

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
MINUTES  
October 14, 2021  
Zoom Teleconference Call  
3:00 P.M.**

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

**ROLL CALL OF 2021 EXECUTIVE COMMITTEE:**

Diane Lapp, Township of Manchester	Present
Charlene Carney, Vice Chair, Borough of Pine Beach	Present
Veronica Laureigh, Secretary, Twp. of Lacey	Present
Joanne Bergin, Township of Brick	Present
Michael Gross, Borough of Surf City	Present
Joseph Kostecki, Borough of South Toms Rivers	Absent
Senator Robert Singer, Township of Lakewood, Alternate #1	Present
Matthew von der Hayden, Township of Stafford, Alternate #2	Present

**APPOINTED OFFICIALS PRESENT:**

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

**ALSO PRESENT**

Joe Mirarchi, J.A. Montgomery  
Jonathan Tavares, J.A. Montgomery  
Joseph Hrubash, Perma  
Diane Ambrosio, Ocean Township  
Chris Vaz, Seaside Heights  
Patricia Applegate, Bay Head  
Tom Fish  
Scott Kuzmic  
Pauline Kontomanolis, Perma  
Tracy Lopez, Perma

**APPROVAL OF MINUTES:**

September 9, 2021

## MOTION TO APPROVE OPEN ABOVE REFERENCED MEETINGS

**MOTION:** Senator Singer  
**SECOND:** Commissioner Gross, 1  
Abstain – Chairperson Lapp  
**ROLL CALL VOTE:** Unanimous

### CORRESPONDENCE

Executive Director referred to the MEL Helpline bulletin which has been included in the monthly agendas with an emphasis of the availability of the three firms accessible for members to inquire about employment related issues that may arise.

Executive Director also referred to correspondence which outlines an ad that will appear in the NJ League of Municipalities Power of Collaboration outlining the online training resulting in the closure on in person training during the pandemic.

### TREASURER

Fund Treasurer reviewed the financial reports inclusive of Summary of Cash and Investments for all years combined and the Summary of Cash and Investments for the month of August. Fund Treasurer also reviewed the bill list for the month of October as distributed.

Resolution 29-21 - October 2021

FUND YEAR	AMOUNT
2020	\$35,465.60
2021	\$335,260.68
<b>TOTAL</b>	<b>\$ 370,726.28</b>

## MOTION TO APPROVE RESOLUTION # 29-21 - OCTOBER 2021 BILLS LIST AND ACCEPT THE TREASURERS REPORTS OF AUGUST 2021 AS CERTIFIED BY THE TREASURER

**MOTION:** Senator Singer  
**SECOND:** Commissioner Gross  
**ROLL CALL VOTE:** Unanimous

*Copy of the Treasurer's Report made a part of the Minutes.*

### EXECUTIVE DIRECTOR

#### Finance Committee

Executive Director said the Finance Committee held a Budget workshop on September 29, 2021, a memorandum outlining the 2022 proposed budget and explanation on how the Committee arrived at their decision was distributed to the Executive Committee prior to this meeting. Executive Director said the Ocean JIF has experienced budget increases of 2% or less for approximately the last decade, however explained we are now in extraordinary times and facing a very hard insurance market, not only across the state, but across our nation. Executive Director reminded members that state regulations require submitted approved budgets which are certified by the fund actuary. The Finance Committee remained within their conservative choice of the Mid-range out the Low, Mid and High ranges provided by the fund actuary resulting in an approximate confidence factor of 70%. Executive Director noted that the Fund is also a member of the Municipal Excess Liability Joint

Insurance Fund (MEL JIF) for excess coverage; the MEL has anticipated an increase of their budget of 9.9% which has affected local Fund budgets as outlined within the Ocean JIF's proposed 2022 budget. The Fund budget has increased by 4.27% however there are many factors which contributed to the increase such as the MEL and MEL property which has increased by approximately 22% as a result the high of the frequency of natural disasters such as flooding, global warming, named storms and fires in addition to the increase in member property values. Executive Director also noted actuarial consideration for the recent amendment in the Sexual Molestation statute of limitations which has also increased liability costs as judges are not granting summary judgement motions resulting in increased defense costs due to the erosion of Title 59 immunities.

Executive Director said workers compensation costs are increasing due to a recent Department of Labor decision directing governmental entities to pay workers' compensation on accidental disability claims that were paid by the pension plans before the change; line item 5 of the budget allows for the pension offset as we are now beginning to see claims within the MEL. This is in addition to the continued increases in worker's compensation medical costs and indemnity rates and the addition to the firefighters cancer presumption and Covid-19 claims inclusive of the 7 deaths within the MEL system resulting in \$20M in claims.

Executive Director said with regards to cyber liability, claims and excess premiums are increasing in response to increased cyberattacks on municipal government; as of now, there are four active ransomware claims within the MEL system and encouraged employers to speak to staff members about the importance of not clicking on emails containing links or open any emails that they are not expected or look suspicious. Premiums for this line item have doubled within the MEL.

Executive Director reminded members of the MEL's decision to keep their rates flat for the 2020 Fund year assisting members during the pandemic; we are now looking at a two-year rate increase.

The final result inclusive of professional fees which remained at 2% is the proposed budget increase of \$883,543 or 4.27% from the 2021 fund year.

Executive Director asked for any comments on the 2022 budget from the Executive Committee, Finance Committee or Fund Commissioners prior to presenting the motion to introduce.

In response to Senator Singer, Executive Director noted that the MEL Task Force and issued a revised Cyber Risk Management Plan for which members would have to address parameters for Tiers 1, 2 & 3 in order to receive reduction of deductible or reimbursement of full deductible. Executive Director also noted one incident currently involving a Monmouth JIF member wherein they were shut down for approximately two weeks and the ransomware was very expensive.

Mr. Avalone noted that he and his staff continue to work with members of the Ocean JIF to become compliant with the new Cyber Risk Management Program and with stories such as the recent incident in Monmouth County more towns are becoming less resistant to comply.

Executive Director asked if there were any further questions regarding the proposed 2022 Budget of the Ocean JIF; hearing none,

**MOTION TO INTRODUCE THE 2022 BUDGET FOR THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND IN THE AMOUNT OF \$21,593,745 AND SCHEDULE A PUBLIC HEARING FOR NOVEMBER 10, 2021. (WEDNESDAY)**

**MOTION:  
SECOND:**

Commissioner Laureigh  
Chairperson Lapp

**ROLL CALL VOTE:** Unanimous

**2021 Dividend**

Executive Director said as previously mentioned, the Finance Committee met on September 29, 2021 and is recommending a dividend of \$900,000. Resolution # 30-21 authorizing the release of the dividend is included for consideration.

**MOTION TO ADOPT RESOLUTION # 30-21 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$900,000.**

**MOTION:** Senator Singer  
**SECOND:** Commissioner Laureigh  
**ROLL CALL VOTE:** Unanimous

**RCF/EJIF/MEL**

Executive Director said the public hearing on the RCF and EJIF 2022 budgets will be held on October 20, 2021 at the Forsgate Country Club in addition to the introduction of the MEL 2022 Budget. Copies of the proposed RCF and EJIF Budgets were provided as introduced.

In preparation of the 2022 year, the Fund should nominate its 2022 representative and alternate to the RCF,EJIF and the MEL. Currently, Commissioner Laureigh is the representative and Chairperson Lapp is the alternate representative for each respective fund. Executive Director requested a motion to nominate a representative and an alternate for each statewide fund.

**MOTION TO NOMINATE VERONICA LAUREIGH AND DIANE LAPP TO SERVE AS THE FUND'S REMAINING REPRESENTATIVE AND ALTERNATE TO THE RCF,EJIF AND THE MEL FOR THE 2022 FUND YEAR.**

**MOTION:** Senator Singer  
**SECOND:** Commissioner Carney  
**VOTE:** Unanimous

**RFQ Process**

Executive Director said the secured pricing for the CDL Drug & Alcohol Monitor and Audiometric & Respiratory testing provider will expire December 31, 2021. We request authorization to proceed in the RFQ process for the 2022 Fund year with the appointed QPA, the Canning Group. The Fund will have to advertise, pursuant to N.J.S.A. 19:44A-20.4 et. seq for the positions.

**MOTION TO ISSUE AN RFQ FOR CDL DRUG & ALCOHOL MONITOR AND AUDIOMETRIC & RESPIRATORY TESTING PROVIDER FOR THE PURPOSE OF SECURING PRICING FOR THE MEMBERSHIP PURSUANT TO THE FAIR AND OPEN PROCESS OUTLINED IN N.J.S.A. 19:44A-20.4 ET. SEQ.**

**MOTION:** Senator Singer  
**SECOND:** Commissioner Lapp  
**VOTE:** Unanimous

**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 from June 1, 2021 to November 1, 2021.** Please use the following link to view an outline of the MEL program and its model documents:

<https://njmel.org/insurance/public-officials/risk-management-program/>

### **Due Diligence Reports**

Executive Director referred to the August 31, 2021 financial fast track which outlines an increase in statutory surplus of \$91,537, for the month, \$136,103 for the year resulting in a total statutory surplus of \$9,201,518. Executive Director noted that a large deficit remains in the 2018 fund year in the amount of \$3.5M along with a smaller deficit in fund year 2020. The Fund remains in excellent financial condition.

### **ATTORNEY**

Fund Attorney had nothing for the open session.

### **SAFETY DIRECTOR**

Safety Director referred to the agenda report which outlined activities for the month of September inclusive of loss control and law enforcement surveys completed, followed by the listing of safety director bulletins and messages previously distributed and participation from members associated with MSI NOW and MSI DVD viewed.

Safety Director noted that Mr. Bronson could not be on this call this afternoon but wanted to assure the Executive Committee that all members are in compliance with the mandatory risk management for Police and Command Staff training as well as the safety and protection of minors prior to the November 1, 2021 deadline as part of the MEL EPL/POL Program.

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

*List of Certificates made part of the Minutes.*

### **UNDERWRITING MANAGER**

Underwriting Manager noted that we are now in week two of our distribution of weekly content based on participation in Cyber Awareness month during the month of October, the latest distribution focuses on identifying phishing attempts and we encourage members to review with their staff members. As we have discussed this issue is one of the leading causes of cyber attacks and the ransomware claim demands are large.

In response to Senator Singers great point, there are several Cyber Security testing companies in the market that can provide security testing to employees, for example there is a company utilized by Conner Strong & Buckelew wherein we as employees will receive phishing attempt via email; based on the employees responses, reports are provided to management of how well or not so well employees faired. In addition, there is regularly scheduled online training that you must complete and are tested on at the end of each online training which takes approximately 20 minutes for the employee to complete.

Underwriting Manager continued the report with review of the Cyber Risk Management status report noting that members that were previously approved will continue their status until year end; as of January 1, 2022 all members must be compliant with Cyber Risk Management-V2 meeting requirements under Tiers 1, 2 &3. We encourage efforts for members to work towards becoming fully compliant by year end.

Lastly, Underwriting Manager reviewed the listing of certificates of insurance previously issued .

### **RISK MANAGEMENT CONSULTANT**

Risk Manager referred to their report beginning with the current outline of services provided to members of which topics have been touched upon earlier with emphasis on the MEL POL/EPL program and all elements within the program to be completed by the November 1, 2021 deadline in addition to the Cyber Risk Management Program-V2 compliance for which all members must be compliant by January 1, 2022.

Risk Manager thanked Mike Brosnan from the Law Enforcement Risk Management Team of J.A. Montgomery as he remained in constant contact and coordinated the approach to the police command staff training. Mike was a great professional and gentleman in terms of working with members of the Fund.

Risk Manager added that we will begin to see the EPL/POL checklists come in the Fund office as attorneys review and sign off as this would be the final step for members to become compliant as the process to coordinate schedules for trainings did in fact take most of 2021 to complete.

Risk Manager also thanked Executive Director and his team with respects to the proposed budget, noting our experience against the public market place, public entities are well below the benchmark as municipalities that experience an increase in premiums will usually see a decrease in coverage; with the Fund we do not foresee any dramatic changes within coverages which is a significant point. There is highly commendable efforts of the municipal finance teams, locally and throughout the MEL program.

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

**MANAGED CARE**

Managed Care Provider referred to the year to date medical saving and network utilization reports which outlines a total of 3,238 bills received with a network utilization of 96%. The total charges for those bills was \$4,326,149 repriced through the network for \$1,455,321 for a total savings of \$2,870,827 or 66%. The following report outlined year to date Covid19 activity as of September 30<sup>th</sup> which total 561 workers compensation claims were reported, 259 were Covid19 exposures with 218 as record only or had a negative test, 22 were medical only and 19 were indemnity.

**OLD BUSINESS**

None.

**NEW BUSINESS**

In response to an inquiry coming out of the Finance Committee's review of the 2022 budget and contact by Executive Director and Chief Accounting Officer of PERMA, Fund Treasurer said discussions had taken place regarding Covid19 workers compensation claims under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act). After review with the County Board of Commissioners during their workshop meeting of yesterday, it was determined that funds can be utilized to pay Covid19 workers compensation claims incurred during 2020 and 2021 to the Ocean JIF. Executive Director and Chief Accounting Officer confirmed that the process is one that has not been experienced before, it is very technical as claims were paid out by the MEL; as a result, members may not be individually impacted by the payment under the CARES Act but indirectly through the MEL. For example, in review of the MEL surplus trigger, the payment from the CARES Act would reduce the surplus trigger which is anticipated, indirectly benefiting the OCJIF members over the long term. In response to Chairperson Lapp, Executive Director said the Fund office is contacting other JIF treasurers for a response. Executive Director requested additional time to review with Fund office professionals prior to moving forward on executing a plan on behalf of the Joint Insurance Funds. We will report back to the Finance Committee to

update our review of implementation. Fund Treasurer confirmed authority from the County to enter into an agreement with the Fund following final decision.

Commissioner Laureigh thanked Fund Treasurer for taking the additional steps to review as our initial review resulted in a negative position, taking the extra step to review is very much appreciated.

**PUBLIC COMMENT**

None

**CLAIMS ADMINISTRATION**

Claims Administrator said the Claims Committee of the Fund met on October 12, 2021 to review a total of twenty-six (26) payment authorization requests, the consensus was to approve the PARs and submit for approval from Executive Committee as recommended by the Claims Committee. If there are no objections or questions relating to the PARs we ask for a motion for approval.

Claim #	Type
2020204216	WC
2020191009	WC
2021212352	WC
2021211042	WC
2019175594	WC
2021236787	WC
2021233131	WC

Claim #	Type
2021241663	WC
2021234712	WC
2021232395	WC
2018122811	WC
2021234975	WC
2020196282	WC
2022244125	WC

2021226644	WC
2022245380	WC
2020184455	GL
2017097382	GL
2019162813	GL
2020204573	GL
2022245893	Prop
2021224836	GL
2021240183	Prop
2022246495	Prop
2022247572	Prop
2022246303	Prop

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS REVIEWED  
AND APPROVED BY THE CLAIMS COMMITTEE DURING THEIR MEETING OF  
OCTOBER 12, 2021.**

**MOTION:** Senator Singer  
**SECOND:** Commissioner Bergin  
**VOTE:** Unanimous

**Executive Session**

**None**

**ADJOURN MEETING:**

**MOTION:** Senator Singer  
**SECOND:** Commissioner Laureigh  
**VOTE:** Unanimous

Meeting Adjourned at: 3:35 PM

NEXT MEETING: November 10, 2021 3:00 PM



**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
BILLS LIST**

Resolution No. 29-21

OCTOBER 2021

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 CLOSED**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002115			
002115	QBE SPECIALTY INSURANCE CO.	DEDUCTIBLE FOR EAGLESWOOD CLAIM QM-1259	35,465.60
			<b>35,465.60</b>
		<b>Total Payments FY CLOSED</b>	<b>35,465.60</b>

**FUND YEAR 2021**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002116			
002116	QUAL-LYNX	TPA 10/21	62,245.22
002116	QUAL-LYNX	OUTSIDE ADJ 10/21	6,039.55
			<b>68,304.77</b>
002117			
002117	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 10/21	11,157.00
002117	J.A. MONTGOMERY RISK CONTROL	POLICE RISK MGT 10/21	2,500.00
			<b>13,657.00</b>
002118			
002118	PERMA	POSTAGE 9/21	20.93
002118	PERMA	POSTAGE 8/21	22.02
002118	PERMA	EXECUTIVE DIRECTOR 10/21	26,507.76
002118	PERMA	LOSS FUND MGT 10/21	2,457.78
			<b>29,008.49</b>
002119			
002119	QualCare Inc	MANAGED CARE 10/21	25,479.16
			<b>25,479.16</b>
002120			
002120	THE ACTUARIAL ADVANTAGE	ACTUARY 10/21	4,086.50
			<b>4,086.50</b>
002121			
002121	CITTA, HOLZAPFEL & ZABARSKY PC	LITIGATION MGT 10/21	18,485.88
002121	CITTA, HOLZAPFEL & ZABARSKY PC	ATTORNEY 10/21	3,822.50
			<b>22,308.38</b>
002122			
002122	JULIE TARRANT	TREASURER 10/21	3,163.25
			<b>3,163.25</b>
002123			
002123	ASBURY PARK PRESS	AD 9.24.2021	41.30
002123	ASBURY PARK PRESS	AD 9.08.2021	9.00
			<b>50.30</b>
002124			
002124	CONNER STRONG & BUCKELEW	UNDERWRITING MGR 10/21	1,042.00
			<b>1,042.00</b>
002125			
002125	EXECU-TECH, INC.	WEBSITE 10/21	200.00
			<b>200.00</b>
002126			
002126	ACCESS	ARC SERVICE&STORAGE 8.31.2021	80.08
			<b>80.08</b>
002127			
002127	CONNER STRONG & BUCKELEW	RMC 4TH INSTALL 2021	167,880.75
			<b>167,880.75</b>
		<b>Total Payments FY 2021</b>	<b>335,260.68</b>

**TOTAL PAYMENTS ALL FUND YEARS    \$    370,726.28**

**RESOLUTION NO. 30-21**

**RESOLUTION OF THE EXECUTIVE COMMITTEE  
OF THE OCEAN COUNTY MUNICIPAL  
JOINT INSURANCE FUND  
AUTHORIZING REFUND OF THE CLOSED FUND YEAR ACCOUNT**

**WHEREAS**, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

**WHEREAS**, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

**WHEREAS**, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

**NOW, THEREFORE, BE IT RESOLVED** by the Executive Committee of the **Ocean County Joint Insurance Fund**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from any claim fund which has been completed for not less than twenty-four months. Based upon this requirement and the closure of old Fund Years, surplus monies in the Closed Fund Year Account is eligible for refunds.

2. The Executive Committee has balanced the interests of the member municipalities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the FUND Actuary are conservative, The Executive Committee has balanced the interests of the member municipalities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the FUND Actuary are conservative, It is the conclusion of the Executive Committee that the following amount can be refunded at this time:

Closed Fund Year Account	\$ 900,000.00
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3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2020. The aforementioned refund monies shall be allocated, as required and necessary, from the closed Fund year Account.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member municipalities for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the

FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

**OCEAN COUNTY MUNICIPAL  
JOINT INSURANCE FUND**