

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND  
OPEN MINUTES  
NOVEMBER 20, 2019  
SHERATON HOTEL – STEEL PIER ROOM – ATLANTIC CITY, NJ  
12:30PM**

**ROLL CALL OF 2019 BOARD OF FUND COMMISSIONERS**

Richard Hirsch	Borough of Longport - Atlantic JIF	Present
Mauro Tucci	Township of Nutley – Sub Essex JIF	Absent
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Charles Cuccia	Borough of Little Falls –S. Bergen JIF	Present
Robert Law	Woodbury City - Trico JIF	Present
Jon Rheinhardt	Borough of Wharton – Morris JIF	Present
Thomas Nolan	Borough of Brielle - Monmouth JIF	Present
Joseph D’Arco	Borough of Paramus - NJMSI JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
John Clarke	New Brunswick Housing Authority- PHA JIF	Present
Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Present
Veronica Laureigh	Township of Lacey – Ocean JIF	Present
William Northgrave	Township of Edison – Central JIF	Present
Meghan Champney	City of Summit – Suburban JIF	Present
Cynthia Ege	Lambertville – PAIC JIF	Absent
Tom Merchel	Township of Moorestown- PMM JIF	Present
Megan Jack	Riverside Twp- Burlco JIF	Present
Mark Antozzeski	Hamilton Township Fire District 9- FRESP JIF	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Adm	Perma Risk Management Services <b>David N. Grubb, Joseph Hrubash, Cate Kiernan</b>
Attorney	Dorsey & Semrau <b>Fred Semrau, Esq.</b>
Producer	Arthur J. Gallagher <b>Paul Miola, Paul Forlenza</b>
Lobbyist	Pathways Government Relations <b>Paul Bent</b>
Treasurer	<b>Mike Zambito</b>
Actuary	The Actuarial Advantage <b>Eric Bause, Kyle Mrotek</b>
Excess Liability Claims Administrator	CB Claims LLC <b>Christopher Botta, Georganne Jussel</b>
Ex Worker’s Comp Claims Administrator	Qual-Lynx <b>Kathy Kissane, Alice Lihou</b>
Safety Director	JA Montgomery Risk Control Services <b>Paul Shives</b>

Underwriting Manager

Conner Strong & Buckelew  
**Edward Cooney**

Managed Care

QualCare  
**Donna Setzer**

**ALSO PRESENT:**

- William Close, Sparta Township Manager, Morris JIF Member
- Richard Pevner, Summit Risk
- Jennifer Green, BRIT
- Alison Kelly, Danskin Insurance Agency
- Charles Casagrande, Danskin Insurance Agency
- John Casagrande, Danskin Insurance Agency
- Mike Avalone, Conner Strong & Buckelew
- Eileen Luterzo, Qual-Lynx
- Joseph Meola, J. Bryne Agency
- Alex DeLuccia, Conner Strong & Buckelew
- Crystal Chuck, Conner Strong & Buckelew
- Ed Pasternek, Esq. Dorsey & Semrau
- Sue Sharpe, Esq. Dorsey & Semrau
- Ezio Altamura, GJEM-Otterstedt Insurance Agency
- Frank Covelli, P.I.A
- Robyn Walcoff, PERMA
- Jennifer Conicella, PERMA
- Steve Sacco, PERMA
- Jason Thorpe, PERMA
- Nancy Ghani, PERMA

**MOMENT OF SILENCE:** Executive Director requested a moment of silence be observed to honor the recent death of Chan Coddington. Executive Director said Mr. Coddington was instrumental in the formation of both the MEL and the Suburban Municipal JIFs and was well liked and respected by fellow professionals.

**MINUTES:** Included in the agenda were the open minutes of October 16, 2019.

**MOTION TO APPROVE OCTOBER 16, 2019 OPEN MINUTES:**

- Moved: Commissioner Cuccia
- Second: Commissioner Law
- Vote: Unanimous

**CORRESPONDENCE:**

NONE

**EXECUTIVE DIRECTOR REPORT:**

**2020 BUDGET:** Enclosed in the agenda was the 2020 Budget as well as the 2020 Rate Table and Fund Assessments. Total budget was \$48,006,579.

**MOTION TO OPEN THE PUBLIC HEARING ON THE 2020 BUDGET:**

- Moved: Commissioner Nolan
- Second: Commissioner Jack
- Vote: Unanimous

## DISCUSSION OF BUDGET & ASSESSMENTS

*Seeing no discussion*

### **MOTION TO CLOSE THE PUBLIC HEARING: MOTION TO APPROVE THE 2020 BUDGET, RATE TABLE AND CERTIFY THE ASSESSMENTS**

Moved: Commissioner Rheinhardt  
Second: Commissioner Jack  
Roll Call: 15 Ayes – 0 Nays

**2020 EXCESS/REINSURANCE:** Underwriting Manager submitted a memorandum outlining the status of 2020 renewal negotiations. Enclosed in the agenda was Resolution 23-19 authorizing the Underwriting Manager to place coverage for excess and reinsurance. Fund Attorney said it would be appropriate to table action on the resolution and schedule a special meeting prior to year-end once negotiations are finalized to adopt a resolution in accordance with extraordinary & unspecifiable form. *No action was taken on Resolution 23-19.*

**LEGISLATIVE COMMITTEE:** Committee Chair Cuccia said the committee meet on November 20, 2019 at 10:00AM to review bills introduced at the last session and noted there were two bills regarding OPRA that would be monitored for activity.

**AUDIT COMMITTEE – NEW CORPORATE MEMBER:** Committee Chair Rheinhardt said in June Mr. Bollerman indicated his retirement from the Committee. Candidates were solicited to fill the vacancy and on October 29<sup>th</sup> Mr. George Destafney was interviewed by the Committee. Enclosed in the agenda were the minutes of that meeting; the recommendation is that Mr. Destafney be added to the MEL Audit Committee.

### **MOTION TO APPROVE THE RECOMMENDATION AND APPOINTMENT OF GEORGE DESTAFNEY AS A CORPORATE BOARD MEMBER ON THE MEL AUDIT COMMITTEE:**

Moved: Commissioner Rheinhardt  
Second: Commissioner Wolk  
Roll Call: 15 Ayes – 0 Nays

**SAFETY & EDUCATION COMMITTEE:** The Fund's QPA distributed a copy of the response to the Manager & Supervisory Training Competitive Bid request to the Safety & Ed Committee. Committee is scheduled to meet for a regular meeting on Friday December 13, 2019 at 11:30AM and will review the response and other committee matters.

**RCF OCTOBER REPORT:** Enclosed in the agenda was is a copy of Commissioner Clarke's report on the RCF's October meeting.

It would be appropriate for the Fund to elect its 2020 representative to serve on the Residual Claims Fund as the MEL Representative.

### **MOTION TO ELECT JOHN CLARKE AS THE 2020 MEL REPRESENTATIVE TO THE RESIDUAL CLAIMS FUND:**

Moved: Commissioner Rheinhardt  
Second: Commissioner Cuccia  
Roll Call: 15 Ayes – 0 Nays

**CLAIMS COMMITTEE:** The Claims Review Committee met in October and is scheduled to meet on December 4, 2019 at 9:00AM at the National Conference Center at Holiday Inn of

East Windsor – 399 Monmouth Street, East Windsor NJ. Minutes of the October meeting were enclosed under separate cover.

At their respective October meetings, the MEL and RCF Claims Committee were advised of vendor fee requests from Qual-Lynx and Risk Program Administrators. Fund Commissioners from each Claims Committee volunteered to review the requests and presentations made by the firms on November 1<sup>st</sup> and a follow-up discussion was held on November 8<sup>th</sup>. Enclosed in the agenda were the minutes from each meeting. No further action was taken.

Deputy Executive Director said in September the Board authorized the formation of a Special Ad-Hoc Claims Committee to review claims that will arise out of changes to legislation regarding Sexual Abuse Molestation and Firefighter Cancer Presumption. Committee will review mission, elect a Chair and review claims handling and litigation management process. An initial meeting – comprised of Fund Commissioners and Professionals – has been scheduled for December 4, 2019 at 11:30AM and will coincide to meet with the scheduled RCF and MEL Claims Committee; meeting will be held at the National Conference Center at Holiday Inn of East Windsor – 399 Monmouth Street, East Windsor NJ.

**NEXT MEETING:** Executive Director said next meeting of the MEL is the 2020 Reorganization meeting and was originally scheduled for Thursday January 2, 2020 at 11:15AM at the Forsgate Country Club, Monroe NJ. Executive Director said based on the holiday schedule it may be easier to schedule the 2020 Reorganization meeting for Monday January 6, 2020 at 11:15AM at the Forsgate Country Club, Monroe NJ.

**MOTION TO RESCHEDULE THE 2020 REORGANIZATION MEETING TO MONDAY JANUARY 6, 2020 AT 11:15AM AT THE FORSGATE COUNTRY CLUB-MONROE, NJ:**

Moved: Commissioner Tomasko  
Second: Commissioner Law

**CLAIMS – EXCESS WORKERS COMPENSATION:**

**REPORT:** Claims Administrator said there was nothing to report.

**ATTORNEY:**

**REPORT:** Fund Attorney complimented the efforts of the professionals involved in developing a program to address the unknown exposure coming out of the sexual molestation statute and firefighters cancer presumption legislative changes.

**CLAIMS - MANAGED CARE:**

**REPORT:** A report was included in the agenda showing the Savings and Penetration report as of October 2019; the total billed was \$6,867,202.56 with approved bills of \$2,418,789.98 for a total savings of 65% and network penetration of 78%.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT:**

NONE

**CLOSED SESSION:** There was no need for Closed Session.

**MOTION TO ADJOURN:**

Moved: Commissioner Laureigh  
Second: Commissioner Law  
Vote: Unanimous

**MEETING ADJOURNED:** 12:45PM

**NEXT MEETING:** January 6, 2020  
11:15AM

Forsgate Country Club – Monroe, NJ

Nancy A. Ghani, Assisting Secretary

For

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MAURO TUCCI, SECRETARY

**RESOLUTION 23-19**

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND  
AUTHORIZING PURCHASE OF 2020 EXCESS COVERAGE**

**WHEREAS**, the Underwriting Manager & Producer have been negotiating the 2020 renewal for excess liability, optional excess liability, optional excess public officials/employment practices, excess workers' compensation and excess property; and

**WHEREAS**, the rates noted below have been offered by Underwriters at Lloyd's, Munich Reinsurance America Inc., Safety National Casualty Corporation, Zurich American Insurance Company, and other insurers; and

	<b>2020</b>	
	<b>Rate</b>	<b>Minimum</b>
	Discount Factor	1
<b>Optional Excess POL/EPL</b>		
<b>Housing Authorities (per capita)</b>		
\$1m x \$2m	1.8227	\$433.00
\$2m x \$2m	3.0202	\$865.00
\$3m x \$2m	3.8950	\$1,296.00
\$4m x \$2m	4.5922	\$1,727.00
\$8m x \$2m	9.1848	\$4,231.00
<b>Other Than Housing Authorities (per capita)</b>		
\$1m x \$2m	0.0456	\$455.00
\$2m x \$2m	0.0756	\$682.00
\$3m x \$2m	0.0972	\$908.00
\$4m x \$2m	0.1147	\$1,136.00
\$8m x \$2m	0.2293	\$3,773.00
<b>Hunterdon County</b>	n/a	\$14,978.00
<b>Excess Liability</b>		
<b>Housing Authorities (per unit)</b>	3.3115	\$1,538.00
<b>Other Than HAs, MUAs and FDs (per capita)</b>	0.8547	\$918.00
<b>MUAs (per \$1,000 payroll)</b>	5.5989	\$1,154.00
<b>Fire Districts (per auto)</b>	102.1271	\$1,032.00
<b>Fire Districts (per 1,000 sf)</b>	19.7786	\$1,032.00
<b>Hunterdon County</b>	n/a	\$79,258.00
<b>Other</b>		
<b>Combination of Fund Retentions Cover</b>	\$199,324.00	\$199,234.00
<b>Total Minimums</b>		
<b>POL/EPL</b>	\$644,026.00	\$644,026.00
<b>Excess Liability - Total</b>	\$3,779,678.00	\$3,779,678.00
Excess Liability - Housing	\$126,663.00	\$126,663.00
Excess Liability - MUAs	\$0.00	\$0.00
Excess Liability - Fire Districts	\$98,615.00	\$98,615.00
Excess Liability - All Other	\$5,978.00	\$5,978.00

	2020	
	Rate	Minimum
	Discount Factor	1
<b>Optional Excess Liability</b>		
<b>Municipality (per capita)</b>		
\$2m x \$5m	0.1601	n/a
\$3m x \$7m	0.1627	n/a
\$5m x \$10m	0.1601	\$761.00
\$10m x \$10m	0.2486	\$1,267.00
<b>County (per capita)</b>		
\$2m x \$5m	0.1646	n/a
\$3m x \$7m	0.1655	n/a
\$5m x \$10m	0.1618	\$761.00
\$10m x \$10m	0.2857	\$1,267.00
<b>Housing Authority (per unit)</b>		
\$2m x \$5m	7.8137	\$761.00
\$3m x \$7m	3.6568	\$254.00
\$5m x \$10m	1.175	\$254.00
\$10m x \$10m	1.836	\$254.00
\$11m x \$10m (Cook's Pond)	n/a	\$500.00
<b>Fire Districts (per 1,000 sf)</b>		
\$2m x \$5m	5.603	\$1,013.00
\$3m x \$7m	3.7387	\$506.00
\$5m x \$10m	3.7387	\$506.00
\$10m x \$10m	5.603	\$709.00
<b>Fire Districts (per vehicle)</b>		
\$2m x \$5m	42.3395	\$1,013.00
\$3m x \$7m	34.1996	\$506.00
\$5m x \$10m	24.2744	\$506.00
\$10m x \$10m	32.6666	\$709.00
<b>North Hudson RFRS (per vehicle)</b>		
\$2m x \$5m	92.5527	n/a
\$3m x \$7m	74.7516	n/a
\$5m x \$10m	53.0614	n/a
\$10m x \$10m	71.4059	n/a
<b>Total Minimums</b>		
<b>Housing</b>		
\$2m x \$5m	\$0.00	n/a
\$3m x \$7m	\$0.00	\$1,013.00
\$5m x \$10m	\$0.00	\$1,267.00
\$10m x \$10m	\$0.00	\$1,521.00
\$11m x \$10m (Cook's Pond)	\$0.00	\$1,521.00
<b>Fire Districts</b>		
\$2m x \$5m	\$0.00	n/a
\$3m x \$7m	\$0.00	\$1,552.00
\$5m x \$10m	\$0.00	\$2,069.00
\$10m x \$10m	\$0.00	\$2,276.00

	2020	
	Rate	Minimum
<b>Workers' Compensation (per \$100 of payroll)</b>		
All Other	0.0893	\$840,559.44
<i>*3 year minimum premium</i>		
<b>Property (per \$100 of TIV)</b>		
Zurich	0.0729	n/a
Excess Flood/Quake	0.0061	25% - 35%
<b>Non-Owned Aircraft</b>		
Beazley	n/a	\$74,120.00
<b>Optional Excess Casualty Shared Aggregate (% of Munich Premium)</b>		
Chubb	30%	

**NOW THEREFORE BE IT RESOLVED** that the Executive Director is hereby authorized and directed to enter into required agreements to purchase excess coverages not to exceed rates as presented.

**MUNICIPAL EXCESS LIABILITY  
JOINT INSURANCE FUND**

**ATTEST:**

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Richard Hirsch, Chairman

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Mauro Tucci, Secretary