

JUNE 28, 2017
TOMS RIVER MUA
10:30 AM
AGENDA AND REPORTS

STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETINGS ACT

NOTICE OF THIS MEETING WAS GIVEN BY (1) SENDING SUFFICIENT NOTICE HEREWITH TO THE STAR LEDGER, (2) FILING ADVANCE WRITTEN NOTICE OF THIS MEETING WITH THE CLERK/ADMINISTRATOR OF EACH MEMBER AUTHORITY AND (3) POSTING A COPY OF THE MEETING NOTICE ON THE PUBLIC BULLETIN BOARD OF ALL MEMBER AUTHORITIES

NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
MEETING: JUNE 28, 2017
Toms River MUA
10:30 AM

-
- MEETING CALLED TO ORDER - OPEN NOTICE READ**
 - PLEDGE OF ALLEGIANCE**
 - ROLL CALL OF EXECUTIVE COMMITTEE**
 - APPROVAL OF MINUTES: MAY 24, 2017Appendix I**

CORRESPONDENCE:

- .Letter from JIF Underwriter on Filing of Reinsurance Policies.....Page 1
- .Letter from MEL Underwriter on Filing of Excess Reinsurance Policies.....Page 3
- .Qual-Lynx – Computer System Update.....Page 5

REPORTS

- EXECUTIVE DIRECTOR/ADMINISTRATOR – Perma Risk Management Svcs**
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 - TREASURER – Stuart Neuhof**
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 - ATTORNEY –Robert Budes, Esquire**

 - MANAGED CARE – QualCare**
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 - SAFETY DIRECTOR – JA Montgomery**
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 - CLAIMS SERVICE – Qual-Lynx Associates**
-

- OLD BUSINESS**
- NEW BUSINESS**
- PUBLIC COMMENT**

RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES
PERSONNEL - SAFETY AND PROPERTY OF PUBLIC – LITIGATION
Payment Authority Requests

- MEETING ADJOURNED**



June 20, 2017

Carolina Chong
Insurance Examiner
New Jersey Department of Banking and Insurance
Insurance Division – Office of Solvency Regulation
P.O. BOX 325
Trenton, NJ 08625

Re: 2017 NJUA JIF Insurance and Reinsurance Policies

Dear Carolina:

This letter will serve as the filing of the New Jersey Utility Authorities Joint Insurance Fund's 2017 insurance and reinsurance policies. The filing of the NJUA and NJUA member JIF 2017 primary self-retained layers for the Automobile Liability; General Liability; Public Officials Liability and Employment Practices Liability has been filed separately by Conner Strong Agency.

The attached policies include:

Property Policy:

The property/boiler & machinery program policy for the 1/1/2017 to 1/1/2018 period is covered by Continental Casualty Company (a CNA Company). CNA is writing the entire \$150,000,000 any one occurrence limit. The boiler and machinery coverage is included in the policy form and also provides its own \$150,000,000 any one occurrence sublimit.

Auto Physical Damage Policy:

The auto physical damage program policy for the 1/1/2017 to 1/1/2018 period is covered by Continental Casualty Company (a CNA Company). CNA is writing the entire \$73,061,313 any one occurrence limit.

Excess Casualty Policy:

The Casualty Excess of Loss Reinsurance Agreement program is being provided by Munich Reinsurance America, Inc. The contract was issued on 1/1/2016 and also attached is an endorsement extending the contract agreement past the 1/1/2017 expiration for another 12 months to expire 1/1/2018. I also attached a copy of the 1/1/2017 renewal quote. The agreement provides the limits described in the chart on the following page excess of the MEL JIF \$1,000,000 layer for Automobile Liability and General Liability, and excess of the MEL JIF \$2,000,000 layer for Public Officials Liability and Employment Practices Liability.

CASUALTY LIMITS AND RETENTIONS:

MAJOR LINE OF BUSINESS SUB LINE OF BUSINESS	MEMBER SPECIFIC LIMIT	MEMBER ANNUAL AGG LIMIT	GROUP SPECIFIC LIMIT	MEMBER UNDERLYING RETENTIONS	COVERAGE TRIGGER	RETRO- ACTIVE DATE
General Liability	\$10,000,000	\$20,000,000	\$60,000,000	\$1,000,000	Occurrence	
*Employee Benefits Liability	\$10,000,000	\$20,000,000	\$60,000,000	\$1,000,000	Claims Made	1/1/1995
Auto Liability	\$10,000,000	N/A	N/A	\$1,000,000	Occurrence	
Public Officials Liability	\$10,000,000	\$10,000,000	\$20,000,000	\$2,000,000	Claims Made	**
*Sexual Harassment	\$10,000,000	\$10,000,000	\$20,000,000	\$2,000,000	Claims Made	**
*Employment Practices Liability	\$10,000,000	\$10,000,000	\$20,000,000	\$2,000,000	Claims Made	**

**Sub-limits/Sub-lines are included and not in addition to the business covered above.*

*** Increased limit of \$5,000,000 xs \$5,000,000 subject to a retroactive date of January 1, 2016. All other retroactive dates as expiring.*

The Reinsurer's liability as respects Failure to Supply Water shall never exceed \$5,000,000 Ultimate Net Loss, Combined Single Limit, per Occurrence or Claims Made, per Member, subject further to a Reinsurer's annual aggregate limit of \$5,000,000 Ultimate Net Loss, Combined Single Limit, per Member, as respect all Occurrences or Claims Made during the term of this Agreement regardless of the number of coverages involved, and subject to the Group Specific Limit of \$ 60,000,000.

For failure of the dam on Hazard Class I and II dams, the Reinsurer's liability shall never exceed \$10,000,000 Ultimate Net Loss, Combined Single Limit, per Occurrence or Claim Made, per Member, subject further to a Reinsurer's annual aggregate limit of \$10,000,000 Ultimate Net Loss, Combined Single Limit, as respects all Occurrences or Claims Made during the term of this Agreement, regardless of the number of coverages involved, and subject to the Group Specific Limit of \$60,000,000.

Please advise if you have any questions.

Sincerely,

Jon Ziman, CPCU, CIC
Underwriting Manager – NJUA JIF
Vice President – Commercial Lines
Capacity Coverage Company of New Jersey, Inc.
One International Blvd, Mahwah, NJ 07495
T: 201.661.2460 F: 201.661.7375 C: 201.396.5018
Insurance and Financial Services

cc: Cate Kiernan – PERMA



Edward J. Cooney, MBA
Vice President
Account Executive/Underwriting Manager

Major Accounts

P : 973-659-6424
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ecooney@connerstrong.com
9 Campus Drive
Parsippany, NJ 07054
connerstrong.com

June 6, 2017

Ms. Lisa Frawley
Department of Banking and Insurance
New Jersey Department of Community Affairs
101 South Broad Street
PO Box 803
Trenton, NJ 08625

**RE: *Municipal Excess Liability Joint Insurance Fund
2017 Excess Insurance and Reinsurance Policies***

Dear Lisa:

This letter will serve as the filing of the Municipal Excess Liability Joint Insurance Fund's ("MEL") 2017 excess insurance and reinsurance policies.

The enclosed binder includes the following:

Section 1 – Property

The property policy for the 12/31/2016 to 12/31/2017 period is provided by Zurich North America ("Zurich"). Zurich provides a \$125,000,000 limit of insurance, per occurrence. Please note, the NJ Utility Authorities JIF ("NJUA") does not participate in the MEL Property program and will separately file its property policy.

Section 2 – Excess Flood and Earth Movement

The excess flood and earth movement insurance has limits of \$50,000,000 excess of the primary \$50,000,000 of limits provided by the Zurich program referenced above, and is provided on a quota share basis by Lloyd's, Chubb, RSUI, Aspen, Arch and Everest. The NJUA does not participate in the MEL Property program.

Section 3 – Workers' Compensation and Employers' Liability

Safety National Casualty Corporation ("Safety National") provides the excess workers' compensation policy for the 01/01/2017 to 01/01/2018 period. Safety National provides statutory limits excess of \$2,000,000.

Section 4 – Non-Owned Aircraft

The non-owned aircraft policy for the 01/01/2017 to 01/01/2018 period is provided by Endurance American Insurance Co. (“Endurance”) with a liability limit of \$5,000,000 each occurrence.

Section 5 – General Reinsurance Corporation (“Gen Re”) Reinsurance Agreement

The 2017 General Reinsurance Corporation reinsurance agreement is for excess liability (\$3,250,000 excess of \$1,750,000) and excess public officials/employment practices liability (\$4,000,000 excess of \$2,000,000 and \$4,000,000 excess of \$6,000,000). NJUA is not included in the program, which purchases its own excess liability policy; this will be separately filed.

Section 6 – Munich Reinsurance America, Inc. (“Munich Re”) Reinsurance Agreement

The 2017 Munich Re reinsurance agreement is for optional excess liability limits of up to \$15,000,000 excess of \$5,000,000. NJUA is not included in the program, which purchases its own excess liability policy; this will be separately filed.

Section 7 – Public Officials Liability / Employment Practices Liability

The primary public officials liability and employment practices liability insurance is insured with QBE Specialty Insurance Company via MEL’s member JIFs with a limit of \$2,000,000.

Section 8 – Privacy Liability

The privacy liability (“cyber”) insurance is insured with Indian Harbor Insurance Company (XL Catlin) and Beazley Insurance Company via MEL’s member JIFs with various limits.

Section 9 – Volunteer Directors & Officers Liability (“VDO”)

The VDO insurance is insured with QBE Specialty Insurance Company via MEL’s member JIFs with a limit of \$2,000,000.

Please advise if you have any questions.

Best regards,



Edward J. Cooney, MBA
Vice President, Account Executive/Underwriting Manager
Conner Strong & Buckelew



Dear Valued Client:

In connection with a complete systems modernization, we are also excited to report that Qual-Lynx staff will be provided with new direct dial telephone numbers (currently some staff are accessed through extensions). The telephonic upgrades will take place over the next several days. If all goes as anticipated, these new direct dial telephone numbers will be live on June 12. Of course, our old numbers will remain active for 90 days post June 12 to ensure continued communication. Our main and toll free (800) numbers will not change, nor will our fax numbers.

Once we have a final, approved "Go Live", we would like to send the JIF members and co-professionals Account Team Memorandums with updated staff contact information. If you approve, we plan to provide these updates on Monday and Tuesday of next week. Additionally, through our Account Management team, we will be requesting that the updated team memorandums be included in the next three JIF meeting Agenda packets.

We appreciate your attention to this matter and support during this upgrade.

If you have any questions or concerns, please do not hesitate to contact me or your Account Manager.

If we have missed anyone on this update, please feel free to forward it internally.

Sincerely,

Alice Lihou
Vice President of Account Management and Claim Operations

Qual-Lynx

100 Decadon Drive

Egg Harbor Township, NJ 08234

Tele (609) 653-8400

Cell (609) 335-2295

alihou@qual-lynx.com

New Jersey Utility Authorities Joint Insurance Fund

9 Campus Drive, Suite 216

Parsippany, NJ 07054-4412

Telephone (201) 881-7632 Fax (201) 881-7633

Date: June 28, 2017

Memo to: Executive Committee
New Jersey Utility Authorities Joint Insurance Fund

From: Cathleen Kiernan

Subject: Executive Director's Report

Audit Report and Actuary Valuation Report as of December 31, 2016 – Auditor is mailing the Auditor’s Report as of December 31, 2016 directly to Executive Committee. Enclosed with your agenda booklet is the Actuary’s Valuation Report. A representative from Nisivoccia LLP will be present at the meeting to review the final audit report. Following the presentation, the enclosed Resolution and Group Affidavit must be executed.

Motion to Approve Year-End Financials, Adopt Resolution #18-17 and execute Group Affidavit indicating that the Fund Commissioners have read the General Comments Section of the Audit Report.

The Fund office will file the financial reports with the state by the June 30th deadline.

2018 Renewal Online Underwriting Database: Members and risk managers received an email that the database is set up to begin the 2018 underwriting renewal – the completion deadline is August 15th.

Residual Claims Fund – The RCF met on June 1, 2017 at the Forsgate Country Club in Jamesburg, NJ. Commissioner Bigler’s report on the meeting is enclosed.

The RCF board adopted a Resolution accepting the transfer of member JIF’s Fund Year 2013. Enclosed you will find Resolution 19-17 authorizing the transfer of the NJUA JIF’s 2013 claim liabilities to the RCF – which is part of the consent agenda.

Motion to adopt Resolution# 19-17 authorizing the transfer of Fund Year 2013 liabilities to the Residual Claims Fund.

EJIF- The EJIF met on June 1, 2017 at the Forsgate in Jamesburg, NJ. Commissioner Rutkowski’s report on the meeting is enclosed.

MEL JIF – The MEL met on June 1, 2017 at the Forsgate in Jamesburg, NJ. Commissioner Rutkowski’s report on the meeting is enclosed.

Safety Expo – The first of two NJUA Safety Expos will be held scheduled for June 23rd at the Middlesex County Fire Academy. To date we have 106 employees have registered for the June Expo.

Cyber Task Force – The MEL formed a task force to review various aspects of Cyber Risks. Presently, the task force is working on developing a minimum loss control recommendation.

Due Diligence Reports

<input type="checkbox"/> Financial Fast Track Report - 4/30/17	Page 19
<input type="checkbox"/> Interest Rate Comparison Report - as of 4/30/2017	Page 20
<input type="checkbox"/> Expected Loss Ratio - as of 4/30/17	Page 21
<input type="checkbox"/> Claim Activity Report- as of 4/30/17	Page 22
<input type="checkbox"/> Lost Time Accident Frequency Report - as of 4/30/17	Page 23
<input type="checkbox"/> Lost Time Accident Frequency JIF All – as of 4/30/17	Page 25
<input type="checkbox"/> Lost Days Report - as of 4/30/17	Page 26
<input type="checkbox"/> POL/EPL – Compliance Status List – as of 6/20/17	Page 28
<input type="checkbox"/> RMC Resolution & Agreement Status List –as of 6/20/17	Page 30
<input type="checkbox"/> Regulatory Compliance Check List - as of 6/16/2017	Page 31