

**CAMDEN COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – December 12, 2013
Camden County College Regional Emergency Training Center
Conference Room
Blackwood, NJ 08102
2:00 PM**

Meeting was called to order by Steve Williams, Vice Chairman. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE

ROLL CALL OF COMMISSIONERS:

Ross G. Angilella	Excused
Anna Marie Wright	Present
Steve Williams	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
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Claims Service	Comp Services, Inc. Denise Hall Huguette Atherton Paulette Kelly Steve Andrick
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	Conner Strong & Buckelew Michelle Leighton
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CEL Underwriting Manager	Conner Strong & Buckelew
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Attorney	Laura J. Paffenroth, Esq.
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Treasurer

Safety Director	J.A. Montgomery Risk Control Glenn Prince Dave McHale
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Auditor	Bowman & Company LLP
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Risk Management Consultant (CCIA)	Hardenbergh Insurance Group
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ALSO PRESENT:

Lou DiAngelo, Camden County
Howard Goldberg, Camden County Counsel
Edward Hill, Camden County Board of Social Services
Karl McConnell, Camden County College (*via teleconference*)
Larry Rosoff, Camden County Municipal Utility Authority, (*via teleconference*)
James Kickham, PERMA Risk Management Services
Brad Stokes, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF NOVEMBER 7, 2013

MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 7, 2013

Motion:	Commissioner Wright
Second:	Commissioner Williams
Vote:	2 Ayes, 0 Nays

MOTION TO APPROVE CLOSED MINUTES OF NOVEMBER 7, 2013

Motion:	Commissioner Williams
Second:	Commissioner Wright
Vote:	2 Ayes, 0 Nays

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on November 26th and was scheduled to meet again on December 18th. Mr. Prince advised the 2014 meeting schedule was included in the agenda.

CLAIMS COMMITTEE: Ms. Leighton reported the Claims Committee met on December 3rd to review and discuss the PARS that would be discussed during closed session. Ms. Leighton also referred to a copy of her memorandum which was included in the agenda regarding the reporting of Claims to Claims Made Policies prior to 12/31/13, the expiration date of several policies. Ms. Leighton reminded everyone that the Public Officials/Employment Practices Liability, School Board Legal Liability Policy, Medical Professional and General Liability Policy, Employed Lawyers Policy and the Underground Storage Tank policy were expiring on 12/31/13. Ms. Leighton indicated these policies were written on a Claims Made and Reported policy forms. Ms. Leighton advised any claims covered by these policies must be reported during the same policy year in which the claim was reported to a member entity. Ms. Leighton expressed the importance of reporting any claims involving allegations of a wrongful act committed to the carrier by 12/31/13. Ms. Leighton indicated that failure to timely report a claim or a potential claim would likely result in denial of coverage. Ms. Leighton requested claims be reported to Comp Services no later than 12/20/13 or to Conner Strong & Buckelew. Ms. Leighton also indicated she reached out to Mr. Marwaha of the Health Services and conveyed the importance of reporting any claims involving

allegations of a wrongful act. Ms. Leighton noted the limit schematics for the coverage lines she discussed were included in Appendix II of the agenda.

Ms. Leighton referred to a copy of the 2014 Claims Committee Meeting Schedule which was included in the agenda. Ms. Leighton also reminded the Commission that a representative from each of the member entities should be represented at the Claims Committee Meetings.

Ms. Leighton reminded the Commission the company underwriters for the ancillary coverage, policies which were placed in the CEL, have specific requirements regarding legal counsel. The counsel needs to be on the company's panel or approved by the underwriter. These attorneys should be listed on the policy. Ms. Leighton advised she worked with the Commission Attorney and Mr. **Goldberg to establish of list approved attorneys.** Ms. Leighton explained a member entity cannot refer a claim to an attorney who is not approved by the carrier.

EXECUTIVE DIRECTOR REPORT:

Executive Director advised he had two action items for his report today.

2014 PROPERTY & CASUALTY BUDGET INTRODUCTION: Executive Director referred to the 2014 Property & Casualty Budget which was included in the agenda in the amount of \$16,739,526. Executive Director advised the introductory budget represented an increase of 1.67% over last year's budget. Executive Director advised a copy of the 2014 assessments were distributed at the start of the meeting and payments would be due on 1/15, 5/15 and 9/15. Executive Director noted the January due date would be extended since the budget would not be approved until the January meeting. Executive Director reported 2013 Annualized Budget column was based on ½ year with the Meadowbrook Program and ½ year with Brit Program. Executive Director advised another version of the budget was distributed on yellow paper which represented the "Meadowbrook only" premium. Executive Director explained since the CEL introduced the ½ Meadowbrook and ½ Brit Program, the Commission would follow the same. Executive Director advised lines 1 through 4 of the budget represented the actuary's loss fund projections. Executive Director noted there were no changes for property, liability, and auto. The worker compensation was actually increased by 3.5%, however, the payroll for the police services was decreased, so the overall increase was only 1.77%. Executive Director pointed that line 7 of the budget, POL/EPL deductible, only applied to the police department. Executive Director reported line 12 represented the CEL budget. Executive Director advised lines 14, 15, and 16 represented coverages for the Police Services. Executive Director noted line 16 was reduced as a result of the payroll deduction for the Police Services. Executive Director then reviewed the expenses, fees & contingency lines and advise an inflationary increase was built in for the Executive Director, Actuary and Auditor. Executive Director noted the miscellaneous and expense contingency line was reduced to a more reasonable figure of \$39,765. Executive Director then reviewed the Ancillary Coverage premiums and noted there were increases of 12% for the POL/EPL and 5% for the Excess Liability premiums. Executive Director asked if anyone had any questions and requested a motion to introduce the 2014 Property and Casualty Budget in the amount of \$16,739,526. Executive Director pointed out a narrative of the budget was included in the agenda.

MOTION TO INTRODUCE THE 2014 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$16,739,526 AND SCHEDULE A PUBLIC HEARING ON JANUARY 23, 2014 AT 2:00 PM AT THE CAMDEN COUNTY COLLEGE REGIONAL TRAINING CENTER, 420 WOODBURY-TURNERSVILLE ROAD, BLACKWOOD, NJ 08102

Motion: Commissioner Williams
Second: Commissioner Wright
Vote: 2 Ayes, 0 Nays

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the period 10/30/13 to 11/30/13. There were 5 certificates issued during this period.

MOTION TO APPROVE EXECUTIVE DIRECTORS CERTIFICATE OF INSURANCE REPORT

Motion: Commissioner Williams
Second: Commissioner Wright
Vote: 2 Ayes, 0 Nays

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director advised the CEL met on November 7, 2013 and a summary report of that meeting was included in the agenda. Executive Director noted the CEL met prior to the Commission meeting and the Board of Fund Commissioners reviewed and adopted the 2014 budget totaling \$13,833,776. Executive Director noted the CEL Executive Director also discussed fund overages for 2010, 2011 and 2012 in the three different areas of the CEL budget. The overage for the Ancillary coverages and the Expense and Contingency Fund Accounts would be allocated back to the respective Commission members as premium credits against their 2014 assessments. The overage for the excess premiums cannot be returned and would be allocated to surplus. Executive Director noted the property policy was still in **negations** and the CEL Underwriting Manager felt the premium would be within the budget figure. Executive Director indicated Zurich was modifying their 2014 property form. Also, the CEL Underwriting Manager advised Zurich was reviewing the distance limitation with respect to the underground piping coverage. Executive Director advised currently the CEL policy has a \$10 million sub-limit with a coverage restriction of 1,000 feet from an insured location. Executive Director advised they were negotiating with Zurich and he believed the distance limitation would be five miles but thought the sub-limit might change. Executive Director advised Mercer County would join the CEL as of January 1, 2014 as an Insurance Commission and possibly two or three more Mercer County affiliates by July 1st. Executive Director indicated Cape May County advised they were not making any changes for 2014 and that if Hudson County joined as of January 1, 2014 they would be set up like Union County with no underlying Insurance Commission.

CCIC FINANCIAL FAST TRACK: Executive Director advised the September monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$4,880,359 as of September 30, 2013. Executive Director also referred to line 7 of the September report, "Investment in Joint Venture" and indicated \$1,601,940 of the surplus was the CCIC's share of the CEL JIF equity.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the Financial Fast Track for the NJ CEL for the month of September. As of September 30, 2013 the CEL had a surplus of \$3,527,852.

PROPOSED MEETING DATES FOR 2014: Executive Director advised the 2014 Proposed Annual Meeting Notice was included in the agenda. After a brief discussion, it was agreed there would be no meeting in November and the December meeting would be on the 11th at 2:00 PM

MOTION TO APPROVE THE 2014 ANNUAL MEETING SCHEDULE AS PROPOSED EXCEPT FOR CANCELLING THE NOVEMBER MEETING AND DECEMBER MEETING TO BE HELD ON DECEMBER 11, 2014 AT 2:00 PM

Motion:	Commissioner Williams
Second:	Commissioner Wright
Vote:	2 Ayes, 0 Nays

CLAIMS REPORTING REQUIREMENTS - UPDATED: Executive Director referred to a copy of **an e-mail** from Ms. Doner of PERMA regarding Brit, the excess liability carrier which was included in the agenda. Executive Director explained Brit now requires all claims be reported to them which arise from Law Enforcement activities.

OPTIONAL NETWORK PRIVACY & SECURITY QUOTES: Executive Director reported the CEL Underwriting Manager provided by e-mail optional cyber liability quotes to the member entities which completed an application. The quotes were sent to Camden County, Camden County Municipal Utility Authority, Camden County Board of Social Services and Camden County Improvement Authority. In response to Mr. DiAngelo's inquiry Executive Director advised the cost to notify all affected individuals of a security breach is included in the Event Management coverage, however Option 2 provided notifications coverage to between 100-500,000 individuals in addition to the Event Management limit. Executive Director advised he recommended Option 2 as it provided broader coverage in the area of notification and monitoring.

ARCHIVE RULES FOR INSURANCE POLICIES: Executive Director referred to a copy of the State requirements for records retention for Insurance Commissions which was included in the agenda. Executive Director advised his office did some research after this question was raised by Mr. DiAngelo at a recent Claims Committee meeting. Executive Director indicated worker compensation policies should be retained for six years and liability policies for 20 years. Commission Attorney advised Mr. DiAngelo should work with applicable County personnel on archiving the policies.

Executive Director asked if anyone had any questions regarding his report and noted when the budget was adopted at the January meeting the assessment would also be certified.

Executive Director's Report Made Part of Minutes.

TREASURER:

REPORT: Commissioner Williams presented the December Bill List which was included in the agenda. Commission Attorney advised Mr. McPeak did review the bill list prior to the meeting and recommended its approval. Executive Director advised the monthly Treasurer’s report was also included in the agenda.

MOTION TO APPROVE RESOLUTION 50-13 DECEMBER BILL LIST IN THE AMOUNT OF \$44,798.49

Motion:	Commissioner Wright
Second:	Commissioner Williams
Vote:	2 Ayes, 0 Nays

ATTORNEY: Commission Attorney advised she did not have anything to report.

CLAIM SERVICE: Ms. Hall referred to the October and November Medical Savings Report which were included in the agenda. Ms. Hall noted the total amount of savings for all of the entities were included at the bottom of each report. Ms. Hall advised the total amount of savings for October was 43.62% and for November 46.61%. Ms. Leighton requested Ms. Hall provide a report showing the network penetration for the year. Executive Director also requested a year to date medical savings report.

SAFETY DIRECTOR: Mr. Prince reviewed the October – December 2013 Risk Control Activity Report which was included in the agenda along with the Training Calendar. Mr. Prince also noted a power point presentation on Risk Management for Police Officers would be presented to the police recruits on December 16th and 17th. Also Mr. Prince indicated a meeting was scheduled on December 19th to meet with the command staff of the Police Services to discuss initiatives and strategies for 2014.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Mr. DiAngelo advised he had 100 units of defensive driving for the County. Mr. DiAngelo indicated he received a request from the Police Services for 150 units. In response to the Executive Director’s inquiry, Mr. DiAngelo advised the cost per unit was \$30.00.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO PUBLIC

Moved:	Commissioner Williams
Second:	Commissioner Wright
Vote:	2 Ayes, 0 Nays

Seeing no members of the public wishing to speak Commissioner Wright asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner Wright
Second: Commissioner Williams
Vote: 2 Ayes, 0 Nays

CLOSED SESSION: Commissioner Williams read Resolution 51-13, Resolution for Closed Session, and requested a Motion for Executive Session (in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-12) to discuss payment authority requests.

MOTION TO APPROVE RESOLUTION 51-13 FOR CLOSED SESSION

Moved: Commissioner Williams
Second: Commissioner Wright
Vote: 2 Ayes, 0 Nays

ROLL CALL OF COMMISSIONERS:

Ross G. Angilella Excused
Steve Williams Present
Anna Marie Wright Present

MOTION TO RETURN TO OPEN SESSION

Motion Commissioner Williams
Second: Commissioner Wright
Vote: 2 Ayes, 0 Nays

Commissioner Williams advised he would make a motion to approve the PARS/SARS discussed during closed session.

MOTION TO APPROVE THE FOLLOWING PARS/SARS:

CLAIM #	AMOUNT
0915	\$84,107
2593	\$15,000
0062	\$117,382
0033	\$22,822
2644	\$44,345
0274	\$10,855.95
0019	\$14,628
3138	\$100,000

Motion: Commissioner Williams
Second: Commissioner Wright
Vote: 2 Ayes, 0 Nays

Commissioner Williams advised the next meeting was scheduled for Thursday, January 23, 2014 at 2:00 PM

MOTION TO ADJOURN:

Motion:	Commissioner Williams
Second:	Commissioner Wright
Vote:	2 Ayes, 0 Nays

MEETING ADJOURNED: 2:53 PM

Minutes prepared by: Cathy Dodd, Assisting Secretary