

**SALEM COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES MEETING – JUNE 5, 2014
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
Katie Coleman	Present
Kevin Crouch	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Bradford Stokes Karen A. Read
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ALSO PRESENT:

Jessica Foote, Salem County
David Strout, Cettei & Connell
Susan Irvine, Inservco
Debra Stout, Inservco
David McHale, JA Montgomery
Robyn Walcoff, Conner Strong & Buckelew

APPROVAL OF MINUTES: OPEN AND CLOSED SESSION OF APRIL 3, 2014

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF
APRIL 3, 2014**

Moved:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	2 Ayes, 0 Nays, 1 Abstain – Chairman Vanderslice

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Certificate of Insurance Issuance Report: Executive Director reported the Certificate of Insurance Issuance Report was included in the agenda from the CEL listing those certificates issued

for the period of March 26, 2014 to May 29, 2014. There were 7 certificates of insurance issued during this period

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Crouch
Second: Commissioner Coleman
Vote: Unanimous

2014 Property & Casualty Assessments - Executive Director reported the second assessment payment of 30% is due on July 15, 2014 and the third assessment of 30% is due on September 15, 2014. Assessment invoices will be sent at the appropriate time. Treasurer Coleman said the County has paid the first assessment.

NJ Excess Counties Insurance fund (CELJIF) (Pages 4-5) – Executive Director said the CEL met on April 24, 2014. A summary report of that meeting is included in the agenda on pages 4 and 5. At the meeting, during closed session, the Executive Director made a presentation on a potential new member, Ocean County. The Board of Commissioners adopted a Resolution to offer membership to Ocean County. We were recently notified that Ocean County did pass a resolution to join the CEL as of June 1, 2014.

Financial Fast Track – Executive Director said on Page 6 & 7 of the agenda are the Financial Fast Tracks for the Salem County Insurance fund Commission for February and March. As of March 31, 2014 the Fund has a deficit of \$316,385. Line 8 of the report, “Investment in Joint Venture” is the Commission’s share of the equity in the CEL.

Executive Director said the last few months we have discussed how the finances have tracked downward mainly for claims. In 2013 we saw seven or eight serious claims come out of the jail on an average of \$75,000 to \$100,000 each which has driven us down into the negative area. On the Financial Fast track you will see the deficit is now at \$316,000. We are almost to the point where it is a cash flow problem. Executive Director reviewed section two of the Financial Fast Track paid claims, case reserves, IBNR incurred but not yet reported line items. Executive Director said as we discussed previously it may be in the best interest of the Commission to look into a special assessment on the County so that we can continue to pay the bills if these claims continue to trend as indicated. Executive Director said a special assessment of \$200,000 is recommended and could be assessed in two installments. Executive Director said the numbers include 2014 claims which are still trending, so if we see these number drop as we go along we will not realize the full impact of this year’s number until next year.

In response to Commissioner Vanderslice, Treasurer Coleman said this special assessment in essence is an insurance bill to the County.

**MOTION TO APPROVE A SPECIAL ASSESSMENT TO SALEM COUNTY
IN THE AMOUNT OF \$200,000**

Moved:	Commissioner Coleman
Second:	Commissioner Vanderslice
Vote:	Unanimous

NJ CEL Property and Casualty Financial Fast Track – Executive Director included in the aged on page 8 is the NJ CEL Financial Fast Track Report as of April 30, 2014. The CEL has a surplus of \$4,114,421. Executive Director said the excess claims that have reached the CEL are approximately six claims but nothing from Salem or Cumberland. The County program as a whole is in really good shape.

Financial Disclosure Form – The deadline to file the 2014 Financial Disclosure was extended to June 13, 2014. PERMA contacted the State of NJ to create accounts for each County Commission so we could develop the roster in order to obtain a PIN number for the Commissioners to file the statement.

However, we have been advised by Christopher J. Vaz, Assistant Division Director, Department of Community Affairs/Division of Local Government Services, that even though PERMA administers these NJ County Insurance Commissions, DCA does not consider them JIFs and that they should be part of the County’s roster.

Executive Director said we have discussed the filings with the CEL Commission Attorney and she agrees the Commissioners file as officials through the County and the filings are not necessary for the Commission.

2013 Audit – Executive Director said the auditor is in the process of preparing the 2013 Fund Year Audit. Mr. Jim Miles of Bowman & Company will attend the next meeting to review his report with the Commissioners.

Board of Social Services - Executive Director said we were working with the Salem County Board of Social Services to bring them on board in the Commission which did not work out. We submitted a proposal to them with some savings but unfortunately they decided not to take advantage of it. Executive Director said they are up again for renewal the end of this year and we will get the word out to everyone and see what we can do this year. In response to Commissioner Vanderslice, Executive Director said the savings was close to \$10,000 on at \$70,000 policy which was a good savings for a small account. Executive Director said it is key that we try to get these entities into the mix.

A discussion ensued regarding the Board of Social Services and if they would have the potential for a special assessment with an insurance carrier rather than a JIF situation. Executive Director said if claims go south there would be the potential for a rate increase at renewal. Claims Manager Robyn Walcoff said during the initial policy period they would not have a special assessment but during the next policy period when they are looking at the loss experience you would probably be slammed on

the next policy period or non-renewed. Risk Manager David Strout said we should keep in mind that when we went out for rate if we were not in the CEL it was going to be considerably higher we had savings by going to the CEL and that savings could be offset right now by the special assessment. Commissioner Crouch said that they have the risk as a County of a special assessment where as other entities may not have the risk of a special assessment. Executive Director said since the creation of the CEL this is the first County that has had a situation like this. Camden started off sluggish and they were able straightened out.

PERMA Team Members - Executive Director said Commissioners may have received an email or two from Rachel Chwastek recently. Ms. Chwastek is a new team member and will be working with us out of the Marlton location. As we expand the Counties Joseph Porch will be working with us on some of these accounts and some of you may know Mr. Porch from working on the school boards and he will start to help us out with some of the account in the southern region.

SAFETY COMMITTEE REPORT

Dave McHale reported the Safety Committee met on March 20th for the quarterly Safety Committee Meeting and are scheduled to meet again on June 19th. Dave Strout said we had a full Safety Committee meeting with Robert DiGregorio who is taking the helm with that. Dave Strout said he and Glenn Prince have been out on a few safety inspections with Bob DiGregorio and show him the things we look for. We had a two hour meeting explaining what we do and how we do it. Bob DiGregorio was a part of the JIF in Carney's Point and is well versed in what we do. Dave Strout said the Committee is now going to meet quarterly going forward.

CLAIM COMMITTEE REPORT

Claims Manager Robyn Walcoff reported there were two Claims Committee Meeting since we last met one on April 15th and one on May 20th. There will be three PARs to review in Executive Session but we will only be looking for authority on two of those claims.

Claims Manager said with a 1/1/15 renewal we are beginning to prepare for the CEL JIF and Commission renewal. We will be working closely with Cetti & Connell in order to get all the information we need to put together the renewal information. Robyn Walcoff said last year as we went through the renewal we requested information on attorneys you wanted on your approved panel counsel list for employment practices claims and we are happy to report this process is working very well.

TREASURER

REPORT: Executive Director said the bills list appears on page 9 of the agenda. A motion would be in order to approve the bills list.

MOTION TO APPROVE RESOLUTION 18-14 PAYMENT OF BILLS IN THE AMOUNT OF \$320,692.02

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

CEL SAFETY DIRECTOR REPORT

Safety Director reported in addition to the Safety Director's Report Mr. McHale reported on April 21st Glenn Prince conducted a loss control survey at the Board of Elections specifically to conduct ergonomic and work station evaluations. A new online driver program called Attention & Distraction Driver Training being made available to members of the CEL information on this training is in the agenda packet. A few months back we rolled out another online driver training program called S:ERVE which focuses on how first responders should safely navigate an intersection. Mr. McHale said the Safety Director's office will include the log on information on the S:ERVE training in the next agenda.

Executive Director said the log on information for the Attention & Distracted Driver Training will be sent to all members.

CLAIMS SERVICE

Executive Director said the monthly report appears on page 13 of the agenda that is the liability claims payment that we release and authorize for submission and approval of 2 claims payments totaling \$2,665.29. Resolution 19-14 Authorizing the Disclosure of Claim Check Register.

MOTION TO APPROVE RESOLUTION 19-14 AUTHORIZING DISCLOUSE OF CLAIM CHECK REGISTER

Moved: Commissioner Crouch
Second: Commissioner Coleman
Vote: Unanimous

Dave Strout said he sends out a weekly claims update he received from Inservco and includes any new claims for the week. Mr. Strout said if anyone else would like to be added to the list please let him know.

Robyn Walcoff said the next claims committee meeting will be held on June 17, 2014.

Robyn Walcoff said Inservco has added a new person to their team and a new contact list that Inservco has provided will be sent with the minutes. Terri Sheerin has joined Inservco as a Liability Team leader. Terri has prior experience in working with Commission programs as she previously worked on the Camden County Insurance Commission. Ms. Sheerin will attend our next Commission meeting.

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

Moved: Commissioner Coleman
Second: Commissioner Crouch
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Moved: Commissioner Crouch
Second: Commissioner Coleman

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$12,680.82 FOR CLAIM #3780000117

Moved: Commissioner Coleman
Second: Commissioner Crouch
Vote: 2 Ayes, 0 Nays, 1 Abstain – Commissioner Crouch

MOTION TO AUTHORIZE PAYMENT AUTHORITY OF \$14,880.47 FOR CLAIM #3780000108

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

MOTION TO APPROVE AN INCREASE IN RESERVE AND PAYMENT AUTHORITY FOR INSERVCO FOR WORKERS' COMPENSATION CLAIMS FROM \$10,000. TO \$15,000.

Moved: Commissioner Crouch
Second: Commissioner Vanderslice
Vote: 3 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Motion:	Commissioner Crouch
Second:	Commissioner Coleman
Vote:	Unanimous

MEETING ADJOURNED: 9:47 AM

NEXT MEETING WILL BE THURSDAY, AUGUST 7, 2014 at 9:00 AM

Minutes prepared by: Karen A. Read, Assisting Secretary