

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
FEBRUARY 27, 2013
TOMS RIVER MUA
10:30 AM**

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

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

ROLL CALL OF 2013 EXECUTIVE COMMITTEE:

David Johnson, Chairman	Little Egg Harbor MUA	Absent
Brian Bigler, Secretary	Secaucus MUA	Present
Tammy Fetherman	Lacey MUA	Present
Richard Cranmer	Readington-Lebanon Sewerage Authority	Absent
Jerome Cevetello	Manasquan River Reg'l. Sewerage Authority	Present
Michael Gianforte	Two Rivers Water Reclamation Authority	Present
Robert Fischer	Bayshore Regional SA	Absent

EXECUTIVE COMMITTEE ALTERNATES:

Robert Burner, Alt #1	Cape May County MUA	Present
Frank Pastena, Alt #2	North Bergen MUA	Present
Reno Wilkins, Alt #3	Plainfield Municipal Utilities Authority	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa Mary Jane Lidaka
Claims Service	Qual-Lynx Don Kellerman, Tracey Loreaux, Amiee Guariglia
Safety Director	JA Montgomery Risk Control Joanne Hall
Managed Care	QualCare Donna Setzer
Underwriting Manager	Capacity Coverage Jon Ziman

Treasurer

Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

William Dunn, Mount Holly MUA
Joseph Rizzuto, Mount Holly MUA
Anthony Stagliano, Mount Holly MUA
Susan Arpa, Cape May County MUA
Bernard Rutkowski, Toms River MUA
Stephen Blankenship, Hamilton MUA
Jill Plesnarski, Readington Lebanon SA
Robert Smith, Western Monmouth UA
Jim Diaz, Jackson Township MUA
Richard Brand, East Windsor MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Jeff Stapleton, Otterstedt Insurance Agency
Patti Fahy, NAIMC
Michael McLaughlin, Marsh & McLennan
Charles Casagrande, Danskin Insurance Agency, Inc.
Mary Ann Costabile, Rue Insurance
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: January 28, 2013 Open & Closed Minutes.

MOTION TO APPROVE JANUARY 28, 2013 OPEN & CLOSED MINUTES.

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

CORRESPONDENCE: None

EXECUTIVE DIRECTOR'S REPORT: Monthly report submitted to Executive Committee including monthly Fast-track 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. As of December 31, 2012, the NJUA JIF has the fourth lowest Lost Time Accident Frequency rate. Financial Fast Track shows a Statutory Surplus of \$5.8 million.

SAFETY BREAKFAST – The Safety Committee held its Annual Safety Breakfast just prior to the meeting.

PROPERTY RENEWAL – The Coverage Committee had a conference call on Monday, February 25th at 9:30 am to discuss renewal marketing results. At Reorganization, the board voted to extend the 2012 policy terms and conditions through March 2, 2013.

Coverage Committee Chairman Cevetello said, as a result of super storm Sandy, the market has hardened - particularly with flood coverage. There are carriers no longer writing it anymore and those that do have diminished capacity. As Mr. Zinman will tell us the premium will be going up and our coverage limits will be going down.

Mr. Ziman said, as far a coverage is concerned, the only area the Fund is losing coverage is in the flood limits in flood zones outside the 100 year flood zone. The Fund’s experience with flood claims outside the flood zone as a result of Hurricane Sandy were minimal – but the Fund did have significant “wind damage” claims. C.N.A. reserves are close to \$3 million Mr. Ziman said he presented the coverage committee the best options available as far as coverage. Flood limits are dropping from \$50 million to \$20 million in the over 500 year flood zones and from \$25 million to \$10 million in the 105 year zones and the deductible for flood is increasing from \$25,000 to \$100,000, other than that everything else has remained the same. Mr. Ziman said the property and auto physical damage rate will increase by \$288,683 annually or \$223,987 when you adjust for the two-month extension at 2012 rates

Executive Director said this exceeds the amount budgeted for excess property but there is sufficient contingency to cover the additional expenses. Underwriting Manager noted the two-month premium was at the 2012 rate; the increase will be pro-rated to March 2, 2013. In response to Commissioner Gianforte, Executive Director said we do not need to amend the budget since we have the money that we can move towards these payments.

**MOTION TO AUTHORIZE THE EXECUTIVE DIRECTOR AND
UNDERWRITING MANAGER TO EXECUTE EXCESS PROPERTY/BOILER
AND MACHINERY AND AUTO PHYSICAL DAMAGE POLICIES WITH C.N.A.
EFFECTIVE MARCH 2, 2013, AS RECOMMENDED BY THE COVERAGE
COMMITTEE:**

Moved:	Commissioner Cevetello
Second:	Commissioner Gianforte
Vote:	7 Ayes, 0 Nays

NON –REGULATED UNDERGROUND STORAGE TANKS – Executive Director said attached to the agenda is a copy of the E-JIF Bulletin being distributed to members concerning the discontinuation of coverage for non-regulated Underground Storage Tanks that are 20 years old or more – effective January 1, 2014.

POL/EPL – XL INSURANCE - Executive Director reported on XL Insurance’s offering of a two year guaranteed program for 2013 and 2014 at the “statewide” premium. Enclosed in the agenda packet was the memorandum from the MEL Underwriting Manager outlining the offer.

Executive Director said the Mel Underwriting Manager recently approached XL Insurance Company for a second year option at the 2013 statewide premium. XL has agreed to the same premium for 2014 allocating it to each JIF based on loss experience. Last year, the JIFs re-

allocated based on loss experience, impact to the NJUA JIF was a favorable decrease 6% from the previous year.

MOTION TO APPROVE 2014 OPTION FOR XL INSURANCE

Moved: Commissioner Cevetello
Second: Commissioner Gianforte
Vote: 7 Ayes, 0 Nays

Executive Director reported that XL Insurance has confirmed that a member can still request Buy Down options after 2/1/2013. These requests will be subject to review and approval by XL and will not be retroactive to 1/1/13, but will be effective the date of approval going forward.

2013 MEL & MR HIF EDUCATIONAL SEMINAR – Executive Director said the 3rd annual seminar is scheduled for Friday, April 12th, beginning at 9:00 am at the National Conference, Holiday Inn, NJ Turnpike Exit 8, East Windsor, NJ. The seminar qualified for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs. Attached is the enrollment form. Commissioner Cevetello asked if they could get waste water management TCHs. Executive Director said she would check to see if this would be eligible for management credits.

MANAGEMENT WEBINARS – The MEL website (njmel.org) has a new section with management oriented webinars that are recorded and are available for viewing at any time. The initial six webinars are (1) An orientation for JIF Commissioners which discusses the structure of a JIF and basic JIF governance; (2) Title 59 discusses how this statute impacts liability suits against local governmental entities; (3) Public Officials and Employment Practices Liability reviews what local officials should know to prevent these suits; (4) Local Officials Ethics Act examines the requirements of this statute; (5) Environmental Liability which is the course developed by the E-JIF to comply with NJDEP storm water training requirements for local officials, and (6) Pedestrian Safety discusses a community based program to prevent these accidents. Additional titles are under development.

FINANCIAL DISCLOSURE STATEMENTS – Enclosed is a copy of a notice received from the Division of Local Government Services concerning the implementation of an on-line process for Local Government Officers (LGOs) to file their financial disclosure statement forms commencing in 2013. Executive Director said they are revamping the procedures for filing Financial Disclosure Statements and they may all be done online. Your local jurisdiction will receive a PIN and you will use that to file on-line. NJUA may be issued their own PIN and you may have to complete the online process twice. We will get back to everyone with more information as soon as that has been determined.

2013 PRIMA CONFERENCE - The next PRIMA convention will take place in Tampa, Florida from June 2 – 5, 2013. Please check your calendars and determine if you are interest in attending this year’s conference. To guarantee conference hotel rates, reservations must be made by Friday, May 10, 2013.

MOTION TO ADOPT RESOLUTION #11-13 AUTHORIZING TRAVEL AND RELATED EXPENSES FOR ATTENDANCE OF MEMBERS AT THE ANNUAL RISK MANAGEMENT CONFERENCE

Moved: Commissioner Burner
Second: Commissioner Pastena
Vote: 7 Ayes, 0 Nays

TREASURER:

RESOLUTION 12-13 VOUCHER PAYMENTS (BILL LIST)

2012	\$ 15,295.74
2013	\$ 341,628.64

RESOLUTION 13-13 VOUCHER PAYMENTS (BILL LIST)

2010	\$ 1,330.00
2012	\$ 500.00

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF JANUARY 2013:

CLOSED	\$.00
2009:	\$143,732.21
2010:	\$ 37,977.77
2011:	\$ 47,727.13
2012:	\$117,028.12
2013:	\$ 5,196.00
Total:	\$341,684.23

MOTION TO APPRROVE FEBRUARY BILLS LISTS, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF JANUARY 2013 CLAIMS AND ACCEPT TREASURER’S REPORT:

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

Treasurer’s Report Attached & Made Part of Minutes.

ATTORNEY:

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by JA Montgomery Risk Control. Joanne Hall reported the next Safety Meeting will be held at the Merchantville-Pennsauken Water Commission on March 21, 2013.

Report Made Part of Minutes.

CLAIMS: The claims report was for closed session.

OLD BUSINESS:

NONE

NEW BUSINESS:

EXECUTIVE COMMITTEE VACANCY – ALTERNATE #4: Commissioner Cevetello said the Nominating Committee met prior to this meeting to discuss the vacancy for the 4th Alternate. The Nominating Committee would like to recommend William Dunn come back on to the Board as the 4th Alternate Fund Commissioner. Executive Director's office will issue ballots to member Fund Commissioners for use at the March meeting, if a quorum of all Fund Commissioners is not achieved.

**MOTION TO ACCEPT THE NOMINATING COMMITTEES
RECOMMENDATION TO DISTRIBUTE BALLOTS TO ELECT
WILLIAM DUNN TO THE BOARD AS THE 4TH ALTERNATE
FUND COMMISSIONER**

Moved:	Commissioner Cevetello
Second:	Commissioner Gianforte
Vote:	Unanimous

PUBLIC COMMENT:

NONE

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

MOTION TO CLOSE MEETING:

Moved: Commissioner Pastena
Second: Commissioner Burner
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Fetherman
Second: Commissioner Pastena
Vote: Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS
SUBMITTED:**

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

NEW BUSINESS:

DECEMBER MEETING. Executive Director said the December meeting is presently scheduled for December 25th and suggested the Board might want to reschedule for the third Wednesday – December 18, 2013.

**MOTION TO RESCHEDULE THE DECEMBER 25, 2013 MEETING TO
DECEMBER 18, 2013**

Moved: Commissioner Gianforte
Second: Commissioner Fetherman
Vote: Unanimous

MOTION TO ADJOURN:

Moved: Commissioner Gianforte
Second: Commissioner Wilkins
Vote: Unanimous

MEETING ADJOURNED: 11:23am
NEXT REGULAR MEETING: March 27, 2013

Karen A. Read, Assisting Secretary
For

Brian Bigler, SECRETARY
Date Prepared: - March 20, 2013