

SUBURBAN METRO JOINT INSURANCE FUND

JULY 19, 2022

Nutley Parks & Recreation

9:30 AM

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

ROLL CALL OF 2022

FUND COMMISSIONERS

Mauro Tucci, Chair	Township of Nutley	Present
Steve Rovell, Sec	Belleville Township	Absent
Joseph Catenaro	Fairfield	Present
Richard Budris	Essex Reg Health Comm	Present
Carrie Nawrocki	Hudson Reg Health Comm	Absent
Allan Susen	Haledon Borough	Absent
Keri Ann Eglentowicz	Secaucus	Present
Charles Cuccia	Little Falls	Absent
Intashan Chowdhury	Prospect Park Borough	Absent
David DiPisa	Nutley BOE	Present
Erin Delaney	Garfield City	Present
TBD	Passaic Manchester Regional HS	Absent
TBD	East Newark Borough	Absent

2022 FUND COMMISSIONER ALTERNATES:

Anthony Iacono	Belleville Township	Absent
Brian Zinn	Manchester Regional HS	Absent
Christa DiBenedetto	Hudson Reg'l Health Commission	Present
Leena Abaza	Borough of Haledon	Absent
Juan Cordero	Essex Reg'l Health Commission	Present
Daniel Golabek	Garfield City	Absent
Greg Jeffas	Secaucus	Absent

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 Ken Schulz
Underwriter	Conner Strong & Buckelew Edward Cooney-Absent
Managed Care	FMCO Mary Bresadola

OTHERS PRESENT:

Zach Edelman, RMC
Robert Searle, RMC
Mary Fenui, Nutley
Don Sciolaro, RMC
Frank DeMaio, Nutley
Karen Waters, RMC
Joe Rude, RMC
Dawn Makowski, RMC
John Calandriello, RMC
Sandra Cantwell, Perma

APPROVAL OF MINUTES: June 21, 2022 – Open Minutes

MOTION TO APPROVE OPEN MINUTES AS NOTED ABOVE

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Delaney
VOTE:	Unanimous

Correspondence

None

EXECUTIVE DIRECTORS REPORT

Audit Report and Actuary Valuation Report as of December 31, 2021

Executive Director said the 2021 Year End Audit Report, Actuarial Certification & Statement of Actuarial Opinion was filed with the Departments of Insurance and Community Affairs. In addition, the Synopsis of Audit was published in the Fund’s official newspaper.

Risk Management Information/Operating System (RMIS)

Executive Director said members and risk management consultants will receive an Origami email with a link to renewal worksheets - to begin the 2023 underwriting renewal on or about July 18th with a September 7th completion date. The Underwriting Manager has prepared a memorandum outlining information needed for his marketing. We will issue an email with those additional directions once the underwriting system link it sent. Executive Director advised that property and contents values have been increased by 12 and 10% respectively which members will also be advised as not to increase values by a percentage. In the past Fund office would increase values by 3% annually which has not been done in quite some time. In addition, a memo from the Underwriting Manager requesting additional COPE (construction occupancy protection exposure) information will be included within our email once finalized. This allows details for sprinklers, year built, how many floors etc.

Executive Director said the preliminary actuarial loss projections are expected to impact local fund budgets resulting in global affects such as storms, fires, hurricanes, cyber liability in addition to the changes within the workers compensation pension offset, fire fighters’ cancer presumption, and Covid19; Covid19 although improved, the effects of the virus continue within our reported claims but not to same degree as in 2020 and 2021. These items are setting us up for the new normal wherein budget increases of 2-3% are no longer.

In response to Commissioner Catenaro, budgets did not anticipate the impact of COVID19 claims. In response to Commissioner DiPisa, Executive Director suggested budgeting now in anticipation of the Fund’s 2023 budget due to the timing of the Fund’s budget compared to the Boards of Education budgets which on a fiscal year term.

2023 Coverage Documents

Executive Director said the Fund office is in the final stages of preparing coverage documents, which will be posted to Origami during the month of July. Once completed, an email will be sent to members and risk management consultants for viewing and/or downloading. We encourage members to download the 2020 coverage documents, policies currently saved within Origami for a three-year term. 2020 would be the latter of the three years saved. In response to Executive Director comments, Fund Attorney said municipalities are required to save policies for what is believed to be 20 years; the policies may be needed to defend cases years later. Fund Attorney advised of environmental claims which at times do not surface for many years later, if policies are obtainable, they can impact the defense of a potential claim.

2022 Membership Renewals/BOE Update

Executive Director said Passaic County Manchester BOE did not break their agreement and will continue its Suburban Metro membership. Underwriting Manager will begin the process of marketing of both school boards to replace the current excess policies that will expire June 30, 2023. In response to Fund Attorney, Executive Director will advise the MEL of the interest to have the Board of Education members retain excess coverage.

Executive Director also noted that Little Falls Township is scheduled to renew membership at year end. Membership renewal documents will be issued by the Fund office.

Cyber Joint Insurance Fund

Executive Director said David Grubb, Executive Director of the MEL, has completed and submitted the necessary documents for approval of the formation of the Cyber Joint Insurance Fund; target date to be operational is 1/1/23. Department of Banking & Insurance has responded with additional inquiries of which will be addressed.

D2 Cybersecurity – Status Report

The monthly status report from the cyber security provider which recaps member participation and training to date was reviewed as distributed.

August Meeting Cancellation

Executive Director said historically, the Fund has voted to cancel the August meeting, and process any necessary claim payments and professional fees for the month. The Board of Fund Commissioners may want to consider cancelling next month's regular meeting.

MOTION TO CANCEL THE AUGUST 16, 2022 MEETING OF THE FUND AND AUTHORIZE NECESSARY CLAIM PAYMENTS AND PROFESSIONAL FEES FOR THE MONTH.

MOTION:	Commissioner DiPisa
SECOND:	Commissioner Delaney
VOTE:	Unanimous

D2 Cybersecurity

Ms. Lopez referred to the cyber security status report recapping members' participation and training to date. Ms. Lopez advised that a new phishing attempt training was released on June 13th for which member should now be undergoing that training.

Financials

Executive Director referred to the financial reports as of May 31, 2022 beginning with the financial fast track which outlines a slight decrease in statutory surplus of \$263,720 however there is an increase for the month of \$280,693. As discussed earlier, Executive Director noted the current status of the closed year account totaling \$2.9M, once the 2018 fund year is transferred to the RCF the deficit of (\$264,604) will be accounted for within the closed year accounts; the Fund will then have the positive years of 2019 and 2020 to assume the deficit of the 2021 fund year.

Executive Director reviewed the balance of reports emphasizing the increased improvement of the lost time accident frequency report currently at a rate of 1.18 compared to last year at 1.23 as a result of safety training and safety committee participation. The MSI report also shows an overall increase in participation of training.

Executive Director referred to the EPL/POL compliance status report noting that it is expected that QBE will begin to review loss ratios by member and will then advise executive directors of members which may have an imposed higher deductible/co-insurance, however it is not expected within the Suburban Metro JIF, if advised otherwise, members will be contacted.

TREASURER REPORT

Fund Treasurer reviewed July bill list, Resolution #21-22:

FUND YEAR	AMOUNT
Closed Year 2017	\$ 603,002.88
2021 Fund Year	\$ 12,326.00
2022 Fund Year	\$ 571,945.54
Total	\$ 1,187,274.42

Fund Treasurer reviewed the JCFI second quarterly report which outlines investments of short-term securities of which some will mature over the next several months with yields of 3%. Total current amount invested in the JCFI for the Fund is slightly over \$5,000,000.

Fund Treasurer reviewed the financial reports for the months of May and June which included the summary of cash transaction, Summary of Cash and Investment Instruments and Certification and Reconciliation of Claim Payments and Recoveries.

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF MAY 2022:

2018:	\$	40,869.17
2019:	\$	21,931.62
2020:	\$	140,010.09
2021:	\$	91,709.33
2022:	\$	143,017.97

Fund Treasurer noted recoveries in the month of May which total \$26,921.15

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF JUNE 2022:

2018:	\$	67,657.29
2019:	\$	10,990.73

2020:	\$	60,085.95
2021:	\$	8,322.19
2022:	\$	145,288.25

MOTION TO ADOPT RESOLUTION 21-22 APPROVING THE JULY BILL LIST AND APPROVE THE TREASURER REPORTS AS PROVIDED.

MOTION: Commissioner DiPisa
SECOND: Commissioner Catenaro
VOTE: Unanimous

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

ATTORNEY

Fund Attorney referred the agenda report as distributed highlighting two cases associated with the liability cases closed in favor of the Fund and one specific EPL/POL case which may go on for some time.

Attorney Report made part of the minutes.

UNDERWRITING MANAGER

In the absence of the Underwriting Manager, Executive Director referred to the report which included the Cyber Compliance status report, emphasizing the importance of becoming compliant with the program in an effort to obtain coverage for the 2023 Fund year. The listing of certificates of insurance as previously issued was also reviewed as distributed.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed for the month of June which indicates \$559,238 in provider bills, repriced at \$113,859 resulting in a savings of \$445,519 or 80%. There was a total of 34 cases reported, 19 which were medical only and 1 for loss time resulting in a total of 20 cases managed.

Managed Care Report made part of the minutes.

SAFETY DIRECTOR

Safety Director referred to the safety report as distributed noting the loss control surveys completed during the month of June. Safety Director also referred to the listing of MSI Safety Director Bulletins released and the MSI NOW & DVD usage to date. Safety Director noted the newly launched comprehensive fire and emergency medical services injury investigation program which is a one-stop resource for respective officers involved with collecting and analyzing facts surrounding an injury or acute illness to a firefighter or emergency medical provider.

CLAIMS SERVICE

Closed Session

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

MOVED: Commissioner DiPisa
SECOND: Commissioner Budris
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOVED: Commissioner Catenaro
SECOND: Commissioner Delaney
VOTE: Unanimous

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

MOVED: Commissioner Catenaro
SECOND: Commissioner Delaney
VOTE: Unanimous

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

MOVED: Commissioner Rovell
SECOND: Commissioner Catenaro
VOTE: Unanimous

MEETING ADJOURNED: 10:15 AM