

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
DECEMBER 16, 2015  
TOMS RIVER MUA  
10:30 AM**

Meeting of Executive Committee called to order by Brian Bigler, Chairman. Open Public Meetings notice read into record.

**PLEDGE OF ALLEGIANCE** – Chairman Bigler led Commissioners in the Pledge of Allegiance

**ROLL CALL OF 2015 EXECUTIVE COMMITTEE:**

Brian Bigler, Chairman	Secaucus MUA	Present
Michael Gianforte, Secretary	Two Rivers Water Reclamation Authority	Present
Tammy Fetherman	Lacey MUA	Present
Robert Fischer	Bayshore Regional SA	Present
Robert Burner	Cape May County MUA	Present
Frank Pastena	North Bergen MUA	Present
Bernard Rutkowski	Toms River MUA	Present

**EXECUTIVE COMMITTEE ALTERNATES:**

Justin Flancaum, Alt #1	Lakewood MUA	Present
Thomas Horn, Alt #2	Lambertville MUA	Present
Richard Brand, Alt #3	East Windsor MUA	Present
Jill Plesnarski, Alt. #4	Readington-Lebanon SA	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Adm	Perma Risk Management <b>Cathleen Kiernan</b>
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. <b>Robert Budesa</b>
Claims Service	Qual-Lynx <b>Kathy Kissane</b>
Safety Director	JA Montgomery Risk Control <b>Joanne Hall</b>
Managed Care	QualCare <b>Donna Setzer</b>
Underwriting Manager	Capacity Coverage <b>Jon Ziman</b>
Treasurer	<b>Stuart Neuhof</b>

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Gary Vaccaro, Brick Township MUA  
Ivy Robinson, Plainfield MUA

**ALSO PRESENT:**

Michael Avalone, Conner Strong & Buckelew  
Charles Casagrande, Danskin Insurance Agency  
Larry Graham, Fairview Insurance Associates  
Mary Ann Costabile, Rue Insurance  
Kathy Young, Alamo Insurance  
Craig Josephsen, David Huntmark Agency  
Arthur Caughlan, Nelson-Patterson Agency  
Bradford Stokes, PERMA Risk Management  
Karen A. Read, PERMA Risk Management

**APPROVAL OF MINUTES:** November 17, 2015 Open and Closed Minutes.

**MOTION TO APPROVE NOVEMBER 17, 2015 OPEN AND CLOSED MINUTES AS AMENDED.**

Moved:	Commissioner Gianforte
Second:	Commissioner Burner
Roll Call Vote:	7 Ayes, 0 Nays,

**CORRESPONDENCE:** None

**REPORTS:**

**EXECUTIVE DIRECTOR'S REPORT:** Monthly report submitted to Executive Committee including monthly Lost Time Accident Frequency, Fast-track financial report, Claim Activity Report, Claims Management Exception Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and Monthly and Annual Regulatory Checklist. Executive Director said as of October 31, 2015 the Financial Fast Tracks shows the statutory surplus stands at \$6.5 million. All Fund years are in a positive position. The Expected Loss Ratios as of November 30, 2015 shows all years' development is less than actuarial target. Executive Director said the Lost Time Accident Frequency through November 30<sup>st</sup> is 2.03 and noted NJUA JIF is at 8 out of the 15 that are monitored in this report.

Executive Director said the MEL Model Personnel Manual updates for the POL/EPL Program will be out sometime in January or February. We will ask members to make a couple of updates and members will have almost all of 2016 to make the updates.

Executive Director said the Fund was contacted by Attorney Michael Fitzgerald from Brielle Law. He is working on a class action lawsuit regarding liquid aluminum sulfite which he believes most of our members purchased and that there were three or four companies the colluded and did some price fixing over a number of years and he would like the opportunity to contact our members. Executive Director said this would be an opportunity to participate. If it is okay we can pass this information on to the members. Chuck Casagrande said Brick MUA is one of the main plaintiffs on this case and the attorney is asking if anyone else would want to join in on this law suit. Mr. Casagrande said one of principals in one of these companies has already pleaded guilty and it looks like an open and shut case. Michael Fitzgerald serves as Deputy Mayor of Colts Neck. Executive Director said she will forward his information to member authorities.

**NOMINATING COMMITTEE:** Chairman Bigler announced that the Nominating Committee had selected Jill Plesnarski of Readington-Lebanon Sewerage Authority to fill the 4<sup>th</sup> Alternate position of the Executive Board. Chairman Bigler asked the Executive Director to review the selection process. Executive Director said the at the request of the Nominating Committee we put together a list of meeting attendance and for the past three years Jill Plesnarski was attending the most and one of the of the other factors that the Nominating considers is size. A nice mix on the Board of geographic locations and size and we really do not have much representation in the western part of the state which Rick Cranmer had been.

**COVERAGE COMMITTEE** – The Coverage Committee met via conference call meeting on Tuesday, December 15t at 10am to review quotes received for the excess liability and excess pol/epl renewal. Committee Chairman Rob Burner will report at the meeting.

Executive Director said at last month's meeting Jon Ziman reported he had competing quotes on our excess liability and excess POL. The coverage committee met on conference call yesterday and reviewed both options and asked the Underwriting Manger to go back to both carriers - Munich RE our existing carrier and Argonaut was the competing quote. They identified and number of things and asked to go back to both carriers.

Underwriting Manager provided a report on the meeting. Based on Argonaut quote, Underwriting Manager asked Munich Re to consider matching some of the coverage differences which they agreed to. Underwriting Manager reported:

- Munich Re has reduced their premium by approximately \$75,000 in their efforts to show their commitment to maintaining this very long term client
- POL Per Member Sublimit and Per Member Aggregate increased from \$3,000,000/ \$6,000,000 to \$10,000,000 / \$10,000,000 respectively
- Class I and II Dam sublimit increased from \$5,000,000 to \$10,000,000, so sub-limit in effect removed.
- They have offered a two year deal with premiums paid annually. Current premium is based on the payroll figure of \$134,883,822 and renewal would be adjusted by the payroll with the rate remaining flat.
- To compensate for the increase in POL limit, they have amended the rating breakdown under the premium section, putting more rate into the POL and taking from the GL/Auto.

In summary, they have addressed all four points we had from our conference call in their efforts to maintain the NJUA as a client.

Underwriting Manager said Munich Re has removed the Dam sublimit and Hazard I and II Dams are covered for \$10 million per occurrence, except for the one that has been exclude for a number of year for Passaic Valley.

**MOTION TO ADOPT RESOLUTION 30-15**

Moved: Commissioner Gianforte  
Second: Commissioner Fetherman  
Roll Call Vote: 7 Ayes, 0 Nays

**MOTION TO ADOPT RESOLUTION 31-15**

Moved: Commissioner Gianforte  
Second: Commissioner Fetherman  
Roll Call Vote: 7 Ayes, 0 Nays

**MOTION TO ADOPT RESOLUTION 32-15**

Moved: Commissioner Gianforte  
Second: Commissioner Burner  
Roll Call Vote: 7 Ayes, 0 Nays

**CYBER LIABILITY** – Attached is the renewal quote from the MEL Underwriting Manager concerning the Fund’s Cyber Liability Policy with Caitlin Insurance. Executive Director said even though we are moving our POL EPL coverage from XL to QBE we are staying with Caitlin Insurance for the Cyber Liability.

**MOTION TO APPROVE RENEWAL QUOTE FROM CAITLIN INSURANCE FOR CYBER LIABILITY COVERAGE**

Moved: Commissioner Gianforte  
Second: Commissioner Fischer  
Roll Call Vote: 7 Ayes, 0 Nays

After further discussion of the option and cost of the coverage the board decided to table the motion for cyber liability insurance until the next meeting. Executive Director said Edward Scioli will attend next meeting to go over coverage and premiums.

**MOTION TO TABLE APPROVAL OF RENEWAL QUOTE FOR CYBER LIABILITY COVERAGE**

Moved: Commissioner Gianforte  
Second: Commissioner Fischer  
Roll Call Vote: 7 Ayes, 0 Nays

**FINANCE COMMITTEE:** The Finance Committee is scheduled to meet at 9:45 am on December 16, 2015, just prior to the JIF meeting. Committee will review responses to the MEL's Joint Asset Manager & Banking Services RFQ (summary attached). In addition, Committee will review fee proposals from the vendors responding to the Claims Administrator and Managed Care Provider RFQs.

Executive Director said the MEL voted to award the Asset Manager contract to Wilmington Trust for Asset Management and Investors Bank for the banking. The Committee reviewed the various options and decided to follow the MEL with the same arrangement. Most of the other Joint Insurance Funds are going with the same arrangements.

Executive Director said the Fund issued Requests for Qualifications and received competing responses for Managed Care and Third Party Claims Administration. The Committee had requested that we get a fee request. Executive Director reviewed the fees with the Board and said the Finance Committee also reviewed the fee requests. Executive Director said both Managed Care responders (Amerihealth & QualCare) did not offer their services without the TPA services. As a result, quote from Inservco not viable. Noting the difference in pricing between AmeriHealth & Qualcare is not great and the Fund has been satisfied with the current providers, Finance Committee recommended re-appointing Qual Lynx and Qual Care. Executive Director said this will be on the Resolution at the January Reorganization meeting.

**RCF:** The Residual Claims Fund scheduled its 2016 Reorganization meeting for Wednesday, January 6, 2016 at 10:30 am in the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative to the Residual Claims Fund for the 2016 Fund year.

**MOTION TO ELECT BRIAN BIGLER AS THE NEW JERSEY UTILITY  
AUTHORITY JOINT INSURANCE FUND'S 2016 REPRESENTATIVE TO  
THE RESIDUAL CLAIMS JOINT INSURANCE FUND**

Moved:	Commissioner Gianforte
Second:	Commissioner Burner
Roll Call Vote:	7 Ayes, 0 Nays

**E-JIF:** The EJIF Board of Fund Commissioners met on November 18<sup>th</sup> at the Sheraton Hotel in Atlantic City. Enclosed is a copy of Commissioner Fetherman's report on the meeting.

The EJIF's 2016 Reorganization meeting is scheduled for 10:50 am on Wednesday, January 6, 2016 in the Forsgate Country Club located in Jamesburg, NJ

The Fund should elect its representative to the Environmental Joint Insurance Fund for the 2016 Fund Year.

**MOTION TO ELECT BERNARD RUTKOWSKI AS THE NEW JERSEY  
UTILITY AUTHORITY JOINT INSURANCE FUND'S 2016  
REPRESENTATIVE TO THE ENVIRONMENTAL JOINT INSURANCE  
FUND**

Moved: Commissioner Gianforte  
Second: Commissioner Burner  
Roll Call Vote: 7 Ayes, 0 Nays

**MEL:** The MEL Board of Fund Commissioners conducted its public hearing on the 2016 budget on November 18<sup>th</sup> in the Atlantic City Convention Center. Enclosed is a copy of Commissioner Rutkowski's report on the meeting - with adopted budget attached.

The 2016 Reorganization meeting for the MEL is scheduled for Wednesday, January 6, 2016 at 11:15 am at the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative to the Municipal Excess Liability Joint Insurance Fund for the 2016 Fund year.

**MOTION TO ELECT BERNARD RUTKOWSKI AS THE NEW JERSEY UTILITY AUTHORITY JOINT INSURANCE FUND'S 2016 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

Moved: Commissioner Gianforte  
Second: Commissioner Burner  
Roll Call Vote: 7 Ayes, 0 Nays

**2016 BUDGET:** In accordance with the regulations, the budget adopted by the Fund has been advertised in the Fund's official newspaper. In addition, PERMA mailed the budget to member authorities and its in the process of filing with the state. Executive Director said we have advertised the Budget on posted in the newspaper we will also put it up on the webpage.

**2016 BILLINGS:** In accordance with the Fund's bylaws, bills have been mailed to member authorities and are due and payable by January 15, 2016. Any payments not received by February 1, will be subject to a late penalty retroactive to the due date.

**NOMINATING COMMITTEE:** The Nominating Committee met in November and recommends the enclosed slate for chairman, Secretary and Executive Committee in 2016. Following the December meeting, we will distribute ballots to Fund Commissioners. Executive Director said the slate is included in the agenda.

**MOTION TO AUTHORIZE BALLOTS FOR 2016 EXECUTIVE COMMITTEE**

Moved: Commissioner Bigler  
Second: Commissioner Pastena

**2016 FUND REORGANIZATION:** The Fund's Reorganization meeting has been scheduled for January 27, 2016 at 10:30 am in the Toms River MUA.

**2013 STATE EXAMINATION:** The State of New Jersey Department of Banking and Insurance performed an examination of the Fund for the 2013 Fund year. Enclosed in Appendix

It is a copy of the report along with an affidavit for signature by the executive Committee of the Fund certifying that each has reviewed the report respectively. The Committee would like to review the examination and adopt in January.

**2016 FUND PROFESSIONALS:** In October, Executive Committee reviewed the results of the Fund's Request for Qualifications. Since the Fund received multiple responses for Third Party Administration and Managed Care, we have contacted those responses and asked for a fee proposal. Enclosed is a summary of the responses.

The Fund also advertised a second time for Defense Panel Firms and Payroll Auditor. Enclosed is a list of responses received.

Executive Director recommended that the Fund advertise on additional time for Defense Panel since there was a current defense attorney that did not receive a copy of the RFQ.

**MOTION TO AUTHORIZE ADVERTISEMTN OF RFQ FOR DEFENSE PANEL**

Moved:	Commissioner Gianforte
Second:	Commissioner Pastena
Vote:	Unanimous

**MEMBERSHIP RENEWALS** – Attached is a list of members scheduled to renew Fund membership by January 2016. Executive Director said we are in the process of collecting the paperwork from all the members renewing. They are all under way we are just waiting for a few members to submit their paperwork.

**TREASURER:**

**VOUCHER PAYMENTS (BILL LIST)**

CLOSED	\$353,039.85
2015	\$334,403.93

**VOUCHER PAYMENTS (SUPPLEMENTAL BILL LIST)**

CLOSED	\$647,557.19
--------	--------------

**CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2015:**

Closed:	\$ .00
2011:	\$ 0.00
2012:	\$ 4,697.55
2013:	\$ 17,888.88
2014:	\$ 28,391.03
2015	\$ 80,637.94
Total:	\$131,615.40

**MOTION TO APPROVE DECEMBER BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF NOVEMBER 2015 CLAIMS AND ACCEPT TREASURER'S REPORT:**

Moved: Commissioner Gianforte  
Second: Commissioner Pastena  
Roll Call Vote: 7 Ayes, 0 Nays

Treasurer's Report Attached & Made Part of Minutes.

**ATTORNEY:** None

**MANAGED CARE:**

**MONTHLY REPORT:** Report submitted and reviewed by Ms. Setzer of QualCare.

Report Made Part of the Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Safety Director Joanne Hall reviewed the Safety Report and said Committee's next meeting is scheduled for tomorrow December 17, 2015 at the Evesham MUA and the topic for the seminar presented by CNA will be on infrared testing. The Steering Committee met and discussed plans for 2016 and decided to keep the Expo with dates in June and September. The existing Safety Committee leaders offered to stay on for another year since we did not have any prospects stepping up. The Safety Incentive Program will now have annual reports instead of a quarterly report. The Safety Breakfast will be on February 27<sup>th</sup>.

Report Made Part of Minutes.

**CLAIMS:** Claims Manager said her report was for closed session.

**PUBLIC COMMENT:**

NONE

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



**MOTION TO CLOSE MEETING:**

Moved: Commissioner Gianforte  
Second: Commissioner Fetherman  
Vote: Unanimous

**MOTION TO RE-OPEN MEETING:**

Moved: Commissioner Gianforte  
Second: Commissioner Fetherman  
Vote: Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS PRESENTED**

Moved: Commissioner Gianforte  
Second: Commissioner Pastena  
Roll Call Vote: 7 Ayes, 0 Nays

**OLD BUSINESS:** NONE

**NEW BUSINESS:** Chairman Bigler said he received notification from the Department of Labor that they are doing the Governors' Safety Awards. There is no cost to an Authority and you can obtain information online.

**PUBLIC COMMENT:** NONE

**MOTION TO ADJOURN:**

Moved: Commissioner Gianforte  
Second: Commissioner Pastena  
Vote: Unanimous

**MEETING ADJOURNED: 11:18 pm**  
**NEXT REGULAR MEETING: JANUARY 27, 2016**  
Karen A. Read, Assisting Secretary

For  
Michael Gianforte, SECRETARY

**Date Prepared: - January 20, 2016**