

**SALEM COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES MEETING – DECEMBER 12, 2013  
104 MARKET STREET  
SALEM, NJ 9:00 AM**

Meeting called to order by Robert Vanderslice. Open Public Meetings notice read into record.

**ROLL CALL OF COMMISSIONERS:**

Robert Vanderslice	Present
Evern Ford	Present
Katie Coleman	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Bradford Stokes</b> <b>Karen A. Read</b>
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Treasurer	<b>Katie Coleman</b>
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Attorney	<b>Michael Mulligan</b>
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CEL Underwriting Manager	Conner Strong & Buckelew <b>Joseph Hrubash</b>
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Claims Service	Inservco <b>Sue Irvine</b> <b>Veronica George</b>
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	Conner Strong & Buckelew <b>Robyn Walcoff</b>
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Risk Management Consultant	Cettei & Connell Insurance <b>Dave Strout, Tom Narolewski</b>
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Safety Director	JA Montgomery Risk Control <b>Glenn Prince, David McHale</b>
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**ALSO PRESENT:**

Jessica Foote, Salem County

**APPROVAL OF MINUTES:** OPEN AND CLOSED SESSION OF OCTOBER 3, 2013

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF  
OCTOBER 3, 2013**

Moved: Commissioner Ford  
Second: Commissioner Coleman  
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 9 certificates of insurance issued during the period of September 16, 2013 through November 17, 2013.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT**

Moved: Commissioner Ford  
Second: Commissioner Coleman  
Vote: Unanimous

**2014 Property & Casualty Budget Introduction** - Executive Director reported included in the agenda on page 5 for your review and discussion is the 2014 proposed Property & Casualty Budget in the amount of \$1,405,138. The introductory budget represents a 3.59% increase commission wide compared to the 2013 Budget. The CEL portion of the budget is subject to review and approval of the CEL Budget by the CEL Commissioners. The CEL met on November 7<sup>th</sup> and introduced their 2014 budget and has scheduled a Public Hearing and Budget adoption on 12/12/13. PERMA will advertise the proposed 2014 budget in the applicable newspapers.

Executive Director reviewed the budget and said on the appropriations side - line nine of the budget is workers' comp which represents the largest increase of the budget. We are running behind on our comp claims - it is not so much how many claims but the severity of the claims. The actuary feels we need to increase that line time. On line nine is the CEL JIF appropriation and what is driving this line item is the property. Executive Director said we changed from the Meadowbrook program last year which was only a half year and this represents a full year of the increase we are faced with. In light of the hurricanes over the past few years an increase of 3.26% is reasonable considering that in the private market we are seeing 10%-15% increases across the board. Executive Director said we fared well here and it is tribute to the Underwriter and the folks that worked hard to get this in line. On the expense side we built in a 2% increase for some of the fund professionals but this is at the discretion of the Fund Commissioners. For those under contract we will stick to what they bid and this is something we can discuss at the next fund meeting.

Last meeting we adjusted the budget to build in an increase for the property for half of last year when we switched to Meadowbrook, and proportionately set out how much the increase for each commission would be and ours was \$39,000. Our hope was the CEL would absorb that increase. The good news is the CEL will absorb the increase. We will not pay the \$39,000 out of this budget the CEL has absorb it and this will keep our increase at a fairly modest 3.59%.

**MOTION TO INTRODUCE THE 2014 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$1,405,138 AND SCHEDULE A PUBLIC HEARING ON FEBRUARY 6, 2014 AT 9:00 AM AT THE COUNTY ADMINISTRATION BUILDING**

Moved: Commissioner Ford  
Second: Commissioner Coleman  
Vote: 3 Ayes, 0 Nays

**2014 Property & Casualty Assessments** – Executive Director reported once the Budget is adopted, the Assessment billing schedule for 2014 will be set. The first payment will be 40% of the assessment with the second and third being 30% of the assessments. Executive Director said the assessments are typically due 45 days after the budget has been adopted and we will provide the Treasurer the information.

**BRIT Team Platform** – Executive Director said Mr. David McHale from JA Montgomery advises in order to meet a NJ specific compliance needs, the MEL developed an online NJ Right to Know/Hazard Communication with their training vendor. Mr. McHale feels this program would also work well for the CEL member Commission's and advises he can have the MEL branding in the program uploaded to the BRIT TEAM system. The ability to have this program available in DVD/online formats would allow instructor led training for more value added topics. The cost to do this would be a one time fee of \$1,600 shared among all of the other Commissions. If all CEL member Commissions agree to this we will come back next month with the cost per Commission.

David McHale said the excess carrier BRIT has made available to us an online learning management system called the TEAM Platform – train, educate and manage, where once you upload your employee data into the system you can assign online learning, schedule employees for instructor led training and disseminate documents for employee review and acknowledgement. This is free of charge and is a great resource that has been made available to us by our excess carrier. Mr. McHale said we have been working with them to customize it for use by the Counties. On the MEL side we developed a Right to Know/Hazard Communication program and for a nominal amount we can have our vendor rebrand it so we can upload it to the BRIT System. This is a NJ specific regulatory training requirement and we can make it available to all of the Counties. Mr. McHale said the amount will be \$1,600 and it will be shared among the five insurance commissions. In response to David Strout, Glenn Prince said he could look at the current program the County is currently using to see if it would be compatible with the BRIT Platform. David McHale said the BRIT Platform could eventually replace the system you are currently using and

paying for the BRIT Platform would be free of charge. Dave Strout said we can keep an eye on it and have our IT people take a look at it to make sure we are not duplicating efforts. In response to Commissioner Vanderslice, Executive Director said there is enough money in the budget to pay for the \$320 one time charge for the Right to Know/Hazard Communication program and it would come out of contingency if everyone is in agreement.

**NJ Excess Counties Insurance Fund Report (CELJIF)** - Executive Director reported the CEL met on November 7, 2013. A summary report of their meeting is included in the agenda on pages 6 & 7. The Executive Director presented the 2014 Proposed Budget totaling \$13,833,777 representing an increase of \$976,176 or a 7.6% increase. Executive Director said on new membership report Mercer and Hudson Counties are in effective January 1, 2014. Cape May County will not be joining this year it looks as though it was a wash and they would be paying the same amount as if they were in the CEL so they have decided to wait another year and take a look again, so it could possibly happen.

**Financial Fast Track** – Executive Director said included on pages 8 & 9 of the agenda are the Financial Fast Tracks for August and September for the Salem county Insurance Fund Commission. As of September 30, 2013 the Commission has a negative statutory surplus of -\$192,345. Executive Director said we will talk to Inservco to take another look at this we have had some serious swings in the case reserves which has steered this into a deficit area. A few of the JIFs had this type of start we are concerned but not a panic at this point and it certainly something to keep an eye on. As the claims develop a little more we can hopefully reduce some of the reserves it is a constant process and continue to review them and adjust were possible and we will keep everyone apprised.

**MOTION TO APPROVE THE FINANCIAL FAST TRACK REPORTS FOR AUGUST AND SEPTEMBER 2013**

Moved:	Commissioner Ford
Second:	Commissioner Coleman
Vote:	Unanimous

**2014 Auto ID Cards/WC Posting Notices/Renewal Certificate of Insurance** - Executive Director said the 2014 auto ID cards and WC Posting Notices will be sent to each member entity representative for distribution the first week of December. The Executive Director's office will review any certificates which need to be re-issued for the 2014 renewal. David Strout said they received the Auto ID cards and WC Posting Notices this morning.

**SAFETY COMMITTEE REPORT:**

Safety Director reported the Safety Committee last met on December 4, 2013 at that time we received notice that BJ Ayers would be leaving the County and that Kirk Parker will be assuming her duties with the Safety Committee and training. Mr. Prince said he would work with him to make sure the transition is easy and as smooth as possible and he has already been extended an

invitation if the needs anything to call. Mr. Prince said he would assume the duties of preparing the agenda and minutes for those meetings until a suitable replacement is named permanently. We plan to attend the Freeholders Workshop Meeting on December 18<sup>th</sup> to recap what we have done over the past 12 months in terms of safety, emergency action plans and OSHA compliance and what the plans are for the future.

### **CLAIMS COMMITTEE REPORT**

Claims Manager reported there was a Claims Meeting on November 27<sup>th</sup> and one PAR was distributed at that meeting that will be discussed today in closed session. There is one additional PAR that just came around yesterday for a property claim that was addressed at the claims meeting but we did not have all the information at that time so we will discuss this in closed session as well.

Claims Manger said Megan Callahan is no longer with Inservco and Susan Irvine will be the new liability claim handler from Inservco. Susan Irvine was in attendance to meet everyone.

Claims Manager said next year's meetings dates will be on the third Tuesday of the month and a copy of the schedule was distributed to Committee members. Claims Manager reviewed the Claims Sweep report included in the agenda. David Strout said this was covered with department heads to be sure everyone is aware all claims must be reported and that anything they may not have received in writing, but could be a potential claim, to please put in a record to be safe. Dave said he has received a few responses and will report information to Robyn Walcoff. Ms. Walcoff said claims made reporting means the claim must be reported to the insurance carrier in the year that the claim was made. Our goal is notice of any facts and circumstances that could potentially lead to claim to get those reported as well so the carrier is on notice.

**TREASURER:** None

### **CEL SAFETY DIRECTOR REPORT:**

Safety Director reported we are continuing loss control visits throughout all of the facilities in Salem County. On December 2<sup>nd</sup> a loss control survey was conducted in the Fenwick in the Admin Building. There were only some minor issues nothing major that were found at the time of the inspections. The report will be in next month's package.

### **CLAIMS SERVICE**

Executive Director said are no liability claims payments this month.

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

Motion: Commissioner Ford  
Second: Commissioner Coleman  
Vote: Unanimous

**MOTION TO RETURN TO OPEN SESSION**

Motion: Commissioner Coleman  
Second: Commissioner Ford  
Vote: Unanimous

**MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$27,120.96 FOR CLAIM #3780000038**

Motion: Commissioner Ford  
Second: Commissioner Coleman  
Vote: 3 Ayes, 0 Nays

**MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$45,000.00 FOR CLAIM #3780000071**

Motion: Commissioner Ford  
Second: Commissioner Coleman  
Vote: 2 Ayes, 0 Nays, 1 Abstain – Commissioner Vanderslice

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN:**

Motion: Commissioner Ford  
Second: Commissioner Coleman  
Vote: Unanimous

**MEETING ADJOURNED: 9:30 AM**

**NEXT MEETING WILL BE THURSDAY, February 6, 2014 at 9:00 AM**

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Minutes prepared by: Karen A. Read, Assisting Secretary