

SOMERSET COUNTY JOINT INSURANCE FUND
FUND COMMISSIONER'S MEETING MINUTES
November 28, 2012

STATEMENT OF PROPER NOTICE READ BY COMMISSIONER TROJAN: Adequate notice of the regular meeting of the SCJIF held on Wednesday, November 28, 2012 at 8:35 a.m. at the Somerset County Park Commission Headquarters located in Bridgewater, New Jersey, has been provided through posting of said notice to the *Courier News*, and the *Hunterdon County Democrat* in accordance with Section 13 of the Open Public Meetings Act.

FLAG SALUTE/MOMENT OF SILENCE

ROLL CALL OF COMMISSIONERS

PETER PALMER	County of Somerset	Absent
RAYMOND A. BROWN	Somerset County Park Commission	Absent
JOHN TROJAN	Raritan Valley Community College	Present
DR. ALAN P. BRAUN	Somerset County Vocational & Technical Schools	Present
GREGORY BONIN	Township of Branchburg	Present
BRIAN K. AUGER	Somerset County Library Commission	Present
KELLY G. CUPIT	Township of Green Brook	Absent
ALLAN D. PIETREFESA	Township of Raritan	Present
JAMES T. NAPLES	Township of Bridgewater	Present
MARVIN JOSS	Township of Clinton	Present
DONALD F. SCHOLL, JR.	Township of Delaware	Absent

ALTERNATE COMMISSIONERS

YVONNE CHILDRRESS	County of Somerset	Present
DANIEL J. LIVAK	Somerset County Park Commission	Present
NANCY MOORE	Raritan Valley Community College	Absent
DIANE STROBER	Somerset County Vocational & Technical Schools	Absent
SHARON L. BRIENZA	Township of Branchburg	Absent
BRIAN MORGAN	Somerset County Library Commission	Absent
RAYMOND S. MURRAY	Township of Green Brook	Absent
CAROL BARBATI	Township of Raritan	Absent
VACANT	Township of Bridgewater	Absent
VACANT	Township of Clinton	Absent
KENNETH NOVAK	Township of Delaware	Present

ALSO PRESENT

EXECUTIVE DIR/ADMIN:

NEW JERSEY RISK MANAGERS & CONSULTANTS, INC.

- ◆ Raymond L. Hughes II ◆ Maryjane Hydro ◆ H. James Griffith
- ◆ Christina Bruno ◆ Harish Chandra

FUND ATTY/LITIGATION:

DiFRANCESCO, BATEMAN, COLEY, YOSPIN, KUNZMAN,
DAVIS, LEHRER, & FLAUM P.C.

- ◆ Harry A. Yospin, Esq.

FUND ATTY/ADMINISTRATION:

SAUL EWING

- ◆ M. Paige Berry, Esq.

CLAIMS ADMINISTRATION:

SCIBAL ASSOCIATES INC.

◆ Javier B. Esparra

RISK MANAGERS:

G. R. MURRAY

◆ Michael Sabbagh

BECKERMAN & COMPANY

◆ Louis Beckerman

BALKEN RISK MANAGEMENT

◆ David Balken

INTRODUCTION OF GUESTS: Michael Sabbagh, from GR Murray for the Township of Delaware, Louis Beckerman from Beckerman & Company for the Township of Green Brook and David Balken from Balken Risk Management for the Township of Clinton were present.

PUBLIC COMMENT: Dr. Braun announced that this would be his final meeting. He reminisced about his tenure with the Fund from its inception. Raymond Hughes took the opportunity to present Dr. Braun with a Resolution of Appreciation for his service, expertise and dedication to the Fund, the taxpayers and the officials of our community. Dr. Braun was congratulated by all present.

MOTION TO APPROVE MINUTES FROM THE OCTOBER 17th, 2012 MEETING:

MOTION: Commissioner Naples

SECOND: Commissioner Braun

VOTE: Unanimous

Commissioners Palmer and Novak arrived at 8:41 a.m.

SERVICE PROVIDER REPORTS

Executive Director/Administrator: In addition to the report submitted, Maryjane Hydro briefly reviewed the proposed 2013 Meeting Calendar which will officially be adopted at the reorganization meeting. Further, she distributed the New Jersey Government Records Council (GRC) Open Public Records Act (OPRA) Alerts issued in October and November and gave a general overview of the contents. The Administrative Order signed by Governor Christie as a result of Hurricane Sandy regarding the Reconstruction of Public Infrastructure was also distributed. 2013 Auto ID cards for Fund member entities were issued to those present.

Commissioner Cupit arrived at 8:47 a.m.

Fund Attorney/Litigation Services: Fund Attorney Yospin informed the Commissioners that the claim he had been reporting on regarding the Somerset County Park Commission trespasser where we were granted a successful Summary Judgment Motion, the plaintiff has filed a Notice of Appeal.

Fund Attorney/Administrative Services: In addition to the report distributed, Fund Attorney Berry elaborated on the Appellate Division decision regarding the broadness of retaliatory actions in claims made under the New Jersey Conscientious Employee Protection Act (CEPA).

Additionally, Fund Attorney Berry reminded public entities that they are allowed to charge special service charges for voluminous or labor intensive OPRA requests; however, they should be guided by the 14 questions in the GRC Alert to assist in making that determination.

The Governor signed A2652 which the Fund had been following. This bill was intended to prohibit the charging of workers' compensation claimants for medical expenses that have been authorized by the employer, its carrier or a third party administrator. It also gives the WC Division sole jurisdiction over disputed work-related medical claims.

The Dividend filing was made with the Department of Banking & Insurance on November 10th. We should hear back from the Department in thirty days. If not, we will be guided by the deemer provision and issued checks for the return of surplus at the December 19th Fund meeting.

Third Party Administrator: No additions to the report submitted.

Custodian of Funds: No additions to the report submitted.

COMMITTEE REPORTS

Audit Committee: No additions to the report submitted.

Coverages Committee: No additions to the report submitted.

Marketing & Strategic Planning Committee: No additions to the report submitted.

Claims Committee: No additions to the report submitted.

Safety Committee: The Safety Committee on Monday, November 5th at the Township of Branchburg was cancelled due to inclement weather.

The next regularly scheduled Safety Meeting will be Tuesday, December 4th at the Somerset County Library Commission.

Finance Committee: In addition to the report submitted, Chairman Pietrefesa inquired about the timeline for the 2013 Service Provider Requests for Proposals. Discussion followed.

Legislative Committee: No additions to the report submitted.

Commissioner Palmer inquired about the impact of Superstorm Sandy on the reinsurance market. Raymond Hughes addressed this by focusing on the Property coverage line which will be impacted the greatest. The industry, which is cyclical, had been in a soft market for some time. There was every indication that prior to Sandy and Irene the market was hardening. Post-Sandy many carriers had put a hold on writing any new business until at least after the first of the year, or until they had an indication of how their respective operating results have been impacted from Sandy. It is expected that quotations, such as those received by the SCJIF after the storm, should not be amended prior to the first of the year. The impact of the storm may not be felt, from a buyer's perspective, until perhaps 2014.

#12-057 RESOLUTION APPROVING THE SERVICE PROVIDER AND COMMITTEE REPORTS:

MOTION: Commissioner Braun
SECOND: Commissioner Pietrefesa
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	PETER PALMER	X			
SCPC	DANIEL LIVAK	X			
RVCC	JOHN TROJAN	X			
SCVT	DR. ALAN P. BRAUN	X			
TOB	GREGORY BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	KELLY G. CUPIT	X			
TOR	ALLAN PIETREFESA	X			
TOBW	JAMES T. NAPLES	X			
TOC	MARVIN JOSS	X			
TOD	KENNETH NOVAK	X			

OLD BUSINESS

#12-058 RESOLUTION AUTHORIZING PAYMENT OF CURRENT EXPENSES AND CLAIMS REIMBURSEMENTS:

MOTION: Commissioner Braun
SECOND: Commissioner Bonin
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	PETER PALMER	X			
SCPC	DANIEL LIVAK	X			
RVCC	JOHN TROJAN	X			
SCVT	DR. ALAN P. BRAUN	X			
TOB	GREGORY BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	KELLY G. CUPIT	X			
TOR	ALLAN PIETREFESA	X			
TOBW	JAMES T. NAPLES	X			
TOC	MARVIN JOSS	X			
TOD	KENNETH NOVAK	X			

NEW BUSINESS

Raymond Hughes addressed the Board regarding the introduction of the preliminary 2013 budget. Over the past several years, the budget increase has been kept under 2%. The preliminary budget represents a 5.72% overall increase. While historically, the final budget is less, it is felt that this is a responsible budget based on where we stand in the process at this point in securing coverage for the 2013 term. The increase is primarily driven by a hardening market, particularly, nationwide upward trending in the cost of property reinsurance and excess workers' compensation. Working with carriers post-Sandy has been an added challenge. Additionally, the decision of some carriers to not write any new business until after January first at which time they feel they may have a better understanding of how they have been impacted by the storm. It may be necessary for the Fund to increase our retention with regard to the property loss fund line item based on carrier concerns. In the upcoming weeks, we will be able to provide more information.

For the thirteenth year, the SCJIF will be distributing dividends to those member entities who qualify. In prior years where the budget increase has been less than 2%, when the dividend was applied, it resulted in essentially a net decrease cost to the member entity. This year, for those members who are receiving a dividend, the amount of the dividend exceeds the amount of the preliminary budget percentage increase. An option exists whereby an entity may choose to have the dividend applied to the assessment for the coming year.

Raymond Hughes explained that an item which has been specifically discussed with the carrier has been Auto Physical Damage. The majority of these claims fall within our \$25K retention. However, the high value vehicles, such as emergency response vehicles, are scheduled at agreed value to the benefit of the member entities. This is one area that the carriers are very concerned with, especially after Sandy and Irene, because the supposition is that these high value emergency vehicles are out on the road during these weather events. Carriers are looking to attach at \$250K per loss and we are negotiating this and working with them to establish a better position for the Fund. In the meantime, the carriers are requesting appraisals for the agreed values on the high value vehicles by the first quarter of 2013. Discussion followed.

#12-059 RESOLUTION INTRODUCING THE PRELIMINARY BUDGET FOR THE 2013 FUND YEAR:

MOTION: Commissioner Braun
SECOND: Commissioner Bonin
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	PETER PALMER	X			
SCPC	DANIEL LIVAK	X			
RVCC	JOHN TROJAN	X			
SCVT	DR. ALAN P. BRAUN	X			
TOB	GREGORY BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	KELLY G. CUPIT	X			
TOR	ALLAN PIETREFESA	X			
TOBW	JAMES T. NAPLES	X			
TOC	MARVIN JOSS	X			
TOD	KENNETH NOVAK	X			

#12-060 RESOLUTION TO ENTER CLOSED SESSION AT 9:10 A.M. TO DISCUSS:

- Workers' Compensation Claim Numbers
 - X14309
 - X21642
 - X32969
 - X36394
 - X36533
 - X42761

MOTION: Commissioner Naples
SECOND: Commissioner Braun
VOTE: Unanimous

RETURN TO OPEN SESSION AT 9:17 A.M.:

MOTION: Commissioner Braun
SECOND: Commissioner Bonin
VOTE: Unanimous

#12-061 RESOLUTION AUTHORIZING PAYMENT OF CLAIMS:

MOTION: Commissioner Pietrefesa
SECOND: Commissioner Braun
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	PETER PALMER	X			
SCPC	DANIEL LIVAK	X			
RVCC	JOHN TROJAN	X			
SCVT	DR. ALAN P. BRAUN	X			
TOB	GREGORY BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	KELLY G. CUPIT	X			
TOR	ALLAN PIETREFESA	X			
TOBW	JAMES T. NAPLES	X			
TOC	MARVIN JOSS	X			
TOD	KENNETH NOVAK	X			

APPROVAL OF MINUTES FROM THE OCTOBER 17th, 2012 CLOSED SESSION MEETING:

MOTION: Commissioner Braun
SECOND: Commissioner Bonin
VOTE: Unanimous

Commissioner Palmer announced that the Federal Government is making funds available to the County Government as a result of Superstorm Sandy to hire unemployed people to assist in the clean-up efforts. The County will be employing the individuals through the Workforce Investment Program and conducting pre-employment physicals and providing them to municipalities who request them. Some municipalities are in the SCJIF and some are not. With the County being the employer, the impact may be in Workers' Compensation claims. Discussion followed.

At this time, Maryjane Hydro reminded the Commissioners that the December 19th meeting will be held at the Somerville B.P.O. Elks Lodge #1068 in Bridgewater.

MOTION TO ADJOURN AT 9:23 A.M.:

MOTION: Commissioner Braun
SECOND: Commissioner Naples
VOTE: Unanimous

Respectfully submitted,


Gregory J. Bonin, Secretary