

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
November 9, 2023
Zoom Teleconference Call
3:00 P.M.**

Meeting Called to Order by Chairwoman Lapp. Open Public Meeting Statement read into the record. Pledge of Allegiance

ROLL CALL OF 2023 EXECUTIVE COMMITTEE:

Diane Lapp, Township of Manchester	Present
Veronica Laureigh, Secretary, Twp. of Lacey	Present
Joanne Bergin, Township of Brick	Present
Michael Gross, Borough of Surf City	Present
Matthew von der Hayden, Township of Stafford	Present
Ralph Stocco, Township of Toms River	Present
Senator Robert Singer, Township of Lakewood, Alternate #1	Present
Ed Zakar, Borough of Beachwood, Alternate #2	Absent
John O. Bennett III, Borough of Lavallette, Alternate #3	Present

APPOINTED OFFICIALS PRESENT:

Executive Director / Administrator	Perma Risk Management Services.	Stephen Sacco	Present
Attorney	Citta, Holzapfel, Zabarsky	Steven Zabarsky, Esq.	Present
Treasurer		Julie Tarrant	Present
Claims Service	Qual-Lynx	Kathy Kissane	Present
Managed Care	Qual-Lynx	Lisa Gallo	Present
Underwriting Manager	Conner Strong & Buckelew	Ed Cooney	Absent
Safety Director	JA Montgomery	Paul Shives	Present
Risk Management Consultants	Conner Strong & Buckelew	Mike Avalone	Present

ALSO PRESENT

Corrine Hughes, Pt. Pleasant
Mike Brosnan, JAM
Liam Callahan, JAM
Mike Brosnan, JAM
Joanne Theiss, Qual-Lynx
Katherine Walters, CSB
Jonathon Tavares, CSB
Joseph Hrubash, Perma
Steven Krolian, Perma
Tracy Lopez, Perma

APPROVAL OF MINUTES:

October 12, 2023

MOTION TO APPROVE OPEN MINUTES FOR ABOVE REFERENCED MEETING

MOTION: Commissioner Laureigh
SECOND: Senator Singer
VOTE: Unanimous

CORRESPONDENCE

None

TREASURER

Fund Treasurer referred to the November bill list as distributed.

November 2023-Resolution #24-23

FUND YEAR	AMOUNT
2023	\$173,990.39
TOTAL	\$ 173,990.39

MOTION TO APPROVE RESOLUTION #24-23 – NOVEMBER 2023 BILLS

MOTION: Commissioner Stocco
SECOND: Commissioner Bennett
ROLL CALL VOTE: Unanimous

Copy of the Treasurer’s Report made a part of the Minutes.

EXECUTIVE DIRECTOR

2024 Budget

Executive Director said the 2024 budget was included however due to a refresh of MEL data the budget slightly changed and will replace what was originally distributed; regulations state as long as the change is under 5% we do not need to have a reintroduction meeting. Executive Director said at this time we can take a motion to open the public hearing of the 2024 budget;

MOTION TO OPEN THE PUBLIC HEARING ON THE 2024 BUDGET.

MOTION: Commissioner Laureigh
SECOND: Commissioner Bennett
VOTE: Unanimous

DISCUSSION OF BUDGET & ASSESSMENTS

Executive Director referred to the proposed budget noting the total budget of \$27,974,949, an increase of 16.96 % from 2023.

In response to Commissioner Bennett, Executive Director said the increase in workers compensation is relative to a combination of factors relating to workers compensation costs; inclusive of underwriting data, workers compensation is being impacted by,

Reopened Cases: Costs have escalated because New Jersey judges are now reopening cases up to four and five times while in the past they rarely reopened a case more than once. This change has resulted in the need to substantially increase IBNR reserves for fund years going back as long as two decades.

Accidental Disability Claims: IBNR reserves are being substantially increased because of a 2021 Department of Labor decision that directed workers' compensation to pay many accidental disability claims that heretofore were paid by the pension plans.

Firefighters Presumption: Another recent law created a presumption that firefighters diagnosed with cancer are eligible for workers' compensation.

COVID: The same law also made COVID compensable. New Jersey's workers' compensation cost per employee for COVID is the second highest in the country.

Executive Director referred to letter included within the October agenda which outlined local government insurance issues provided to the Commissioner of the Department of Banking and Insurance by David Grubb, MEL Executive Director which also noted that New Jersey now has the highest workers' compensation premium rates in the country based on data from the Bureau of Labor Statistics.

In response to Senator Singer's comments regarding workers compensation, Mr. Hrubash thanked Senator Singer for the offer of his assistance as a member of the State Senate Insurance Committee in the opposition of legislative bill that increases attorney's fees from 20% to 25% for workers compensation cases; agreeing that most do not realize the impact of costs associated with this increase. The MEL is currently tracking this bill and has opposed same and will advise MEL Legislative Committee of assistance offered by Senator Singer.

Executive Director referred to the 2024 proposed assessments beginning with strategy implemented in prior years which the Finance Committee will review loss ratios over a five-year period, currently 2018 – 2022, next year, 2018 will drop off and the term to review will be 2019-2023. The given loss ratio cap is 108%; any member exceeding 108% loss ratio three out of the five-year period is charged a modest additional assessment which is included within the total assessment; the additional surcharge is then returned to the top 5 better performing members; all remaining members are assessed based on the budget increase as recommended by the Finance Committee.

Commissioner Laureigh noted that it appears that the members with the increase to their assessments are those with larger populations and larger workforces resulting in higher claims activity inclusive of Lacey Twp.

Madam Chair asked if there were any additional questions or comments regarding the 2024 budget or the assessments; hearing none,

MOTION TO CLOSE THE PUBLIC HEARING, ADOPT THE BUDGET FOR THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND AS PRESENTED FOR

FUND YEAR 2024 IN THE AMOUNT OF \$27,974,949 AND CERTIFY ANNUAL ASSESSMENTS.

MOTION: Commissioner Bennett
SECOND: Commissioner Laureigh
VOTE: Unanimous

Residual Claims Fund (RCF)

Executive Director said the public hearing on the RCF 2024 budget was held on October 18, 2023 at 10:30AM at the Forsgate Country Club. A copy of Commissioner Laureigh’s report inclusive of the adopted 2024 budget was reviewed as distributed.

Claim Transfers (RCF)

Executive Director said the RCF Fund is requesting all members joint insurance funds to adopt resolutions at their November/December meetings transferring their 2019 claim liabilities to the RCF. Assessments to local JIFs will be determined by the valuation as of December 31, 2023. Enclosed is Resolution # 25-23 for review and adoption.

MOTION TO ADOPT RESOLUTION #25-23 AUTHORIZING THE OCEAN JIF TO TRANSFER 2019 FUND YEAR CLAIM LIABILITIES TO THE RCF.

MOTION: Commissioner Stocco
SECOND: Commissioner Gross
VOTE: Unanimous

Environmental JIF

Executive Director said the public hearing on the EJIF 2024 budget was held on October 18, 2023 at 10:50AM at the Forsgate County Club. A copy of Commissioner Laureigh’s report inclusive of the adopted 2024 budget was reviewed as distributed.

MEL Report

Executive Director said the MEL’s 2024 budget introduction was held on October 18, 2023 at 11:15 AM at the Forsgate Country Club in Jamesburg NJ and has scheduled the public hearing for Wednesday, November 15, 2023 at 12:30 PM – Sheraton Hotel, Atlantic City, NJ - Steel Pier Room. A copy of Commissioner Laureigh’s report inclusive of the 2024 budget as introduced was reviewed as distributed. Executive Director invited everyone to the MEL/HI Fund annual reception taking place November 15 from 6-8PM at Bally’s VIP Lounge.

Cyber JIF

Executive Director said the Cyber JIF’s 2024 budget introduction was held on October 19, 2023 via Zoom; the public hearing is scheduled for November 20, 2023 via audio / video teleconference. Enclosed is a copy of Commissioner Lapp’s report of the meeting.

Elected Officials Training

This year’s elected officials training program will focus on Local Government Risk Management.

Two sessions are scheduled as part the League of Municipalities Conference on Tuesday, November 14, 2023 at 3:45PM in Caesars (Empire Room A) and Wednesday, November 15, 2023 at 2:00PM at the Convention Center (Room 303).

For 2024, the MEL will reduce each member’s assessment by \$250 for each municipal elected official and/or authority commissioner who completes the Elected Official course by May 2024. The maximum credit is capped based on member’s assessment. The credit is also extended to the member’s CEO (i.e. municipal manager/administrator or authority executive director).

An additional training session has been added – “Local Government Ethics” of which the presenters are Mr. David Grubb, Executive Director and Paul Tamasko, Mayor of Alpine. The session is scheduled for Tuesday, November 14, 2023 at 10:45 AM – 12:00 PM at the Atlantic City Convention Center; please note, **premium credits are not available for this session.**

2024 Meeting Platform

Executive Director said in order to best streamline and leverage Microsoft 365 suite of applications, the Fund office will eliminate the use of the Zoom application for meetings and webinars. Microsoft Teams will become the default option for audio or video conferencing beginning January 2024.

Power of Collaboration

The latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine was reviewed as distributed. The ad highlights the importance and priority the MEL has placed on risk control and safety training. Supported by a dedicated staff of experienced professionals, the MEL Safety Institute (MSI) – **now in its 21st year** – provides MEL JIF members with essential training, onsite risk management and more.

December Meeting Cancellation/January Reorganization

Executive Director said in past years, the Executive Committee may want to consider canceling the December meeting of the Fund. Should the Executive Committee decide to cancel the December meeting, it would be appropriate to authorize the Treasurer to process contracted expenses. The Reorganization meeting of the Fund will take place on January 11, 2024, at 3:00 PM via Microsoft Teams.

MOTION TO CANCEL THE DECEMBER 14, 2023, PUBLIC MEETING OF THE FUND AND AUTHORIZE THE TREASURER TO PROCESS CONTRACTED EXPENSES DURING THE MONTH OF DECEMBER.

MOTION:	Senator Singer
SECOND:	Commissioner Laureigh
VOTE:	Unanimous

Due Diligence Reports

Executive Director referred to the 3rd quarter financial fast track which outlined an increase in statutory surplus of \$688,245 for the quarter; \$592,381 for the year resulting in a balance of \$546,954; we are increasing which is good news however we will continue to monitor throughout the year.

In response to Executive Director, Mr. Hrubash said the Cyber JIF is moving along very well; D2Cybersecurity has issued emails to all fund members to begin the training and phishing program, in addition the Cyber JIF presented their proposed budget at a 2% increase.

Commissioner Stocco noted that the implementation of the program has been seamless with exception to a few glitches on their end, overall they have been very responsive and appreciated what has been provided to date.

ATTORNEY

No report at this time.

SAFETY DIRECTOR

Safety Risk Control Consultant Liam Callahan referred to the agenda report which outlined the October activities, inclusive of loss control and law enforcement surveys completed followed by the listing of safety director bulletins and messages previously distributed, in addition to the recent activity associated with the MSI NOW and further advised of the training schedule available in MSI Live. Mr. Callahan reminded members receiving training associated with credits must attend the training on time and remain within the training until the end, attending late or leaving early will result in loss of training credits. Mr. Shives said while the meeting platform will move to Teams, training platform will remain on Zoom.

Copy of the Safety Director's Report made a part of the Minutes

UNDERWRITING MANAGER

Mr. Tavares referred to the current cyber compliance status report in addition to the listing of certificates of insurance as previously issued. In addition, Mr. Tavares noted the Underwriting Department is currently in the final marketing stages of the MEL program and will provide additional information in the coming weeks.

List of Certificates made part of the Minutes.

RISK MANAGEMENT CONSULTANT

Risk Management Consultant referred to the RMC report that was distributed and reviewed its contents inclusive of compliance for various programs to achieve lower deductibles and coinsurance as the deadlines are approaching. In addition, Risk Management Consultant thanked Mr. Callahan with his quick assistance in the Plumsted water treatment plant, evaluating the locations and making safety recommendations; the locations total approximately \$22M in value.

Copy of the Risk Manager's Report made a part of the Minutes.

MANAGED CARE

Managed Care Provider referred to the reports outlined within the agenda noting the total number of bills processed through the month of October was 614 with 96% network utilization. The total charges for the bills were \$639,361, once the Qual-Care contracted rates were applied, the bills were reduced to \$240,787 delivering a savings of \$398,573 or 62% of savings.

Managed Care Provider said the digital online reporting is underway with receipt of many of response forms from members for which accounts will be set up for online reporting of claims. In response to Madam Chair, Managed Care Provider said the online reporting is not mandatory, members have this as an option but must complete the form to utilize, the prior reporting by fax, email or phone remains available.

CLAIMS ADMINISTRATION

Claims Administrator said the Claims Committee of the Fund met on Monday, November 6, 2023 reviewing a total of twenty-five (25) PARS with a recommendation from Fund Attorney to amend a GL Claim decreasing authority and provided to Perma for record purposes. Claims Administrator requested a motion to approve the PARs as reviewed and recommended by the Claims Committee with the amendment of the one GL claim.

November 2023

Claim #	Type
2024309653	WC
2024314140	WC
2024313225	WC
2024311352	WC
2024311337	WC
2024313549	WC
2021229537	WC
2024312436	WC
2023283431	WC
2024308726	WC
2024311847	WC
2024312859	WC
2020193183	WC

Claim #	Type
2021226917	WC
2023289903	WC
2020194048	AL
2021224227	GL
2020181780	GL
2020183208	GL
2020197114	GL
2021217016	GL
2020179982	AL
2022271412	GL
2022245798	GL
2024313699	Prop

MOTION TO APPROVE THE PARS AS REVIEWED AND RECOMMENDED BY THE CLAIMS COMMITTEE.

MOTION:	Senator Singer
SECOND:	Commissioner Laureigh
VOTE:	Unanimous

OLD BUSINESS

None.

NEW BUSINESS

Executive Director presented a gift purchased in recognition of retired Fund Commissioner/Executive Committee member Charlene Carney. The gift will be shipped directly to her attention thanking her for her years of service with the Ocean County Municipal Joint Insurance Fund.

MEETING OPENED TO PUBLIC FOR COMMENT

No public comments were made.

MOTION TO ADJOURN MEETING:

MOTION:	Senator Singer
SECOND:	Commissioner Gross
VOTE:	Unanimous

Meeting Adjourned at: 3:25 PM

NEXT MEETING: January 11, 2024 3:00 PM

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 24-23

NOVEMBER 2023

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Ocean County Municipal Joint Insurance Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002478			
002478	QUAL-LYNX	CLAIM ADJ. SERVICES 11/23	64,760.00
002478	QUAL-LYNX	OUTSIDE ADJUSTER 11/23	6,304.34
002478	QUAL-LYNX	WORKERS COMP-MCCI FEES 09/23	118.80
002478	QUAL-LYNX	MANAGED CARE ADMIN 11/23 INV 69871	26,508.50
			97,691.64
002479			
002479	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 11/23	11,607.75
002479	J.A. MONTGOMERY RISK CONTROL	LAW ENFORCEMENT 11/23	2,500.00
			14,107.75
002480			
002480	PERMA	POSTAGE 09/23	28.83
002480	PERMA	EXECUTIVE DIRECTOR 11/23	27,579.00
002480	PERMA	LOSS FUND MGMT 11/23	2,557.00
			30,164.83
002481			
002481	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEE 11/23	4,251.58
			4,251.58
002482			
002482	CITTA, HOLZAPFEL & ZABARSKY	LITIGATION MGMT 9/15/23-10/27/23	18,474.75
002482	CITTA, HOLZAPFEL & ZABARSKY	ATTORNEY FEES 10/13 INV 28557	3,976.91
			22,451.66
002483			
002483	JULIE N. TARRANT	TREASURER FEE 11/23	3,291.00
			3,291.00
002484			
002484	CONNER STRONG & BUCKELEW	UNDERWRITER MGMT FEE 11/23	1,084.00
			1,084.00
002485			
002485	NJ ADVANCED MEDIA	ACCT 1000984409 10/23/23 # 0010771009	44.33
002485	NJ ADVANCED MEDIA	ACCT 1000984409 AD 10/11/23 MEETING	13.41
			57.74
002486			
002486	EXECU-TECH, INC.	WEBSITE MGR. 11/23	200.00
			200.00
002487			
002487	THE CANNING GROUP LLC	QPA SERVICES 10/23	583.33
			583.33
002488			
002488	ACCESS	DEPT 411 INV 10480722 9/30/23 FORD OCT	106.86
			106.86
		Total Payments FY 2023	173,990.39
		TOTAL PAYMENTS ALL FUND YEARS	173,990.39

RESOLUTION NO. 25-23
OF THE
OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
TO TRANSFER TO
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

WHEREAS, the Municipal Excess Liability Residual Claims Fund was organized pursuant to N.J.S.A. 40A:10-36, et seq., to provide residual risk coverage to its member joint insurance funds; and,

WHEREAS, the Board of Fund Commissioners of the Ocean County Municipal Joint Insurance Fund determined that membership in the Residual Claims Fund is in the best interest of the member local units and joined the Residual Claims Fund.

NOW, THEREFORE, BE IT RESOLVED that the Board of Fund Commissioners of the Ocean County Municipal Joint Insurance Fund does hereby resolve and agree to transfer the following residual risks.

<u>Fund Year</u>	<u>Lines of Coverage</u>	<u>Member Fund S.I.R.</u>
2019	WC/GL/AL & PROPERTY	Varies

BE IT FURTHER RESOLVED that the actual transfer of claim liabilities to the Municipal Excess Liability Residual Claims Fund shall be based upon the following formula:

Case Reserves and IBNR as of 12/31/23

**OCEAN COUNTY MUNICIPAL
JOINT INSURANCE FUND**