

May 26, 2021

MEETING BEING HELD TELEPHONICALLY

Call In Number: 1-929-205-6099 US (New York)

Meeting ID: 995 6891 3860

(Please note a passcode is not required)

OR

Join via computer link

<https://permainc.zoom.us/j/99568913860>

Meeting ID: 995 6891 3860

*(Enter Meeting ID when prompted – please note a passcode **is not required**)*

10:30 AM

STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETINGS ACT

The New Jersey Utility Authorities Joint Insurance Fund will conduct its May 26, 2021 meeting electronically, in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. and in consideration of Executive Order No. 103, issued by Governor Murphy on March 9, 2020, declaring a State of Emergency and a Public Health Emergency in the State of New Jersey. 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.

During a remote meeting, participants, including members of the public, may be muted by the host, however there will be an opportunity for them to participate and speak during the public portion of the meeting where participants will be unmuted at their request.

NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND

MEETING: MAY 26, 2021

Via Zoom

10:30 AM

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- MEETING CALLED TO ORDER - OPEN NOTICE READ
 - PLEDGE OF ALLEGIANCE
 - ROLL CALL OF EXECUTIVE COMMITTEE
 - APPROVAL OF MINUTES: April 28, 2021 Appendix I

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REPORTS

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- ATTORNEY –Robert Budes, Esquire

- MANAGED CARE – QualCare
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- SAFETY DIRECTOR – JA Montgomery
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- UNDERWRITING MANAGER – Epic Insurance Brokers & Consultants

- MEL UNDERWRITING MANAGER– Conner Strong & Buckelew
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- CLAIMS SERVICE – Qual-Lynx Associates
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- OLD BUSINESS
- NEW BUSINESS
- PUBLIC COMMENT

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

1. Payment Authority Requests

-
- MEETING ADJOURNED
-



May 11, 2021

Dear Valued Client,

Earlier today, we announced plans for QualCare Alliance Networks, Inc. (QANI) to be acquired by Mitchell | Genex | Coventry, or M|G|C, a leader in cost containment technology, provider networks, clinical services, pharmacy benefit management (PBM) and disability management. The press release can be found at [QualCare Inc. | News](#).

Upon closing in the second half of 2021, QANI and our employees will become a part of Coventry. With the full support of my leadership team, I will lead the transition to ensure a smooth process for employees, clients, customers and network providers.

Coventry offers workers' compensation, auto and disability care and cost management solutions for employers, insurance carriers and third-party administrators. With roots in both clinical and network services, Coventry leverages more than 40 years of industry experience, knowledge, and data analytics. I am excited about this next chapter, but I am even more excited about what we can do for you in the future.

We know that change can raise questions. Let me answer one directly: we will not, for one moment, lose our focus on what matters to you. We commit to updating you on our progress and delivering on a seamless transition. And, above all, we commit to continuing to be your best partner.

I chose to stay on to run our business for one simple reason: I get to continue working with you. We have the unique opportunity and privilege to serve you and collaborate with you. My colleagues at QANI show up every day because we can make a difference. With Coventry, we know we can do even more of the great work you have come to count on.

Your client manager will be reaching out to you soon. As always, if you have questions or want to talk through today's news or anything else we can help with, feel free to contact us directly. Until close, we remain separate and independent companies.

We are honored that you choose to work with us. As we head into the future with Coventry, we look forward to earning your trust each and every day. We are off to a great start, and we are excited about the journey ahead as this opportunity creates new ways to strengthen our relationship with you.

Sincerely,

Alice Herron Lihou
President
QANI

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: May 26, 2021

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

From: Cathleen Kiernan

Subject: Executive Director's Report

❑ **Correspondence:** Our office was notified that QualCare Alliance Networks, Inc. (QANI) will be acquired by Mitchell | Genex | Coventry, or M|G|C, a leader in cost containment technology, provider networks, clinical services, pharmacy benefit management (PBM) and disability management. Claims Administrator contracts may need to be amended to reflect the change.

❑ **MEL Year End Results:** Attached is the MEL's financial fast track as of 12/31/2020. Instead of the local JIFs, the MEL is paying for the approximately \$20 million in COVID claims that have been incurred over the last year. Attached is the MEL's updated year end financials. The strategy is to be especially conservative considering all of the current uncertainty concerning COVID claims, the recent changes in WC/pension offsets, firefighter's cancer WC presumption, and the extension of the statute of limitations for sexual molestation claims. The statutory surplus declined to \$8.3 million and is now at the floor established by the MEL Commissioners. The overall JIF/MEL combined surplus remains in excess of \$200 million.

COVID: The most significant charge is the projected \$20 million that COVID related workers' compensation claims will eventually cost the MEL. The MEL is strengthening its claim and IBNR reserves (by \$7.5 million) because of the uncertainty over the recovery from Safety National. Hopefully, the MEL will be successful in making a full recovery from Safety National so that it can reverse this accrual.

General Claim Reserves: The MEL is also strengthening general claim reserves by \$2.6 million to cover non-COVID related claims.

RCF: The fast track also records a \$3 million additional assessment payable to the RCF.

Under the plan of risk management, the MEL will adopt an additional assessment of \$3 million, payable in ten annual installments to maintain the surplus at the \$8.3 million surplus floor. Because this additional assessment is over ten years, the impact on each individual JIF will not be significant. The financials will be reviewed by the Audit Committee on May 24th and will be approved by the MEL Commissioners at its meeting on June 2nd.

❑ **Requests for Proposals for Payroll Auditor:** The request for proposal were advertised and due back to the Fund Office on May 12, 2021. One (1) response was submitted by Bowman & Company LLP for a fee of \$11,592. Attached is correspondence from NEIS, Inc. indicating they had made the decision not to submit a proposal. They have served in this role since 1993. Bowman and Company serves as payroll auditor for several JIFs affiliated with the MEL.

❑ **Motion to approve Resolution 22-21 awarding Payroll Auditor services to Bowman & Company, LLP for a fee of \$11,592.**

- ❑ **Audit Report and Actuary Year End Report:** The financial audit for the period ending December 31, 2020 will be ready for review and approval at the June meeting and will be filed with the Departments of Insurance and Community Affairs by the June 30th deadline.
- ❑ **June Meeting:** Currently, the Fund is scheduled to start in-person meetings in June at Toms River MUA. At this time, the Toms River MUA is still not open to the public. The Board should discuss what date to return to in-person meetings. The MEL has already made the decision to delay at least until September.
- ❑ **Power of Collaboration:** Enclosed are the latest in the series of “Power of Collaboration ads that will appear in the League of Municipalities magazine. The first ad focuses on the actions taken to help members in addressing the public health crisis and the second ad highlights the EJIFs continued defense efforts in the Passaic River II Litigation.
- ❑ **2021 MEL, MR HIF & NJCE JIF Educational Seminar:** The 10th annual seminar was conducted virtually on 2 half-day sessions: Friday, May 14th and Friday, May 21 from 9 am to 12 noon. The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents with no fee for employees, insurance producers, as well as personnel who work for services companies associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) and New Jersey Counties Excess JIF (NJCE JIF).
- ❑ **2020/2021 Elected Officials Seminar:** In the past, credits issued for any member of the governing body or the chief operating officer that took the elected officials course after the seminar held in conjunction with the November AEA Conference, were applied to the second installment – or the following year if attendance was after April 1. This arrangement has proven to be increasingly more difficult for our accounting department. Most JIFs adopted a procedure of issuing one bill with quarterly due dates & they apply all credits on annual bills – and the process works well. This year, we issued the second installment without posting these credits. For information, attached is a count by member of trainings credits that will appear on the next annual billing, reflecting training through May 20, 2020.
- ❑ **Employment Practices Compliance Program:** Please visit the MEL webpage to review all the elements of the MEL’s EPL Compliance Program; **deadline for updates and training has been extended to November 1, 2021.** Link to outline of program and model documents: <https://njmel.org/insurance/public-officials/risk-management-program/>

This year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar “Protecting Children From Abuse – Managers/Supervisors”. This course for Managers includes an Employment Practices component. Attached you will find a copy of a notice distributed to members from J.A. Montgomery on classes scheduled through September.
- ❑ **2021 Financial Disclosures:** The Local Finance Board, at its meeting of April 14, 2021 voted to extend the date upon which the Board would take enforcement action against non-filers of the 2021 FDS until June 30, 2021 from the statutory deadline of April 30, 2021. The New Jersey Utility Authorities JIF roster was updated and emails with filing information were sent to Fund Commissioners and Professionals. Local Finance Notice 2021-08, containing filing information for local government officers, has been distributed. To date, 57 Fund Commissioners have completed their filing.

☐ Due Diligence Reports

- ☐ Financial Fast Track Report - as of 3/31/2021 Page 12
- ☐ Expected Loss Ratio – as of 3/31/2021 Page 13
- ☐ Claim Activity Report- as of 3/31/2021 Page 14
- ☐ Lost Time Accident Frequency Report – as of 3/31/2021 Page 15
- ☐ Lost Days Report – as of 3/31/2021 Page 18
- ☐ POL/EPL – Compliance Status List – as of 5/20/2021 Page 20
- ☐ RMC Resolution & Agreement Status List –as of 5/20/21 Page 22
- ☐ Regulatory Compliance Check List - as of 5/20/21 Page 23