

**CENTRAL JERSEY JOINT INSURANCE FUND
MEETING MINUTES
January 20, 2016
HAMPTON INN, WOODBRIDGE, NJ**

**MEETING OF THE EXECUTIVE COMMITTEE CALLED TO ORDER AT 11:00 A.M.
OPEN PUBLIC MEETING STATEMENT READ INTO RECORD**

ROLL CALL OF THE 2015 EXECUTIVE COMMITTEE

Robert Landolfi, Township of Woodbridge	Present
Joseph Criscuolo, Piscataway	Present
Robert Vornlocker, Township of Franklin	Present
Nancy Costa, Township of Hillsborough	Present
Daniel Frankel, Borough of Sayreville	Present
William Northgrave, Township of Edison	Present
Colleen Connolly, Borough of Belmar	Absent
Michael Gross, City of South Amboy	Present

ALSO PRESENT:

Richard Lorentzen, Treasurer
Raven Williams, Township of Franklin
Donna Setzer, Qual Lynx
Robert Fox, Qual Lynx
Kathy Kissane, Qual Lynx
Karen Hinkley, Qual-Lynx
Marge Guinane, Qual-Lynx
Jay McManus, North American Insurance Management
Robin Racioppi, North American Insurance Management
Amy Pieroni, North American Insurance Management
George Crosby, BGIA
Gary Taffet, Reliance
Sarah Aubrey, Reliance
David McHale, JA Montgomery Risk Control
Natalie Dougherty, JA Montgomery Risk Control
Michael Avalone, Conner Strong & Buckelew
Ilene Laursen, Conner Strong & Buckelew
Joseph Hrubash, Conner Strong & Buckelew
Ed Scioli, Conner Strong & Buckelew
Brad Stokes, Perma
Rachel Chwastek, Perma

MINUTES: December 16, 2015 Open Minutes

MOTION TO APPROVE MINUTES FOR DECEMBER 16, 2015

Moved: Commissioner Gross
Second: Commissioner Northgrave
Vote: Unanimous

CORRESPONDENCE: None

MOTION TO ADJOURN SINE DIE MEETING

Moved: Commissioner Costa
Second: Commissioner Frankel
Vote: Unanimous

The Chairman then turned the meeting over to the Executive Director to lead the reorganization meeting.

REORGANIZATION

ELECTION OF CHAIRPERSON, VICE CHAIR, SECRETARY AND EXECUTIVE COMMITTEE

ROLL CALL OF THE 2016 EXECUTIVE COMMITTEE

Robert Landolfi, Township of Woodbridge	Present
Joseph Criscuolo, Piscataway	Present
Daniel Frankel, Borough of Sayreville	Present
Robert Vornlocker, Township of Franklin	Present
Nancy Costa, Township of Hillsborough	Present
William Northgrave, Township of Edison	Present
Colleen Connolly, Borough of Belmar	Absent
Michael Gross, City of South Amboy	Present

MOTION TO OPEN THE FLOOR FOR 2016 NOMINATIONS:

Moved: Commissioner Criscuolo
Second: Commissioner Northgrave
Vote: Unanimous

The Executive Director advised included in the agenda was the Nominating Committee Report.

MOTION TO NOMINATE THE RECOMENDATIONS FROM THE NOMINATING COMMITTEE REPORT FUND YEAR 2016:

Moved: Commissioner Criscuolo
Second: Commissioner Northgrave

MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTION OF THE BOARD AS PRESENTED BY THE NOMINATING COMMITTEE FOR FUND YEAR 2016:

Moved: Commissioner Frankel
Second: Commissioner Gross
Vote: Unanimous

The Oaths of Office for all Commissioners was then administered.

The Chair asked for the Executive Directors Reports:

EXECUTIVE DIRECTOR'S REPORT - Executive Director advised the reorganization resolutions were included in the agenda to be approved by the Commissioners, and briefly described each resolution for approval.

The Underwriting Manager presented a brief overview of Resolution 6-16, the Risk Management Plan for the Central Jersey JIF.

MOTION TO ADOPT RESOLUTIONS 1-16 THROUGH 8-15

Moved: Commissioner Gross
Second: Commissioner Northgrave
Vote: 7 Ayes, 0 Nays

The Executive Director advised that a list will be prepared of the established Committee Appointments and will be distributed to Commissioners when available. The Chairman advised there would be an additional ad hoc committee on cyber security, chaired by Joseph Criscuolo.

The Executive Director reported Old Bridge had left the fund, as a result, the 2016 Budget needed to be amended. The Rules and Contracts committee met and a copy of the amended budget was included in the agenda.

MOTION TO APPROVE AMENDED 2016 BUDGET

Moved: Commissioner Northgrave
Second: Commissioner Costa
Vote: 7 Ayes, 0 Nays

RESIDUAL CLAIMS FUND 2016 REORGANIZATION MEETING: The Residual Claims Fund's 2016 Reorganization meeting was held on January 6, 2016 at the Forsgate Country Club. A copy of Chairman Landolfi's report on the meeting was included in the agenda.

The Fund should confirm its 2016 representative to the Residual Claims Fund.

MOTION TO ELECT ROBERT LANDOLFI AS THE CENTRAL JERSEY JOINT INSURANCE FUND'S 2016 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND.

Moved: Commissioner Criscuolo
Second: Commissioner Gross
Vote: Unanimous

E-JIF 2016 REORGANIZATION MEETING: The E-JIF's 2016 Reorganization meeting was held on January 6, 2016 at the Forsgate Country Club. A copy of Chairman Landolfi's report on the meeting was included in the agenda.

The fund should confirm its 2016 representative to the Environmental Joint Insurance Fund.

MOTION TO ELECT ROBERT LANDOLFI AS THE CENTRAL JERSEY JOINT INSURANCE FUND'S 2016 REPRESENTATIVE TO THE ENVIRONMENTAL JOINT INSURANCE FUND.

Moved: Commissioner Criscuolo
Second: Commissioner Gross
Vote: Unanimous

MEL 2016 REORGANIZATION MEETING: The MEL's 2016 Reorganization meeting was held on January 6, 2016 at the Forsgate Country Club. A copy of Chairman Landolfi's report on the meeting was included in the agenda.

The Fund should confirm its 2016 representative to the MEL Joint Insurance Fund.

MOTION TO ELECT ROBERT LANDOLFI AS THE CENTRAL JERSEY JOINT INSURANCE FUND'S 2016 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND.

Moved: Commissioner Criscuolo
Second: Commissioner Gross
Vote: Unanimous

2013 State Examination: Included in the agenda was the 2013 State Examination and Group Affidavit certifying each member reviewed the report.

MOTION TO APPROVE 2013 STATE EXAMINATION REPORT

Moved: Commissioner Northgrave
Second: Commissioner Frankel
Vote: Unanimous

2016 1st Installment Billings - The Executive Director reported the first installment billings were mailed out last month and were due back by January 15th.

Environmental Engineer Service Team Change – The EJIF had announced that a new Environmental Engineer had been appointed to service the Central JIF. PS&S had been selected after an RFP and interview process. The memorandum included in the agenda was sent out to all member municipalities.

Elected Officials Training -The Executive Director this year’s elected officials training program will focus on Public Officials & Employment Practices Liability. As in the past, the MEL will reduce each member’s 2016 liability claims premium by \$250 for each municipal elected official and authority commissioner who completes the course by May 1, 2016. The Fund will be scheduling sessions in the coming months through the offices of Lori Dvorek. The MEL is making available an on-line training program for elected officials to earn the training credit. The Fund office will be sending out instructions on this training option.

2016 Budget: In accordance with the regulations, the budget adopted by the Fund will be advertised in the Fund’s official newspaper. In addition, PERMA will send the budget to member municipalities and will file the same with the State.

2016 Safety Incentive Program Resolution: This is a reminder for our membership to pass the applicable resolution adopting the 2016 Safety Incentive Program and to provide a copy of the Resolution to the Fund Office.

Rules and Contracts Committee: The Rules and Contracts Committee met on Wednesday January 13 to discuss the amended budget and in addition to that discussed the following: (1) Appointing an Ad Hoc Committee to address the fact that technology cyber attacks are a growing area of concern. This would piggy back on the MEL initiative for cyber liability Best Practices. (2) The need to develop a policy for addressing the continuing costs associated with members who depart from the Fund. The Committee will continue its review and will make a recommendation for implementation a stranded costs policy at a future Executive Committee meeting. (3) The need to revisit the Fund’s By Laws. The Committee will review and make recommendations for potential changes at a future Executive Committee meeting.

Inclement Weather Procedure: As a reminder, PERMA has instituted a procedure for Commissioners to confirm whether or not a meeting has been canceled. The Executive Director will discuss with the Fund Chairman if the meeting should be canceled. In the event of an early morning or evening meeting(s), PERMA will provide a recorded message indicating the status of the meeting. The recorded message can be obtained by calling the Fund's main number (201) 881-7632 at any time of the day or night. For meetings that occur during the course of normal business hours, meeting status can be obtained by utilizing the same number.

Pro-Forma Monitoring Reports: Monthly report submitted to Fund Commissioners including Monthly Fast-track Accident Frequency, Fast-Track Financial report, Claim Activity Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and the Monthly and Annual Regulatory Checklist. The Executive Director reported the fund

currently has a surplus of \$2,268,159. The claims activity reports the 2012 – 2015 years losses are running better than the actuary projected, and all JIF members are in full compliance with the EPL/POL Program.

The Executive Director then thanked the fund for PERMA’s reappointment, asked if there were any questions and concluded his report.

Reports Made Part of Minutes.

TREASURER: The Treasurer, Mr. Richard Lorentzen, presented the Bill’s List.

RESOLUTION 9-16 JANUARY 2016 VOUCHER PAYMENTS

2015	\$ 7,483.12
2016	\$1,098,248.72

MOTION TO ADOPT RESOLUTIONS 9-16 APPROVING THE JANUARY VOUCHER PAYMENT LISTS, AS SUBMITTED:

Moved:	Commissioner Gross
Second:	Commissioner Northgrave
Roll Call Vote:	7 Ayes, 0 Nays

Voucher Lists, Treasurer Report & Investment Portfolio Reports Made Part of Minutes.

CLAIMS/ MANAGED CARE:

CLAIMS – Claims Manager Kathy Kissane reported the Claims Committee reviewed the PAR’s for January today and in December via conference call. Claims Manager respectfully requested a motion to ratify the PAR’s that were approved by the Claim Committee via conference call in December and the PAR’s that were submitted to the Claims Committee today for January. Ms. Kissane thanked the Committee for the reappointment for 2016.

PAYMENT AUTHORIZATION REQUESTS: Executive Committee reviewed payment authorization requests presented by Claims Service in December and January. Claims Review Committee reviewed and recommended as submitted.

MOTION TO RATIFY DECEMBER CLAIMS APPROVE PAYMENT AUTHORIZATION REQUESTS FOR JANUARY CLAIMS PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:

Moved:	Commissioner Criscuolo
Second:	Commissioner Northgrave
Roll Call Vote:	7 Ayes, 0 Nays

MANAGED CARE:

CLAIMS – Donna Setzer reported savings was at 64% with a network penetration of 97%. Total injuries for 2015 were 448. Ms. Setzer also reported on the savings below UCR was 57%. Ms. Setzer thanked the Committee for the reappointment for 2016.

UNDERWRITING MANAGER

LIST OF CERTIFICATES ISSUED – Mr. Edward Scioli, the new Underwriting Manager reported the list of Certificates issued was submitted for information showing 4 certificates issued. The second appendix contained the renewal memo in the MEL report detailing the changes in the property and equipment breakdown deductible. Also included in that memo is the replacement of XL with QBE North America for the POL/EPL Policy. Mr. Scioli then reviewed the Cyber Liability options, which was included in the agenda. It was discussed among the Commissioners and decided to go with Option 3 in the agenda.

MOTION TO APPROVE THE CYBER LIABILITY OPTION 3:

Moved:	Commissioner Gross
Second:	Commissioner Criscuolo
Roll Call Vote:	7 Ayes, 0 Nays

The Underwriting Manager advised there is also an exclusion to the general liability included in the agenda for cyber liability coverage, to avoid stacking limits. It was decided among the Commissioners to table the approval of this exclusion for further discussion.

List of Certificates made part of the minutes.

SAFETY DIRECTOR: - David McHale advised the Safety Director’s report was included in the agenda. The report included a list of loss control activities for the month of December. He asked if there were any questions and then concluded his report.

MARKETING MANAGER: – Marketing Manager thanked the commission for the reappointment of Reliance and are excited for the upcoming year and the potential new member pool that will be accessible.

RISK MANAGERS: NONE

OLD BUSINESS: NONE

NEW BUSINESS: NONE

PUBLIC COMMENT: NONE

MOTION TO ADJOURN

Moved:	Commissioner Costa
Second:	Commissioner Criscuolo
Vote:	Unanimous

Meeting adjournment at 11:43 a.m.
Prepared by Rachel Chwastek, Assisting Secretary for

Daniel Frankel, Secretary

RESOLUTION NO. 1-16

CENTRAL JERSEY JOINT INSURANCE FUND
(Hereinafter referred to as the "FUND")

**CERTIFYING THE ELECTION OF
CHAIRPERSON, VICE CHAIRPERSON AND SECRETARY**

BE IT RESOLVED, by the Governing Body of the Fund that the following persons have been elected as Chairman, Vice Chair and Secretary:

Chairperson _____

Vice Chairperson _____

Secretary _____

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson and Secretary shall serve for the year 2016 and until their successors shall be elected and qualified.

RESOLUTION NO. 2-16

CENTRAL JERSEY JOINT INSURANCE FUND
(Hereinafter referred to as the "FUND")

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2016, and

NOW, THEREFORE BE IT RESOLVED, by the Fund Commissioners of the FUND that:

- I. The Fund Commissioners shall conduct Public Meetings at the Piscataway Township Municipal Building to conduct the official business of the FUND on the third Wednesday of every month at 2:00 p.m. for the with the exception of November **which will be held on Monday, November 21, 2016.**
- II. The Fund's Claims Committee shall meet the same day and location as the Public Meetings at 1:30 p.m..
- III. The following is hereby designated the official newspaper (s) of the Fund:

Home News Tribune

In addition, the Central JIF's webpage is designated for official notices.

- IV. The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

RESOLUTION NO. 3-16

CENTRAL JERSEY JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")

ESTABLISHING A FISCAL MANAGEMENT PLAN

FOR THE 2016 FUND YEAR

WHEREAS, THE FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et seq.); and

WHEREAS, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et seq.); and

NOW, THEREFORE BE IT RESOLVED, THE FUND's Fund Commissioners that:

- I. The following financial institutions are hereby declared as THE FUND's Official Depositories for 2016:
 - a) TD Bank
 - b) TD Bank Asset Management
 - c) Investors Bank
 - d) Wilmington Trust

- II. All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution, except for those checks in excess of \$100,000 for which at least three (3) authorized signatures shall be required:

_____, Chairperson

_____, Vice Chair

_____, Secretary

_____, Commissioner

Richard Lorentzen, Treasurer

- III.** All funds for Claims payments shall be withdrawn from the Official Depository (ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution, with the exception of those checks in the amount of \$100,000 or more, in which instance, the Fund Treasurer, Chairman, and Secretary or designated Commissioner shall also be a signatory.

Ann L. Noble, Qual-Lynx
Dave Ruber, Qual-Lynx
Alice Lihou, Qual-Lynx
Joy DiPatri, Qual-Lynx
Janet Buggle, Qual-Lynx
John McSorley, Qual-Lynx

- IV.** The Cash and Investment Policy attached herewith, shall be adopted.
- V.** The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment with a grace period for the first (1st) assessment installment paid to be January 15, and the second (2nd) assessment installment paid to be July 15.
- VI.** Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

RESOLUTION NO. 4-16

CENTRAL JERSEY JOINT INSURANCE FUND
(hereafter referred to as the "FUND")

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS, the FUND must establish a formal record retention program for the 2015 Fund Year.

NOW, THEREFORE BE IT RESOLVED, by the FUND's Fund Commissioners that:

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS: The FUND must establish a formal record retention program for the 2016 fund year.

NOW, THEREFORE BE IT RESOLVED, by the FUND's Governing Body that:

- I. _____, **Fund Secretary**, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 401 Route 73 North, Marlton, NJ 08053.
- II. The Account Manager designated by the Executive Director is hereby appointed as **Assistant Fund Secretary**.
- III. The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.
- IV. Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.
- V. Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Allstate Archives, 24 Beckwith Avenue, Paterson, New Jersey. The FUND's Executive Director shall coordinate the archive process and shall insure that all records are properly indexed and accessible.

CENTRAL JERSEY JOINT INSURANCE FUND
(hereafter referred to as the "FUND")

APPOINTING APPROVED COUNSEL

WHEREAS, the Central Jersey Joint Insurance Fund is responsible for providing a defense to certain claims brought against its members in accordance with the Fund's coverage documents; and

WHEREAS, in order to appoint defense counsel, a law firm must be on the approved counsel list of the Central Jersey Joint Insurance Fund to defend any members of the Fund; and

WHEREAS, the Central Jersey Joint Insurance Fund Joint Insurance Fund appoints firms to the panel in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

WHEREAS, responses were received in the Fund office,

WHEREAS, the law firms attached to this resolution have been proposed as Counsel for the Central Jersey Joint Insurance Fund for the year 2016.

NOW, THEREFORE BE IT RESOLVED, by the Fund Commissioners of the Central Jersey Joint Insurance Fund that the law firms attached to this resolution be and the same are hereby appointed as the approved counsel for the Central Jersey Joint Insurance Fund for the year 2016.

BE IT FURTHER RESOLVED by the Fund Commissioners of the Central Jersey Joint Insurance Fund that the following fee schedule for Defense Attorney's for 2015 is established:

1. Third Party Liability Rates: Partners – \$150/hour; Associates – \$135/hour
2. Workers Comp Rates: Partners - \$140/hour, Associates - \$125/hour
3. Paralegals - \$75/hour for both

BE IT FURTHER RESOLVED that the Chairperson and Secretary of the Central Jersey Joint Insurance Fund are hereby authorized to execute this resolution;

CENTRAL JERSEY JOINT INSURANCE FUND
(hereinafter the "Fund")

Risk Management Plan

ESTABLISHING THE 2016 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's governing body that the 2016 Plan of Risk Management shall be:

1.) **The perils or liability to be insured against.**

a.) The Fund insures the following perils or liability:

- **Workers' Compensation** including Employer's Liability, USL&H and Harbor Marine/Jones Act.
- **General Liability** including Police Professional Liability, Employee Benefits Liability, Quasi Municipal Organization Liability, Garage Keeper's Liability, Failure to Supply (water and electricity), Riot, Civil Commotion or Mob Action, Good Samaritan, Disinfecting Agents Release Hazard, and Skateboard Facility.
- **Automobile Liability** including PIP and uninsured/Underinsured Motorists Coverage.
- **Blanket Crime** including public employee dishonesty; forgery or alteration; theft, disappearance and destruction; robbery and safe burglary; and computer fraud with funds transfer. Excludes Statutory Positions.
- **Property** including Boiler and Machinery
- **Public Officials and Employment Practices Liability**
- **Volunteer Directors & Officers Liability**
- **Cyber Liability**

b.) The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL).

- **Excess Workers' Compensation**

- **Excess General Liability**
- **Non-Owned Aircraft Liability**
- **Excess Auto Liability**
- **Optional Excess Public Officials & Employments Practices Liability**
- **Optional Excess Liability**
- **Excess Property including Boiler and Machinery**
- **Crime** including (1) **excess public employee coverage**, (2) **excess public officials coverage** where the Statutory Positions coverage is insured commercially for primary coverage and (3) coverage for **Statutory Positions** insured on a primary basis with MEL (where approved).
- c.) **Environmental Impairment Liability** Coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund (i.e. E-JIF.)

2.) **The limits of coverage.**

- a.) **Workers' Compensation** limits.
 - The Fund covers \$300,000 CSL.
 - The MEL covers excess claims to the following limits.
 - Workers' Compensation - statutory
 - Employer's Liability - \$6,700,000 in excess of the Fund's \$300,000
 - USL&H – Included in workers Compensation
 - Harbor Marine/Jones Act - Included in employers liability
 - Incidental Foreign Workers Compensation - included
 - Communicable Disease Coverage - included

b.) **General Liability** limits.

- The Fund covers \$300,000 CSL.
- The MEL covers excess liability claims as follows:
 - General Liability - \$4,700,000 CSL excess the Fund's \$300,000. The \$3,250,000 excess \$1,750,000 layer is subject to a \$3,250,000 per member local unit annual aggregate limit.
 - Police Professional - included in the MEL's excess General Liability limits.
 - Employee Benefits Liability - included in the MEL's excess General Liability limits.
 - Good Samaritan Liability - included in the MEL's excess General Liability limits.
 - Quasi Municipal Organization Liability. (Non-profit organizations included by a member local unit in the town's insurance program.)
 - Emergency Service Units and Auxiliaries - included in the MEL's excess General Liability limits.
 - Other - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess \$1,750,000 layer is included in the MEL's excess General Liability \$3,250,000 excess \$1,750,000 per member local unit annual aggregate limit.
 - Garage Keeper's Liability - \$1,700,000 CSL excess of the Fund's \$300,000. The \$250,000 layer excess of \$1,750,000 is included in the MEL's excess General Liability \$3,250,000 excess \$1,750,000 per member local unit annual aggregate limit.
 - Failure to Supply Liability - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the \$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of \$1,750,000 per member local unit annual aggregate limit.
 - Riot, Civil Commotion or Mob Action - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the

\$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of \$1,750,000 per member local unit annual aggregate limit.

- Dams (Class III and IV – Low Hazard) - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the \$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of \$1,750,000 per member local unit annual aggregate limit.
- Dams (Class I and II – High Hazard) - \$700,000 CSL excess of the Fund's \$300,000.
- Subsidence Property Damage Liability- \$3,450,000 CSL excess of the Fund's \$300,000. The \$2,000,000 layer excess of \$1,750,000 layer is included in the MEL's General Liability and is subject to a \$2,000,000 “all members” annual aggregate limit excess of the \$1,750,000 each occurrence. There is no bodily injury liability sub-limit for subsidence.
- Sewer Back Up - \$3,450,000 CSL excess of the Fund's \$300,000. The \$2,00,000 layer excess of \$1,750,000 layer is included in the MEL's General Liability and is subject to a \$2,000,000 “all members” annual aggregate limit excess of the \$1,750,000 each occurrence. There is no bodily injury liability sub-limit for sewer back-up.
- Disinfecting Agents Release Hazard - \$700,000 CSL excess of the Fund's \$300,000.
- Skateboard Facilities - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the \$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of the \$1,750,000 each occurrence. (Requires Fund approval)

c.) **Automobile Liability** limits.

- The Fund covers \$300,000 CSL for Bodily Injury Liability, Property Damage Liability and PIP.
- The Fund covers \$15,000/\$30,000/5,000 for underinsured/Uninsured Motorists Liability.
- The MEL covers Automobile Bodily Injury and Property Damage Liability claims excess of the Fund's \$300,000 CSL limit in the MEL's excess General Liability limit except that Automobile Liability claims which penetrate the excess of \$1,700,000 layer are not subject to the aggregate limitation.
- The JIF provides PIP limits of \$250,000.
- The MEL does not provide excess PIP or Uninsured/Underinsured Motorist Coverage.

d.) **Non-Owned Aircraft.** The MEL covers \$5,000,000 CSL for Bodily Injury and Property Damage Liability, and \$5,000 medical expense for each passenger.

e.) **Public Officials Liability. (POL)**

- The JIF, 100% commercially insured with **QBE North America**, covers \$2,000,000 in the aggregate on a claims made basis per member municipality for each Fund year subject to a deductible and coinsurance as outlined below. There is a combined POL/EPL \$2,000,000 per member local unit annual aggregate.
- \$20,000 deductible per occurrence, except that a \$75,000 deductible per occurrence applies for member local units with unfavorable loss experience.
- 20% coinsurance of the first \$250,000 of the loss

NOTE: Member local units that qualify based on certain criteria have options to purchase a lower deductible and coinsurance contribution. New members with adverse loss experience may be subject to higher deductible and coinsurance as provided by **QBE North America**

f.) Employment Practices Liability (EPL)

- The JIF, 100% commercially insured with **QBE North America**, covers \$2,000,000 in the aggregate on a claims made basis per member municipality for each Fund year subject to a deductible and coinsurance as outlined below. There is a combined POL/EPL \$2,000,000 per member local unit annual aggregate.
- For member local units with approved EPL Loss Control/Risk Management Programs:
 - \$20,000 deductible per occurrence, except that a \$75,000 deductible per occurrence applies for member local units with unfavorable loss experience.
 - 20% coinsurance of the first \$250,000 of the loss
- For member local units without approved EPL Loss Control/Risk Management Programs:
 - \$100,000 deductible per occurrence, except that a \$150,000 deductible per occurrence applies for member local units with unfavorable loss experience.
 - 20% coinsurance (no cap) 1st \$2 million (not imposed against optional limits).

NOTE: Member local units that qualify based on certain criteria have options to purchase a lower deductible and coinsurance contribution. New members with adverse loss experience may be subject to higher deductible and coinsurance as provided by **QBE North America**

g.) Optional Directors and Officers Liability (D & O) - Fire Companies and Emergency Service Units.

- The JIF, 100% commercially insured with **QBE North America** Insurance, provides optional \$1 million or \$2 million annual aggregate limits for Fire Companies or Emergency Service Units subject to optional deductibles of \$1,000, \$2,000 or a \$5,000 deductible.

h.) Property (effective 12:01 A.M. December 31, 2015) –

The Fund covers \$50,000 per occurrence (Property & Time Element combined) less applicable member deductibles:

- Flood for locations wholly or partially within 100-year flood zone
- Boiler and Machinery
- Named Storm (Flood & Wind)

The MEL retains and provides excess property coverage at limits of **\$450,000 excess \$50,000** per occurrence (Property & Time Element combined) except for the following:

- Flood for locations wholly or partially within 100-year flood zone
- Boiler and Machinery
- Named Storm(Flood & Wind)

The MEL serves as the lead agency for the purchase of additional excess property at the following MEL statewide limits and sub-limits:

- Policy limit - \$125 million per occurrence for all coverage despite number of locations involved in an occurrence state-wide.
- Named Storm - \$125 million per occurrence (Property and Time Element combined - (120 Hours)
- Earth Movement - \$75 million annual aggregate (168 hours)
- Flood - \$75 million (annual aggregate) except;
- Flood for locations wholly or partially within 100-year flood zone (SFHA) –
 - \$2.5 million per location building & contents
 - \$1 million all outdoor property
 - \$2.5 million for pumping stations
 - Definition of Flood includes Storm Surge
- Asbestos Cleanup - \$50,000 per occurrence
- Equipment Breakdown - \$125 million
 - Ammonia Contamination - \$5 million
 - Spoilage - \$5 million
- Time Element – included in the policy limit.
 - Time element sub-limits include:
 - Business Interruption – Included (12 Months)
 - Extra Expense - \$10 million
 - Tenant Relocation - \$750,000
 - Leasehold Interest - \$15 million
 - Tenant Prohibited Access- \$1 million (24 Hours)
 - Service Interruption - \$10 million
 - Loss of Rents - \$15 million

- Delay in Completion -60 days
 - Extended Period of Liability – 365 days
- Utilities Member Owned – Property Damage and Time Element Combined - \$125 million
 - Time Element Pass Through Utilities – Per Policy Sub-limit
 - Time Element Power Generation Utilities – **Not Covered**
- Valuable Paper and Records (incl. EDP Media/Software - \$10 million
- Accounts Receivable - \$10 million
- Increased Construction Cost - \$25 million (Incl. Demolition)
- Transit - \$1 million per occurrence
- Fine Arts - \$2.5 million
- Land and Water Contamination Cleanup (limited) - \$250,000 (annual aggregate) Including removal & disposal
- Decontamination Costs - \$250,000
- Miscellaneous Unnamed Locations - \$10 million
- New Construction & Additions - \$25 million
 - Including soft costs - \$5 million sub-limit
 - 15 Days Delay in Completion
- Computer Systems Damage - \$2.5 million (24 Hours)
- Newly Acquired Locations – \$25 million per location
 - 90 Day Period
- Ingress/Egress - \$5 million (within 1 mile-30 Day Period)
- Debris Removal - \$25 million
- Expediting Expense - \$10 million
- Civil Authority -\$5 million(within 5 miles-30 Day Period)
- Professional Fees including Architects/Engineering Fees including loss adjustment expense- \$1,250,000
- Errors & Omissions - \$10 million
- Miscellaneous Personal Property - \$10 million
 - Includes Outdoor Property - \$10 million
- Watercraft - \$1 million - 32' or less – ACV in not scheduled
- Vehicles - \$15 million (Property Damage only)
- Bridges and Dams \$10 million. (Property & TE combined). Excluded for the Perils of Flood, Named Storm & Earth Movement.
- Piers, Wharfs, Docks, Boardwalks, Bulkheads, Crossovers - \$10 million - Named Peril Only
- Transmission and Distribution Lines - \$10 million (within a 1 mile radius of an insured Location for overhead lines & 5 mile radius for underground lines)
- Clogging/Blocking of pipes - \$1 million
- Off Premises Storage Under Construction - \$250,000
- Fire Department Service Charge - \$250,000
- Deferred Payments - \$1 million
- Land Improvements – **Not Covered Property**
- Off Premises Services Interruption - \$10 million

- Excluding Utilities 24 hour qualifying period
- Protection & Preservation of Property-\$10 million(48 Hrs BI)
- Research & Development - \$10 million (12 Months)
- Impounded Water - \$250,000 (30 days)
- Tenant Prohibited Access - \$1 million
- Soft Costs - \$5 million
- Wind Turbine \$1 million per occurrence

FLOOD AGGREGATE NOTE: In no event shall the Zurich primary program aggregate for Flood and/or Surface Water exceed \$50,000,000 in any one policy year. The MEL has an excess flood and earth movement policy on a quota share basis with several insurers that provide a combined limit of \$25,000,000 excess of \$50,000,000. As respects to flood, the limit is excess of the \$50 million Zurich program flood aggregate. It does not drop down over any SFHA sub-limits contained in the Zurich policy such as the \$2.5 million per location sub-limit. The underlying SFHA sub-limits are the maximum amount of limit for those respective locations with loss or damage. This additional limit does not augment or add to any underlying SFHA sub-limits. Please note, however, that loss or damage from flood up to the underlying SFHA sub-limits for that respective location will be part of the \$50 million attachment point.

The total statewide program annual aggregate for the peril of flood (for locations outside & wholly or partially within areas of 100-Year flooding) is \$75,000,000.

- Property Deductibles
 - The standard Member JIF retains and provides \$50,000 per occurrence (MELJIF Retention \$500,000 less JIF retention) (Property & Time Element Combined) less member local unit deductibles except for:
 - Flood for locations wholly or partially within 100-year flood zone
 - Boiler and Machinery
 - Named Storm (Flood & Wind)
 - The standard member local unit deductible is \$2,500 per occurrence except for:
 - Flood for locations wholly or partially within 100-year flood zone
 - Equipment Breakdown
 - Named Storm (Flood & Wind)

- Equipment Breakdown coverage is subject to a member local unit \$5,000 deductible per occurrence (MELJIF Retention \$50,000 less JIF retention). (Property & Time Element Combined).
- Flood loss and/or surface water for locations with any part of the legal description within a SFHA (wholly or partially within the 100-year flood zone) as defined by the Federal Emergency Management Agency is subject to separate deductibles of \$500,000 each for building damage for municipal buildings, and \$500,000 each building for municipal contents damage and \$250,000 each building damage for housing authority buildings, and \$100,000 each building for housing authorities contents damage or the National Flood Insurance Plans (NFIP) maximum available limits for municipalities and housing authorities respectively, whichever is greater, regardless of whether National Flood Insurance Program coverage is purchased. Vehicles, mobile equipment, pistol ranges and pumping stations are subject to the standard member local unit deductible. "Pumping Stations" include "lift stations" and also include "wet wells" that are an integral part of the "pumping station". The flood loss deductible outside of the SFHA (100-year flood zone) is the standard member local unit deductible. All other property not eligible for NFIP is either defined as Outdoor or addressed elsewhere in the policy.
- Named Storm" (Wind and Flood)

Locations: As respects to covered property in **Atlantic, Ocean, Monmouth,** and **Burlington Counties** located east of the Garden State Parkway and any covered property in **Cape May County**.

Property Damage 1% of the scheduled location value on file with the Company, per the property insured as of the date of loss, for the Location where the direct physical loss or damage occurred, per occurrence.

Locations: As respects to covered property in **Atlantic, Ocean, Monmouth,** and **Burlington Counties** located east of the Garden State Parkway and any covered property in **Cape May County**.

Time Element 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned

following an occurrence by use of facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence.

The above Named Storm deductibles are subject to a minimum deductible of \$500,000 for Property Damage and Time Element Combined per Location and maximum deductible of \$1,000,000 per occurrence.

Locations: As respects to covered property in **Atlantic, Ocean, Monmouth, and Burlington Counties** located **west** of the Garden State Parkway and any covered property located in the remaining counties, except **Cape May County** as noted above. **(JIF Retention \$50,000; MELJIF Retention \$500,000 Less \$50,000).**

- **The definitions of “Named Storm” and “Location” are per the definitions in the MEL policy form with Zurich. Named Storm** is defined as any storm or weather disturbance that is named by the U.S. Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center of the Center or any comparable worldwide equivalent. Named Storm includes Storm Surge. **Location** is defined as: (1) as specified in the Schedule of Locations. If not specified in the schedule of locations then : (2) A Location is a building(s) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide; (3) A site tract of land occupied or available for occupancy with tangible property.
- As respects to the perils of Flood, Earth Movement and Named Storm, if there is an event or series of related events in which more than one of these perils causes direct physical damage to insured property, a single deductible shall apply to these perils involved. The single deductible will not exceed the largest applicable for the perils of Flood, Earth Movement and Named Storm. In the event of a **Joint Loss** (Property and Equipment Breakdown), the higher deductible applies.
- **Piers, wharfs, docks**, floating docks, boardwalks, buildings, bulkheads, crossovers and/or structures thereon are covered for the perils of fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action, watercraft and malicious intent.

- **Buildings constructed on pilings** that are located wholly or partially within the Special Flood Zone Hazard (SFHA) designated zones V, VE, V1-30 are excluded except fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action, watercraft and malicious intent.
- **Bridges and Dams and Equipment relating thereto** are not covered for loss caused by or resulting from Flood, Earth Movement or Named Storm regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or is any other sequence to the loss.

i.) **Blanket Crime** - The JIF provides a limit of \$50,000 less the member entity deductible of \$2,500. Coverage includes Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, Computer Fraud with Funds Transfer. The MEL provides it's member JIF's **excess public employees coverage** at limits of \$1,000,000 less the member JIF's retention of \$50,000 for Public Employee Dishonesty.

j.) **Excess Public Officials Crime Coverage** - The MEL provides excess employee dishonesty for those employed positions which are required by law to be individually bonded and where they have not applied and have not been approved for coverage under the MELJIF Statutory Position Program at a limit of \$1,000,000 less a member local units' deductible which is the higher of the following:

- 1) The amount said persons are required by Law to be individually bonded whether or not such individual Bond is in place, or
- 2) The amount of the individual Bond in place.

Each member local unit that has not applied for coverage under the MELJIF Statutory Position Bond is required to continue to purchase via the commercial market individual bonds providing primary coverage up to "at least the minimum limit required by law" for those employed positions required by law to be individually bonded.

k.) **Crime Statutory Position Coverage** - The MEL provides employee dishonesty and faithful performance coverage for those employed positions which are required by law to be individually bonded and where they have applied and have been approved for coverage at a

limit of \$1,000,000 per occurrence per position less a member local units' deductible of \$1,000.

- l.) **Optional Excess Liability** - The MEL offers Optional Excess General Liability, including Police Professional Liability, Employee Benefits Liability, Quasi Municipal Organization Liability (Emergency Service Units and Auxiliaries only), and Automobile Liability (not including PIP or Underinsured/Uninsured Motorist Coverage) as follows:
- \$2 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
 - \$5 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
 - \$5 million CSL and per member local unit annual aggregate excess of \$10 million (auto liability not aggregated).
 - \$10 million CSL and per member local unit annual aggregate excess of \$10 million (auto liability not aggregated).
- m.) **Optional Excess POL/EPL** – The MEL offers optional excess POL/EPL as follows:
- \$1 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$2 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$3 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$4 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$4 million CSL and per member local unit annual aggregate excess of \$6 million
- n.) **Environmental Impairment Liability** - The limits of liability as established in the E-JIF's Plan of Risk Management and coverage documents.
- o.) **Cyber Liability** – The JIF, 100% commercially insured with XL Insurance, provides Third Party coverage including Media Communication, Network Security Liability and Privacy Liability and First Party coverage including Extortion Threat, Crisis Management Expenses and Privacy Notification Costs. The JIF limits of liability are \$5,000,000 each/\$8,000,000 policy aggregate. The limits are

JIF wide and shared amongst member local units of the JIF. There is a \$1,500,000 sub-limit each for (1) Privacy Notification Costs, (2) Regulatory Fines/Claims Expenses for Privacy Liability, (3) Extortion Damages for Extortion Threat and (4) Crisis Management Expenses. There is a \$25,000 policy deductible. There is a second option at limits of \$5 million each/\$8 million Aggregate and a \$25,000 deductible. There is a \$2,000,000 sub-limit each for (1) Privacy Notification Costs, (2) Regulatory Fines/Claims Expenses for Privacy Liability, (3) Extortion Damages for Extortion Threat and (4) Crisis Management Expenses. There is also a 3rd option at limits of \$5 million each/\$8 million Aggregate and a \$25,000 deductible. There is a \$3,000,000 sub-limit each for (1) Privacy Notification Costs, (2) Regulatory Fines/Claims Expenses for Privacy Liability, (3) Extortion Damages for Extortion Threat and (4) Crisis Management Expenses.

Optional Individual Self-Insured Retentions – None.

NOTICE: The above description is a general discussion of the coverage and limits provided by the FUND. However, the actual terms and conditions are defined in the policy documents and all issues shall be decided on the policy documents.

- 3.) **The amount of risk to be retained by the Fund.**
- a.) Workers' Compensation (all coverages) - \$300,000 CSL
 - b.) General Liability (all coverages) - \$300,000 CSL
 - c.) Employment Practices Liability – none 100% commercially insured with **QBE North America**.
 - d.) Non-Owned Aircraft - none
 - e.) Automobile Liability
 - o PD & BI - \$300,000 CSL
 - o Underinsured/Uninsured - \$15,000/\$30,000 CSL
 - o PIP - \$250,000 CSL
 - f.) Public Officials Liability – none 100% commercially insured with **QBE North America**.
 - g.) Optional Directors and Officials Liability – none 100% commercially insured with **QBE North America**.

- h.) Property - \$50,000 per occurrence less member deductibles.
- i.) JIF Blanket Crime - \$50,000 less member deductible
- j.) Optional Excess Liability – none provided by MEL
- k.) Environmental Impairment Liability - none other than the risk of a E-JIF assessment.
- l.) Residual Claims Liability - none other than the risk of a RCF assessment.
- m.) MEL Crime Policy – none provided by MEL
- n.) Optional Excess POL\EPL – none provided by MEL
- o.) Cyber Liability – none 100% commercially insured with XL Insurance

4.) **The amount of unpaid claims to be established.**

- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Fund expects the claims servicing company to set reserves at 85% accuracy. The Fund also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the Fund has adequate reserves to pay all claims and allocated loss adjusted expense liability.
- b.) Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Executive Committee and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Fund.

5.) **The method of assessing contributions to be paid by each member of the Fund.**

- a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Fund year by line of coverage and for each prior Fund year. The actuary includes all budget items in these computations. The annual assessment of each participating municipality is its pro rata share of the probable net cost of the upcoming Fund year for each line of coverage as computed by the actuary.

- b.) The calculation of pro rata shares is based on each municipality's experience modified manual premium for that line of coverage. The Fund's governing body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Fund wide average increase plus a percentage selected by the governing body. The total amount of each member's annual assessment is certified by majority vote of the Fund's governing body at least one (1) month prior to the beginning of the next fiscal year.
- c.) The treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust fund account by Fund year for each type of coverage in which the member participates.
- d.) If a local unit becomes a member of the Fund or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
- e.) The Fund's governing body may by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. All supplemental assessments are charged to the participating municipalities by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.
- f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the chairman or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Fund's governing body.
- g.) The Fund has also adopted a loss sensitive retrospective rating plan and has filed the endorsement with the Department of Banking and Insurance and the Department of Community Affairs.

6.) **Procedures governing loss adjustment and legal expenses.**

- a.) The Fund engages a claims service company to handle all claims, except for the JIF's POL/EPL, insurance which is handled by

Summit Risk Services representing XL Insurance and **QBE North America**. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Fund attorney, the MEL's attorney's office, as well as the claims department of the MEL's three major liability insurers/re-insurers [i.e. General Re and Munich Re for excess liability, and Safety National for workers' compensation]. Every three years, the MEL's internal auditors also conduct an audit.

- b.) Each member local unit is provided with a claims reporting procedure and appropriate forms.
- c.) In order to control workers' compensation medical costs, the Fund has engaged a managed care organization (MCO) whose procedures are integrated into the Fund's claims process.
- d.) To provide for quality defense and control costs, the Fund has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Fund attorney, as well as the various firms which audit the claims adjusters.

7.) **Coverage to be purchased from a commercial insurer, if any.**

The Fund does purchases commercial insurance for the POL/EPL, Volunteer D&O, from **QBE North America**, and Cyber Liability coverage which is purchased from XL Insurance.

8.) **Reinsurance to be purchased.**

The Fund does not purchase reinsurance.

9.) **Procedures for the closure of Fund years, including the maintenance of all relevant accounting records.**

- a.) The Fund utilizes the Municipal Excess Liability Residual Claims Fund (RCF) to facilitate the closure of Fund years.
- b.) Upon the transfer of outstanding liabilities of a Fund year to the RCF, the Fund adopts a resolution closing that year and transfers all remaining assets to the closed Fund year account. This amount is allocated by member local units using the same procedure as is used to calculate a dividend. Each month, interest is credited to the closed Fund year account by member.

- c.) Each year, the Fund's governing body will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of Insurance as appropriate. Further, in the event an open Fund year incurs a deficit, the Fund's governing body will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member by member basis.
- d.) A member may apply to the Fund's governing body for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Fund's governing body will decide on the former member's request after evaluating the likelihood of any additional assessments from the RCF.
- e.) All dividends from the RCF will be deposited in the closed Fund year account on a member by member basis.
- f.) The Fund will retain all records in accordance with the Fund's record retention program.

10.) **Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.**

- a.) The general approach in estimating the loss reserves of the Fund is to project ultimate losses for each Fund year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or funding requirement.
- b.) The following is an overview of the two actuarial methods used to project the ultimate losses.
 - o Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.

- Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

11.) **The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.**

- \$15,000
- \$25,000 Emergency Court House Authority upon the joint authorization of the Fund Attorney and Executive Director. Whenever this procedure is used, the claim shall be reported to the Commissioners at their next meeting.
- With the advance approval of the Fund Attorney, the certifying and approving officer may also pay provider bills if waiting until after the next regularly scheduled FUND meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

RESOLUTION NO. 7-16

**AUTHORIZING THE CENTRAL JERSEY JOINT INSURANCE FUND
TO PAY EXECUTIVE COMMITTEE MEMBERS FOR ATTENDANCE
AT EXECUTIVE COMMITTEE MEETINGS
FOR THE FUND YEAR 2016**

WHEREAS, N.J.S.A. 40A:10-36 permits the creation of a Joint Insurance Fund for local units of government, and

WHEREAS, N.J.S.A. 40:A10-37 permits the Commissioners of the said Joint Insurance Fund to create an Executive Committee for said Joint Insurance Fund, and

WHEREAS, said Statute permits the Commissioners to vote to allow those Commissioners who serve on the Executive Committee to receive up to \$150 per regular Executive Committee Meeting attended,

WHEREAS, any Commissioner serving on the Executive Committee may opt not to be paid and that the amount of the payment would be made to the member municipality,

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Central Jersey Joint Insurance Fund as follows:

Each regular and alternate member of the Executive Committee of the Central Jersey Joint Insurance Fund shall receive \$150 per regular monthly Executive Committee Meeting attended by said member.

RESOLUTION NO. 8-16

CENTRAL JERSEY JOINT INSURANCE FUND (Hereinafter referred to as the "FUND")

APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

WHEREAS, the Central Jersey Joint Insurance Fund (hereinafter the Fund) requires the services of certain professionals and service organizations for the 2015, 2016 & 2017 Fund years.

WHEREAS, the FUND appointed Fund Professionals – noted below – to three year terms commencing on January 1, 2015 and ending on December 31, 2017, at its January 21, 2015 Reorganization Meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

NOW, THEREFORE BE IT RESOLVED, by the FUND's Board of Commissioners that the contracts for the following professionals be re- appointed for Fund Year 2016:

- I. *PERMA Risk Management Services* **is** hereby appointed as **Executive Director & Administrator**, Joseph Hrubash as Executive Director and David Grubb & Bradford Stokes as Deputy Directors and Rachel Chwastek as Account Manager and all as agents for process of services, and shall serve at a fee of \$541,268.00.
- II. *Jeremy Solomon* is hereby appointed as **Fund Attorney** and shall serve at a fee of \$42,441.00 annually and as **Litigation Manager** to be reimbursed at the rate of \$118, not to exceed \$28,374.61 annually.
- III. *Richard Lorentzen* is hereby appointed as **Fund Treasurer** and shall serve at an annual fee of \$16,790.00.
- IV. *Hodulik and Morrison* is hereby appointed as **Fund Auditor** and shall serve at a fee not to exceed \$35,878.00 which includes administrative costs.
- V. *Qual-Lynx* is hereby appointed as the **Claims Service Organization** and shall serve for an annual amount not to exceed \$483,849.00 for TPA services and to adjust all claims for current and prior Fund Years.
- VI. *Qualcare* is hereby appointed as the **Managed Care Provider** and shall serve for an annual amount not to exceed \$169,721.24 for managed care services and to adjust all claims for current and prior Fund Years.
- VII. *The Actuarial Advantage* is hereby appointed as **Actuary** for the Fund and shall be appointed and qualified at an annual amount not to exceed \$32,383.00.

- VIII. *JA Montgomery Risk Control* is hereby appointed to provide **Loss Control Services** to the Fund and shall serve at a fee \$123,854.00.
- IX. *Reliance Insurance Group* is hereby appointed **Marketing Manager** for the Fund and shall each serve at an annual fee of \$121,910.00.
- X. *Wilmington Trust* is hereby appointed **Asset Manager** for the Fund - 05% of the market value of the Fund's invested assets.
- XI. *Investors Bank* is hereby appointed as **Banking Manager** at an earning rate based on a combined average balance of \$20,000,000 of participating joint insurance funds.
- XII. *John Geaney of Capehart & Scatchard* is hereby appointed **Workers' Compensation Litigation Management** for the Fund and shall serve at an annual fee of \$20,000.00.
- XIII. *Russo & Associates* is hereby appointed **Payroll Auditor** for the Fund and shall serve at a fee of \$425.49 for calendar years towns; a fee of \$589.38 for fiscal year towns and \$229.03 per town for position headcounts.

All Professionals and service organizations appointed pursuant to this resolution shall serve in accordance with professional services contracts.

RESOLUTION NO. 9-16

**CENTRAL JERSEY JOINT INSURANCE FUND
BILLS LIST – JANUARY 2016**

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

BE IT RESOLVED that the Central Jersey 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 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
003428			
003428	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 12/2015	81.28
			81.28
003429			
003429	NEWTECH SERVICES INC.	DOMAIN RENEWAL 5 YEARS - 12/21/2015	95.00
			95.00
003430			
003430	ROBERT M. LANDOLFI	2015 DECEMBER MEETING ATTENDANCE	150.00
			150.00
003431			
003431	DANIEL FRANKLE	2015 DECEMBER MEETING ATTENDANCE	150.00
			150.00
003432			
003432	MICHAEL GROSS	2015 DECEMBER MEETING ATTENDANCE	150.00
003432	MICHAEL GROSS	2015 DECEMBER MEETING ATTENDANCE	150.00
			300.00
003433			
003433	EDISON TOWNSHIP	2015 DECEMBER MEETING ATTENDANCE	150.00
			150.00
003434			
003434	FRANKLIN TOWNSHIP	2015 DECEMBER MEETING ATTENDANCE	150.00
			150.00
003435			
003435	BOB SMITH & ASSOCIATES	LITIGATION MANAGEMENT - 12/2015	1,334.00
003435	BOB SMITH & ASSOCIATES	ATTORNEY FEE 12/2015	4,029.83
			5,363.83
003436			
003436	CEDAR GROVE CAFE AGC LLC	FOOD SERVICES - 12/16/15	125.00
			125.00
003437			
003437	NANCY R. COSTA	2015 DECEMBER MEETING ATTENDANCE	150.00
			150.00
003438			
003438	THE HAMPTON INN WOODBRIDGE	FINAL PAYMENT - SAFETY LUNCHEON 1/20/16	592.55
			592.55
003439			
003439	PISCATAWAY TOWNSHIP	2015 DECEMBER MEETING ATTENDANCE	150.00

003440			150.00
003440	ALLSTATE INFORMATION MANAGEMNT	ACCT: 225 - ACT & STOR 11/30/2015	25.46
			25.46

Total Payments FY 2015	7,483.12
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FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
W0116			
W0116	IMG WORLDWIDE, LLC.	ERIC LEGRAND SPEAKER - 01/20/16	3,000.00
			3,000.00
003441			
003441	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 1ST QTR 2016	4,186.32
			4,186.32
003442			
003442	QUAL-LYNX	MANAGED CARE FEE 01/2016	15,567.36
			15,567.36
003443			
003443	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 1ST QTR 2016	126,382.63
003443	MUNICIPAL EXCESS LIABILITY JIF	MEL 1ST QTR 2016	638,400.39
			764,783.02
003444			
003444	ACRISURE, LLC	MARKETING MANAGER FEE 01/2016	11,385.67
			11,385.67
003445			
003445	QUAL-LYNX	CLAIMS ADMIN - 01/2016	44,518.00
			44,518.00
003446			
003446	J. A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 01/2016	11,760.08
			11,760.08
003447			
003447	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 01/2016	48,925.58
			48,925.58
003448			
003448	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 01/2016	3,074.83
			3,074.83
003449			
003449	RICHARD LORENTZEN	TREASURER FEE 01/2016	1,594.25
			1,594.25
003450			
003450	FINANCIAL INS. CONSULTANTS LLC	RMC FEE 1ST INSTALLMNT 2016 - PISCATAWAY	18,134.10
003450	FINANCIAL INS. CONSULTANTS LLC	RMC FEE 1ST INSTALLMNT 2016 - EDISON TWP	52,210.95
			70,345.05

003451			
003451	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST INSTALLMNT 2016 - SYREVILLE	38,734.99
003451	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST INSTALLMNT 2016 WOODBIDGE	46,404.65
003451	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST INSTALL'16 -PORT READING FAS	257.74
003451	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST INSTALLMENT 2016 WTARS	1,315.35
003451	NORTH AMERICAN INSURANCE MGMNT	RMC 1ST INSTALL'16 - AVENAL-COLONIA FAS	397.03
003451	NORTH AMERICAN INSURANCE MGMNT	RMC 1ST INSTALL'16 CP;PMOA DIST 12 FAS	436.94
003451	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST INSTALLMENT 2016 FD #1	1,408.00
003451	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST INSTALLMNT 2016 FRANKLIN TWP	13,835.96
003451	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST INSTALLMENT 2016 FD #2	601.40
			103,392.06

003452			
003452	MUNICIPAL EXCESS LIABILITY JIF	MSI 1ST QTR 2016	15,716.50
			15,716.50

	Total Payments FY		1,098,248.72
		Total Payments FY 2016	1,098,248.72

TOTAL PAYMENTS ALL FUND YEARS \$ 1,105,731.84

