

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
OPEN MINUTES
DECEMBER 29, 2020
VIA TELECONFERENCE
10:30PM**

Meeting of Board of Fund Commissioners called to order by Chairman Tom Merchel. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Chairman Merchel led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2020 BOARD OF FUND COMMISSIONERS

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| Tom Merchel, Chairman | Township of Moorestown- PMM JIF | Present |
| Joy Tozzi, Secretary | Township of Robbinsville - Mid-Jersey JIF | Present |
| Robert Law | Woodbury City - Trico JIF | Absent |
| Jon Rheinhardt | Borough of Wharton – Morris JIF | Present |
| Charles Cuccia | Borough of Little Falls –S. Bergen JIF | Present |
| Richard Hirsch | Borough of Longport - Atlantic JIF | Present |
| Joseph Wolk | Borough of Mount Ephraim- Camden JIF | Present |
| Joe Catenaro | Township of Fairfield – Sub Essex 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 | Absent |
| John Clarke | New Brunswick Housing Authority- PHA JIF | Present |
| Veronica Laureigh | Township of Lacey – Ocean JIF | Present |
| William Northgrave | Township of Edison – Central JIF | Absent |
| Megan Champney | City of Summit – Suburban JIF | Present |
| Kevin Davis | County of Hunterdon – PAIC JIF | Present |
| Megan Jack | Riverside Twp- Burlco JIF | Absent |
| Steven Scholey | Bordentown Mission Fire Company - District #1 | Present |

APPOINTED OFFICIALS PRESENT:

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| Executive Director/Adm | Perma Risk Management Services David N. Grubb, Joseph Hrubash, Cate Kiernan Nancy A. Ghani |
| Attorney | Dorsey & Semrau Fred Semrau, Esquire |
| Ex Worker’s Comp Claims Administrator | Qual-Lynx Kathy Kissane |
| Treasurer | Mike Zambito |
| Producer/Reinsurance Manager | Arthur J. Gallagher Risk Management Services Paul Forlenza, Paul Miola |
| Safety Director | J.A. Montgomery Paul Shives |
| Underwriting Manager | Conner Strong & Buckelew Edward Cooney |

JIF COMMISSIONERS/PROFESSIONALS PRESENT:

Ezio Altamura, GJEM-Otterstedt Insurance Agency

Michael Avalone, Conner Strong & Buckelew

Chuck Hartsoe, PEGAS

Steve Sacco, PERMA

Brad Stokes, PERMA

Pauline Kontomanolis, PERMA

Robyn Walcoff, PERMA

Jen Conicella, PERMA

Sandra Cantwell, PERMA

2021 RENEWAL EXCESS AND REINSURANCE: Executive Director Grubb said the purpose of this meeting was to review and confirm the 2021 renewal excess and reinsurance coverages as negotiated by the Underwriting Manager. Copies of resolutions awarding extraordinary unspecifiable services for excess coverages were distributed.

Underwriting Manager noted that CSB did a widespread marketing of all lines of coverage and then provided a brief overview of the marketing efforts and noted the following:

- **Property** – primary layer insured with Zurich. Renewed with a small rate increase based on total insured values. However, effective 1/1/21 the MEL’s excess property deductible will increase from \$500,000 to \$1 million.
- **Workers’ Compensation** – renewed with Safety National at expiring retention of \$2 million.
- **Excess Flood** – this layer of coverage is being finalized, which underwent heavy marketing and final pricing will be slightly lower than originally projected.
- **Non-Owned Aircraft** – renewed with Endurance.
- **Casualty/Optional Excess EPL/POL** – Effective 1/1/21 Munich Reinsurance will be providing the Optional Excess EPL/POL limits up to \$8 million in excess of the \$2 million standard limit. Munich replaces BRIT.
- **Excess Cyber** – Coverage placed with Cowbell Cyber and Great American represents a change in purchase of excess cyber coverage from an individual local joint insurance fund limit purchase to a shared aggregate limit purchase shared amongst all local JIFs statewide but purchased by the MEL. Effective 1/1/2021 the limit will be \$6 million each claim with a \$9 million aggregate in excess of a local JIF’s primary cyber coverage. Cowbell Cyber and Great American replace Beasley.

It was noted Resolutions 46-20 and 47-20 contained a typographical error and would be corrected prior to execution and filing. Executive Director Grubb said the action now being requested is to authorize the Underwriting Manager to bind the 2021 coverages as discussed and presented the following resolutions:

RESOLUTION 42-20 OF THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH ZURICH AMERICAN INSURANCE COMPANY (HEREINAFTER “ZURICH”) FOR EXCESS PROPERTY COVERAGE

RESOLUTION 43-20 OF THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH SAFETY NATIONAL WORKER’S COMPENSATION CORP. (HEREINAFTER “SAFETY”) FOR EXCESS WORKER’S COMPENSATION INSURANCE

RESOLUTION 44-20 OF THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACTS FOR EXCESS
INSURANCE COVERAGE (FLOOD)

RESOLUTION 45-20 OF THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH
ENDURANCE AMERICAN INSURANCE CO. (HEREINAFTER "ENDURANCE") FOR NON-
OWNED AIRCRAFT COVERAGE

RESOLUTION 46-20 OF THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH MUNICH
RE AMERICA (HEREINAFTER "MUNICH") FOR EXCESS CASUALTY REINSURANCE

RESOLUTION 47-20 OF THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT FOR EXCESS
CYBER INSURANCE

**MOTION TO ADOPT RESOLUTIONS 42-20 THRU 47-20 AWARDING
EXTRAORDINARY AS AMENDED:**

Moved: Commissioner Rheinhardt
Second: Commissioner Clarke

Executive Director Grubb said this renewal has been the worst marketplace for governmental entities since the mid-1980s noting typical increases in the commercial market are averaging 20% or more. Executive Director Grubb said the total impact to the budget in terms of increased deductibles, premiums and cost of claims is approximately \$3 million against a total budget of \$200 million system-wide. Executive Director Grubb said the MEL will absorb the impact for 2021 and address it during 2022 budget development. Executive Director Hrubash said this renewal was unusually difficult as each line of coverage was affected by the hard market. Executive Director Hrubash said despite the volatile marketplace the Underwriting Manager did an outstanding job successfully negotiating the 2021 renewal. Fund Attorney complimented the extensive efforts of the Underwriting Manager on the successful renewal. Deputy Executive Director said procedurally the MEL adopts a rate table since exposures are constantly being reported. Deputy Executive Director noted the final premiums may change slightly due to changes in exposures.

Seeing no other comments or questions Executive Director requested a roll call vote for the motion on the table.

Roll Call Vote: 15 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

CLOSED SESSION: There was no need for Closed Session.

MOTION TO ADJOURN:

Moved: Commissioner Rheinhardt
Second: Commissioner Laureigh
Vote: Unanimous

MEETING ADJOURNED: 10:48AM

NEXT MEETING: January 6, 2021
11:15AM – via Zoom audio/video

Nancy A. Ghani, Assisting Secretary

For

JOY TOZZI, SECRETARY