

**SALEM COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES MEETING – AUGUST 1, 2013
104 MARKET STREET
SALEM, NJ 9:00 AM**

Meeting called to order by Evern Ford. Open Public Meetings notice read into record.

ROLL CALL OF COMMISSIONERS:

Robert Vanderslice	Absent
Evern Ford	Present
Katie Coleman	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Bradford Stokes Karen A. Read
Treasurer	Katie Coleman
Attorney	Michael Mulligan
CEL Underwriting Manager	Conner Strong & Buckelew Joseph Hrubash
Claims Service	Inservco Megan Callahan Veronica George
	Conner Strong & Buckelew Robyn Walcoff
Risk Management Consultant	Cettei & Connell Insurance Tom Narolewski
Safety Director	JA Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Jessica Foote, Salem County
James Miles, Bowman & Company
Dennis Skalkowski, Bowman & Company

APPROVAL OF MINUTES: OPEN SESSION OF JUNE 6, 2013

MOTION TO APPROVE THE OPEN MINUTES OF JUNE 6, 2013

Moved: Commissioner Coleman
Second: Commissioner Ford
Vote: Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Certificate of Insurance Issuance Report: Executive Director reported the monthly Certificate of Insurance Issuance Report from the CEL was included on page 3 of the agenda. There were 3 certificates of insurance issued during the period of May 22, 2013 through July 21, 2013.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Coleman
Second: Commissioner Ford
Vote: Unanimous

Certificate of Insurance New Wording: Executive Director reported as we previously discussed the excess general liability and auto liability coverage insured through the Meadowbrook Program was replaced on 7/1/13. The new carrier requires different language for any certificates issued with additional insured wording. Below is the updated language that will be used for certificate holders who requested additional insured wording.

“Certificate holder is additional insured where obligated by virtue of written contract or written mutual aid agreement or other written agreement with the Named Assured, but only in respect to acts or operations by or on behalf of the Named Assured, and subject to the limitations on coverage

Joseph Hrubash said the new carrier is requiring for certificates where we extended additional insured status that it is tied back to some form of a written contract so we are not just naming any party as additional insured. Mr. Hrubash said there needs to be a good reason for it. The additional insured wording listed in the agenda comes directly from the new policy. Attorney Mulligan said the wording looks appropriate. In response to Risk Manager, the Executive Director said the name of the new carrier is Brit and the contact information will be sent to all members.

Audit Report as of December 31, 2012 – Executive Director reported the Auditor’s Report as of December 31, 2012 has been sent to Fund Commissioners under separate cover. James Miles from Bowman & Company was at the JIF meeting to review the Audit Report. Following the presentation and approval of the report, both **Resolution 16-13 and the Group Affidavit** must be executed.

James Miles thanked the members for the opportunity to make his report to the Salem County Insurance Fund Commission along with Dennis Skalkowski from Bowman & Company. The Auditor's Report was distributed to the Commissioners. Executive Director said the draft version was sent to the Fund Commissioners last week and this is the Final Draft with no real change between the two. Mr. Miles presented his report to the members and discussed the Fund's surplus ending balance of \$65,596. Mr. Miles discussed page 18 of the report, Change and Unpaid Claims Liability and said with this being a brand new entity the Fund had no liability at the beginning of the year, and this schedule in the future will tell you how the claims evolve. At the end of Fund Year 2012 the Fund had \$54,974 in claims all based on reserves and the actuary's calculation, nothing was paid out. There were no dollars paid for claims expenses and the liabilities were determined primarily in workers comp. Mr. Miles said there were no comments or recommendations in his report and expressed his appreciation for the opportunity present the audit.

MOTION TO APPROVE YEAR-END FINANCIALS AS OF DECEMBER 31, 2012 AS PRESENTED, ADOPT RESOLUTION 16-13 AND EXECUTE THE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT

Moved:	Commissioner Coleman
Second:	Commissioner Ford
Vote:	2 Ayes, 0 Nays

NJ Excess Counties Insurance Fund Report (CELJIF) - Executive Director reported the CEL met on June 27, 2013. A summary report of their meeting is included in the agenda on pages 7-8. At the meeting the CEL Executive Director presented three options with respect to the Commissions' additional assessments due to the replacement of the Meadowbrook program as of 7/1/13. The Board discussed the options and unanimously voted for "option A" which applied the additional assessments proportionally based on their previous excess premiums. The additional assessments would be \$39,015 and due on January 15, 2014.

The Fund Auditor was also present at that meeting to review the draft copy of the 2012 Audit. The Auditor advised there were no findings.

Executive Director said the CEL Director did report that there is the hope that this portion of the assessment may be covered by the CEL and may not have the trickle down effect on the individual commissions and we will keep everyone informed. Executive Director said if the Commission is running a surplus we could possibly cover some of the additional assessment also.

Amendment to the 2013 Plan of Risk Management (Appendix II) – Executive Director reported the Plan of Risk Management was amended to reflect changes in the CEL excess casualty program effective 7/1/13. All changes are highlighted in yellow.

Joseph Hrubash said the Risk Management Plan is basically a program summary for coverage and claims handling. This document is required by the state. It reflects the changes in the excess

program effective 7/1/2013. All the changes that were made from to prior Risk Management Plan are highlighted in yellow. As you know, Meadowbrook got out of the public entity business. They had renewed us and would be terminating after renewal on 1/1/2014, however because they were on financial watch the CEL decided they wanted to start marketing this eight months ago in hopes that we would put a new program in sometime during the policy period. We approached more than twenty insurers. Meadowbrook's program was unique in that it was a package policy and provided both the excess comp and excess liability and there were no other carriers that provided that type of concept or set up. We now have two separate insurers on the excess liability it is Lloyds of London and on the excess comp it is Safety National. Underwriting Manager presented the alternative to the CEL and secured an eighteen month program for this piece. The Risk Management Plan also reflects the fact that there are now aggregates for an eighteen month period. In the case of Salem their liability limit under the terminated program was \$10 million occurrence \$20 million aggregate and under the new program which is eighteen months it is \$10 million occurrence \$30 million aggregate.

MOTION TO APPROVE RESOLUTION 17-13 REVISION TO THE 2013 PLAN OF RISK MANAGEMENT TO REFLECT CHANGES IN THE CEL EXCESS CASUALTY PROGRAMS EFFECTIVE 7/1/13.

Motion:	Commissioner Coleman
Second:	Commissioner Ford
Vote:	2 Ayes, 0 Nays

2013 Property & Casualty Assessments – Executive Director reported second assessment invoices for 2013 were due on July 15, 2013. The third assessment of 30% is due on September 15, 2013.

Financial Fast Track – Executive Director said included on page 9 of the agenda is the first Financial Fast Track for the Salem County Insurance Commission. As of May 31, 2013 the Commission has a statutory surplus of \$16,652 which is down from the prior reporting period just some activity they year 2012 is holding it's own. There is a slight deficit in 2013 due to some claim activity which we will obviously keep an eye on. Line 7 of the report, "Investment in Joint Venture" is the Commission's share of the equity in the CEL.

SAFETY COMMITTEE REPORT:

Safety Director reported the Safety Committee last met on July 24, 2013 and commented on something that came through the Safety Committee. Safety Director said Commissioner Ford has been very vigilante about identifying the fact that it is very important to protect the employees of the county and to comply with the federal standard of an emergency action plan and a fire evacuation plan. There was a fire drill run on July 2, 2013 and it was determined that the fire alarm system was malfunctioning as a result of a cut wire in one of the elevator shafts. With everyone from the safety

committee involved including Captain Holmes the Plan did come together. They went to Plan B and had a verbal communication on their radios and went floor to floor evacuated office by office as a result of the malfunctioning system. We will continue to upgrade and update the evacuation plans.

CLAIMS COMMITTEE REPORT

Claims Manager said the Claims Committee met on June 20, 2013 and July 18, 2013 and the minutes were included in the packet. There are three payment authorization requests that have been recommended by the claims committee for approval in executive session.

CLAIMS COMMITTEE CHARTER REVISION

Claims Manager reported that a revision to the Claims Committee Charter is needed to reflect the current members of the committee and those who has been participating. The authority amount and the substance of the agreement are the same we are only changing the Committee members. The Charter has also amended to reflect to move the meetings to the third Thursday of the month.

MOTION TO APPROVE THE REVISIONS TO THE CLAIMS COMMITTEE CHARTER.

Motion:	Commissioner Coleman
Second:	Commissioner Ford
Vote:	Unanimous

TREASURER:

REPORT: Executive Director reported the August Bills List. The 2012 CEL assessment which we did not have the cash on hand to make the payment last year we are making that payment this year.

MOTION TO APPROVE RESOLUTION 18-13 AUGUST 2013 BILLS LIST IN THE AMOUNT OF \$165,619.31 AS AMENDED

Moved:	Commissioner Coleman
Second:	Commissioner Ford
Vote:	2 Ayes, 0 Nays

CEL SAFETY DIRECTOR REPORT

Safety Director reported all the safety and risk control activities from June until August 1, 2013 were included in the agenda. Safety Director said we extended an invitation to the Roads Department to participate in some new safety training being hosted by the Camden County Municipal Utilities Authority. The training will include safe rigging which also includes the new OSHA crane standard, in addition to that there will be a jetter safety class and we believe there will be a few attendees from Salem County.

CLAIMS SERVICE

Executive Director said a new resolution we are installing in a few of the commissions Authorizing Disclosure of Liability Claims Check Register. Since public funds are involved, it should be approved by the governing body. The report is for information purposes only.

MOTION TO GO INTO EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES – PERSONNEL – SAFETY - PUBLIC PROPERTY - LITIGATION

Motion: Commissioner Coleman
Second: Commissioner Ford
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Coleman
Second: Commissioner Ford
Vote: Unanimous

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$42,737.57 FOR CLAIM #3780000039

Motion: Commissioner Coleman
Second: Commissioner Ford
Vote: 2 Ayes, 0 Nays

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$62,865.33 FOR CLAIM #3780000045

Motion: Commissioner Coleman
Second: Commissioner Ford
Vote: 2 Ayes, 0 Nays

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$61,145.33 FOR CLAIM #3780000047

Motion: Commissioner Coleman
Second: Commissioner Ford
Vote: 2 Ayes, 0 Nays

OLD BUSINESS: Claims Manager said at the last meeting we discussed the provider the Commission was using for workers compensation occupational health and we looked into using Heath Net. Robyn Walcoff said we have started using Health Net and it seems to be a good relationship so far. Commissioner Ford met with Health Net and was happy with the facility. Veronica George said they have been using them for about a month now and things are going well.

NEW BUSINESS: Commissioner Coleman asked if there was a reason they were using Elmer Bank. Commissioner Coleman said the County uses Fulton Bank and they can do all of their banking online. With Elmer Bank they have to do everything by fax, they have to sign off on everything and it is not an efficient process. Executive Director said it is the Commission's decision if they want to make a change. Commissioner Ford said they can discuss this at the next Commission meeting.

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Motion:	Commissioner Coleman
Second:	Commissioner Ford
Vote:	Unanimous

MEETING ADJOURNED: 9:43 AM

NEXT MEETING WILL BE THURSDAY, October 3, 2013 at 9:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary