipalities 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 municipalities by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage. In the event that the Fund adopts a deferred payment plan for an additional assessment, any member leaving the Fund shall immediately pay the Fund the full amount of its share of any deferred supplemental assessment.
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 Fund's governing body.
7. 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. In the event that the Fund adopts a deferred payment plan for retrospective premiums, any member leaving the Fund shall immediately pay the Fund the full amount of its deferred retrospective premium..
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.

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, Optional Volunteer D&O and Cyber insurance. 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 excess liability, and Safety National for workers' compensation). Every three years, the MEL's internal auditors also conduct an audit.
2. Each member local unit 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 Title 59 matters. 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 Fund's governing body will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of 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 Fund's governing body 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. A member may apply to the Fund's governing body for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Fund's governing body 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.
3. 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.
4. 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
2. \$10,000 for General Liability, Automobile Liability and Workers' Compensation
3. Effective 2/12/14, the Claims Administrator has discretion up to \$2,500 to waive subrogation if the claim file is properly documented with their efforts. Over \$2,500 and up to \$10,000, Claims Administrator will email JIF Attorney with a copy to the Fund Administrator for waiver authority. Excess of \$10,000, Claims Administrator will prepare a Payment Authorization Request and submit to the JIF Board of Fund Commissioners for review and approval.

The Amount of Emergency Courthouse Authority

1. \$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
2. 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.

With the advance approval of the Fund Attorney or Executive Director, the certifying and approving officer may also pay hospital 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.

ADOPTED this 16th day of January, 2018;

**SUBURBAN ESSEX JOINT INSURANCE FUND
BILLS LIST**

CONFIRMATION OF PAYMENTS

DECEMBER 2017

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.

FUND YEAR 2017

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001307			
001307	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 4TH QTR 2017	2,032.13
			2,032.13
001308			
001308	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 12/2017	11,340.34
			11,340.34
001309			
001309	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 4TH QTR 2017	98,365.39
001309	MUNICIPAL EXCESS LIABILITY JIF	MEL 4TH QTR 2017	307,413.70
			405,779.09
001310			
001310	QUAL-LYNX	CLAIMS ADJUSTING SERVICES - 12/2017	26,265.28
			26,265.28
001311			
001311	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 12/2017	4,610.17
			4,610.17
001312			
001312	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING 10/19/2017 - GARFIELD	85.68
001312	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 10/19/2017 - GARFIELD	212.16
001312	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 10/19/2017 - BELLEVILLE	265.20
001312	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 10/19/2017 - BELLEVILL	42.84
			605.88
001313			
001313	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 11/2017	22.29
001313	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 12/2017	20,369.50
			20,391.79
001314			
001314	PIRO, ZINNA, CIFELLI, PARIS &	ATTORNEY FEE 11/2017	6,867.66
			6,867.66
001315			
001315	WILLIAM M. HOMA, CPA	TREASURER FEE 12/2017	1,260.50
			1,260.50
001316			
001316	MUNICIPAL EXCESS LIABILITY JIF	MSI 4TH QTR 2017	7,861.57
			7,861.57
001317			
001317	NEWTECH SERVICES, INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 12/17	75.00
001317	NEWTECH SERVICES, INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 11/17	75.00
			150.00

001318			
001318	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 12/2017	703.91
			703.91
001319			
001319	ALLSTATE INFORMATION MANAGEMNT	ACCT: 415 - ACT & STOR 10/31/2017	39.82
			39.82
001320			
001320	FAIRVIEW INSURANCE AGENCY	RMC FEE 12/2017 - SECAUCUS TOWN	3,000.00
			3,000.00
001321			
001321	SECAUCUS TOWN	REURN OF RMC BALANCE DUE FY 2017	26,892.06
			26,892.06
001322			
001322	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 11/30/17 - BDGT	132.03
001322	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 10/27/17 - BDGT	83.72
			215.75
		Total Payments FY 2017	518,015.95

TOTAL PAYMENTS ALL FUND YEARS \$ 518,015.95

**SUBURBAN ESSEX JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 6-18

JANUARY 2018

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.

FUND YEAR 2017

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001323			
001323	J.A. MONTGOMERY RISK CONTROL	FOCUS CLAIMS - 12/2017	480.00
			480.00
001324			
001324	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 12/12/17 - BELLEVILLE	85.68
001324	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 10/23/17 - SECAUCUS	106.08
001324	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 12/12/17 - BELLEVILLE	212.16
001324	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 12/12/17 - NUTLEY TWP	85.68
001324	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 12/14/17 - NUTLEY BOE	85.68
001324	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 12/15/17 - NUTLEY BOE	212.16
001324	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 11/30/17 - PROSPECT PK	212.16
001324	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 11/30/17 - HALEDON	212.16
001324	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 11/30/17 - HALEDON	85.68
001324	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 11/30/17 - PROSPECT PK	171.36
001324	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 12/12/17 - NUTLEY TWP	265.20
001324	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 11/30/17 - BELLEVILLE	42.84
001324	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 11/30/17 - BELLEVILLE	159.12
			1,935.96
001325			
001325	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 12/2017	88.87
			88.87
001326			
001326	PIRO, ZINNA, CIFELLI, PARIS &	ATTORNEY FEE 12/2017	6,843.66
			6,843.66
001327			
001327	WILLIAM M. HOMA, CPA	POSTAGE FEE 2017	61.25
			61.25
001328			
001328	ALLSTATE INFORMATION MANAGEMNT	ACCT: 415 - ACT & STOR 11/30/2017	111.63
			111.63
001329			
001329	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 12/29/17 - JAN MTG	21.70
001329	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 12/6/17 - CNCL MTG	20.15
			41.85
001330			
001330	BROWN & BROWN METRO, INC.	RMC FEE 2017 - ESSEX REG HC	2,027.51
001330	BROWN & BROWN METRO, INC.	RMC FEE 2017 - HUDSON REG HC	3,860.05
			5,887.56

Total Payments FY 2017

15,450.78

FUND YEAR 2018

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001331			
001331	N.J. MUNICIPAL ENVIRONMENTAL	EJIF 1ST INTALLMENT 2018	74,930.70
			74,930.70
001332			
001332	QUAL-LYNX	CLAIM ADJUSTER SERVICES - 01/2018	26,790.54
			26,790.54
001333			
001333	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 01/2018	4,702.37
			4,702.37
001334			
001334	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 01/2018	22,150.33
			22,150.33
001335			
001335	WILLIAM M. HOMA, CPA	TREASURER FEE 01/2018	1,285.75
			1,285.75
001336			
001336	NEWTECH SERVICES, INC.	MONTHY WEBSITE MAINTENANCE/HOSTNG 01/18	75.00
			75.00
001337			
001337	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 01/2018	718.00
			718.00
001338			
001338	FAIRVIEW INSURANCE AGENCY	RMC FEE 01/2018 - SECAUCUS TOWN	3,000.00
			3,000.00
		Total Payments FY 2018	133,652.69

TOTAL PAYMENTS ALL FUND YEARS \$ 149,103.47