

**CENTRAL JERSEY JOINT INSURANCE FUND  
MEETING MINUTES  
March 17, 2021  
ZOOM CONFERENCE CALL**

**MEETING OF THE EXECUTIVE COMMITTEE CALLED TO ORDER AT 2:00 P.M.  
OPEN PUBLIC MEETING STATEMENT READ INTO RECORD**

**ROLL CALL OF THE 2021 EXECUTIVE COMMITTEE**

William Northgrave, Township of Edison	Present
Daniel Frankel, Borough of Sayreville	Present
Nancy Costa, Township of Hillsborough	Present
Timothy Dacey, Piscataway	Present
Robert Vornlocker, Township of Franklin	Present
Michael Gross, City of South Amboy	Present
Marcia Karrow, Borough of Middlesex	Present
Joseph Criscuolo, Township of East Brunswick	Present
Casey Wagner, Township of Woodbridge	Present
William Robins, Borough of Dunellen	Absent
Melissa Perilstein, Borough of Metuchen	Present
Bernard Hvozdovic, Township of South Brunswick	Present
Edward Kirschenbaum, Borough of Belmar	Absent

**ALSO PRESENT:**

Jeremy Solomon, Bob Smith & Associates  
Richard Lorentzen, Treasurer  
Raven Williams, Township of Franklin  
Donna Setzer, Qual Lynx  
Kathy Kissane, Qual Lynx  
Shakirah Sanford, Brown & Belmar  
Katherine Young, Alamo Insurance  
Charles Van Der Linde, Belmar  
Jay McManus, North American Insurance Management  
Robin Racioppi, North American Insurance Management  
Amy Pieroni, North American Insurance Management  
Patti Fahy, North American Insurance Management  
Lindsay Travali, North American Insurance Management  
Dominick Cinelli, Brown & Brown  
Don Ruprecht, JA Montgomery Risk Control  
Michael Brosnan, JA Montgomery Risk Control  
Paul Shives, JA Montgomery Risk Control  
Edward Cooney, Conner Strong & Buckelew  
Ilene Laursen, Conner Strong & Buckelew  
Jennifer Conicella, Perma

Robyn Walcoff, Perma  
Joseph Hrubash, Perma  
Rachel Chwastek, Perma

**MINUTES:** February 17, 2021 Open Minutes

**MOTION TO APPROVE MINUTES FOR FEBRUARY 17, 2021**

Moved:	Commissioner Karrow
Second:	Commissioner Dacey
Vote:	Unanimous

**CORRESPONDENCE:** None

**EXECUTIVE DIRECTOR'S REPORT**

**2021-2022 Insurance Crisis and Accidental Disability Pensions:** The Executive Director advised included in the agenda were two memorandums prepared by David Grubb, MEL Executive Director, concerning emerging issues that will increase insurance costs. The MEL has begun working with various professionals in an effort to control the impact.

The Executive Director advised Senate Bill S3375 which will have a major effect on the cost of insuring workers compensation. Mr. Grubb's memorandum summarizes some of the issues including how nurse case management, which definitely helps the fund keep their cost down, could be heavily affected by this new bill. One of the great things about workers compensation in New Jersey is that the employer directs medical care throughout the process and this bill reduces the Fund's ability to just the initial assignments. Additionally, the legal costs have always been capped and this new legislation would change that creating a fee shifting situation as we experience with EPL.

The Executive Director also reported statewide there are over 4,000 Covid-19 Claims, Central JIF has a small portion of that, but Covid-19 has definitely affected the excess workers compensation marketplace and will drive up costs for next year's budget.

The Department of Labor also eliminated the pension offset for accidental disability claims, and making workers compensation the sole remedy. It's estimated this change will increase the Fund's costs by 11%. Mr. Grubb and Mr. Hrubash are scheduling a meeting with the Insurance Commissioner to address this and Senate Bill 3375.

Mr. Grubb and Mr. Hrubash will meet with the bill sponsor on Friday and the main objective is to defeat the bill, to which there appears to be a lot of opposition. Unlike the sexual molestation and fire fighter cancer legislation, bills that were being fast tracked, the strategy was to negotiate a compromise to lessen the impact on workers compensation for public entities. Mr. Hrubash advised there was still six months in the two year window for possible claims for the sexual molestation claims resulting from the legislation. Statewide he advised there are three or four of these claims and some predate JIF membership. He advised in the marketplace in general, the

courts have been testing Title 59 protections, which is the JIF's greatest protection from a liability standpoint and as a result the excess rates have dramatically increased. The Executive Director added cyber liability rates have doubled due to public entities becoming a major target. He suggested the intent of Mr. Grubb's letter was to expect a major increase at the MEL level next year due to these changing conditions and advised he would keep the Commissioners informed as things develop. Mr. Hrubash asked if there were any questions.

Commissioner Dacey asked who the sponsor was for S3375. Mr. Hrubash advised Troy Singleton out of Burlington County. His understanding is that Mr. Singleton had already heard from a number of people over the issues with the bill and having talked with him before, he found him to be reasonable. He added Mr. John Geaney, a workers compensation expert, assembled a group consisting of JIFs, insurance companies and other private firms. This group has had several meetings and are working on a white paper opposing the bill. He asked if there were any additional questions.

**Cannabis Legislation:** As a result of the recent adoption of the cannabis legislation in New Jersey, a number of critical issues and questions have, and will continue to, arise.

The Executive Director reported the MEL Fund Attorney is finalizing a bulletin and a sample Ordinance for membership to consider in collaboration with their legal counsel. The bulletin outlines the various area of concerns stemming from this new legislation.

**2021 MEL/RCF/EJIF March 26<sup>th</sup> Virtual Meeting & Retreat:** The MEL, RCF and EJIF will hold their March meetings in conjunction with the MEL Annual Retreat. This year's retreat will be held on March 26<sup>th</sup> via Zoom. The purpose of the retreat is provide the sub-committees of the MEL an expanded opportunity to report directly to the Boards of the MEL, RCF and EJIF. Please visit the MEL webpage – [njmel.org](http://njmel.org) - just prior to the meeting for the information on how to participate virtually.

**MEL, MR HIF & NJCE Educational Seminar.** The 10<sup>th</sup> annual seminar will be conducted virtually on 2 half day sessions: Friday, May 14<sup>th</sup> and Friday, May 21<sup>st</sup> from 9 am to 12 noon. The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and Municipal Reinsurance Health Insurance Fund (MR HIF) members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs.

The seminar's agenda was included in the agenda and this is also be the topic of the MEL's "Power of Collaboration" Ad in the League of Municipalities magazine. A Zoom Invite with registration instructions will be emailed to members shortly.

**CDL Testing Reimbursement** – Members are eligible for reimbursement for their 2020 CDL Testing expenses through the Central JIF. Executive Director asked commissioners to submit receipts to the Fund Office for reimbursement. The Executive Director reported only two towns have taken advantage of the reimbursement.

**2020/2021 Elected Officials Seminar:** The MEL's Annual Elected Officials Seminar is available through the MEL Safety Institute. A copy of the directions to take the course was included in the agenda.

The MEL will provide a credit of \$250 against each member's assessment for each municipal elected official and authority commissioner who completes the course by May 1, 2021. The credit will continue to be extended to the member's CEO (i.e. municipal manager/administrator or authority executive director). The maximum credit is 5% of the member's assessment.

**Central JIF Cyber Security Training Program** – The JIF's cyber security vendor, D2 CyberSecurity, has started the program with membership. The Executive Director reported a second kickoff meeting was held for those members who could not attend the first, and both kickoff meetings went very well.

Commissioner Wagner advised last week they began the phishing campaign, for most member municipalities, and the prepared emails looked good and he expects a high click rate. He reported starting next week, March 22, all employees who are in the system will receive an email guiding them to the training, which will be a three hour session. The employees can log in on their own time and complete it at their own pace, but it must be complete by April 30<sup>th</sup>. After that, D2 will compile a report for the Executive Director and each administrator of employees who have completed training and those still pending. Commissioner Wagner continued he is very happy with D2 and advised they have been very responsive. He thinks the training program is going to be great for the employees and is the most crucial step in the fund's cyber security.

Commissioner Criscuolo suggested getting a firm commitment to complete the training. He advised he did training last year, and with those employees that had not completed it, he told their managers he would shut off their logon for the system. And the training was then completed. He plans to do the same for this training. It lets the employees know you are really serious about the training.

Commissioner Vornlocker echoed Commissioner Wagner and Commissioner Criscuolo's points. Commissioner Vornlocker thinks you need to take a hardline approach to employees completing this training. He's glad the JIF is going in this direction.

The Executive Director advised he thinks the JIF picked the right vendor and considers employee awareness to still be the number one issue when it comes to cyber claims.

**MEL Cyber Task Force:** The MEL's Cyber Task Force released Version 2 of its Cyber Risk Management Program. Enclosed in the agenda was a copy of the most notable changes. The Executive Director asked the Underwriting Manager to provide an overview of changes.

The Underwriting Manager stated the one page memorandum describes the changes between the versions and noted the new one was released last week. He advised those members who are in compliance with Tiers 1 and 2 already, are grandfathered in until January 1, 2022 for the new requirements. The new program now has a Tier 3, which can get the member deductible down to zero dollars. He advised the new Cyber Risk Management Program documents can be found on

the njmel.org website. He added that the MEL was ahead of the game with respect to other public entities but also in general for organizations across the country about cyber security. It took until last month for insurance companies to start asking the questions that MEL Underwriting has been asking for the past four or five years. He asked if there were any questions and then concluded his report.

**Employment Practices Compliance Program.** Please visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program; the deadline for updates and training has been extended to November 1, 2021 from June 1, 2021.

Link to an outline of the program and model documents: <https://njmel.org/insurance/public-officials/risk-management-program/>

The Executive Director reported there was a handbook webinar back in September/October and another was held this past Friday. This past Friday there were some new elements discussed, including vaccines in the workplace. That webinar will be posted on the njmel.org website and the Executive Director encouraged members to review it.

**2021 Financial Disclosures** - Fund Commissioners should anticipate the online filing of the Financial Disclosure forms inclusive of the MEL/EJIF/RCF Commissioner and any municipal related positions that require filing.

Ms. Chwastek advised she had not heard from the State yet on the filings and would update Commissioners when she does.

**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 the fund's LTAF is 1.23, with the three year at 1.42. He advised although the Central JIF is not number one, they are doing exceptionally well and that equates to savings on the workers compensation claims. There is no Financial Fast Track this month as this finance team is currently working on the audits. The Executive Director asked if there any questions.

The Executive Director added there was one additional item to report. There were some errors in the 2020 coverage policies and he confirmed with Ms. Chwastek that those policies had been corrected.

The Chairman then asked all participants to confirm they were muted.

#### Reports Made Part of Minutes.

**TREASURER:** The Treasurer, Mr. Richard Lorentzen, presented the Bill's List. He also advised all the assessments had been paid and he is currently working with the auditors to get that finalized.

**RESOLUTION 17-21 MARCH 2021 VOUCHER PAYMENTS**

2020	\$ 16,588.88
2021	\$ 180,366.28

**MOTION TO ADOPT RESOLUTIONS 17-21, APPROVING THE MARCH VOUCHER PAYMENT LIST, AS SUBMITTED:**

Moved:	Commissioner Criscuolo
Second:	Commissioner Gross
Roll Call Vote:	11 Ayes, 0 Nays

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

**CLAIMS/ MANAGED CARE:**

**CLAIMS** – Claims Manager, Kathy Kissane, advised Qual Lynx is also working with the financial auditors, as they review their claim processing and payment processing. They’re answering questions and reviewing the claim summary document that the auditors have prepared.

Additionally, the workers comp lost time accident ratio report for February was included in the agenda. There were 23 new claims, a few Covid-19 claims and they’ll track that increase. Ms. Kissane noted there were a lot of snow storms in February, so there were a lot of slips and falls and that’s accounting for a good number of the injuries. The subrogation report shows a recovery for February in the amount of just over \$700, with a year to date amount of just under \$9,400.

The Claims Committee reviewed the 13 PARs prior to the JIF meeting and recommended approval.

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

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS FOR MARCH CLAIMS PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX AND TO HAVE THE FUND CHAIR EXECUTE THE RELEASE FOR THE SUBROGATION CLAIM:**

Moved:	Commissioner Dacey
Second:	Commissioner Karrow
Roll Call Vote:	11 Ayes, 0 Nays

**MANAGED CARE:**

**MANAGED CARE** – Donna Setzer reported a total of 320 bills for February totaling \$370,427.29 came in, \$91,589.26 was paid yielding a savings of \$278,838.03 or 75% with a network penetration of 98%. Also included in the agenda were the reports for Top 10 Providers, Savings by Specialty and Top 10 Charges. There were 63 injuries reported and 27 required treatment. The largest claim was a slip and fall on ice injuring the shoulder with total charges of \$138,000. Approved for payment was \$15,000, for savings of \$123,000 which included savings with the facility, the surgeon and the assistant surgeon. Ms. Setzer asked if there were any questions and then concluded her report.

## **UNDERWRITING MANAGER**

The Underwriting Manger advised there was a memo sent out last week regarding a Microsoft vulnerability that was out there, affecting a lot of the members in the MEL program. Please make sure your IT teams take care of it. He added Microsoft offers a number of solutions, but there have already been claims reported regarding this.

**LIST OF CERTIFICATES ISSUED** – There were 136 certificates issued from 1/22/2021 to 2/22/2021.

### List of Certificates made part of the minutes.

Chairman Northgrave commented they had the cyber issue in Edison and advised the memo on the Microsoft issue was very timely and they were able to shut it down without any impact and thanked the Underwriting Manager for the information.

**MARKETING MANAGER:** The Marketing Manager advised they had an upcoming meeting with the Executive Director’s office to discuss potential new membership and would report on that in April.

**SAFETY DIRECTOR:** - Paul Shives advised the Safety Director’s report was included in the agenda. The report included a list the loss control visits for the month of February and a list of all the meetings attended during that time. Mr. Shives added the Safety Kickoff would take place on April 21<sup>st</sup> from 11:00AM – 1:00PM, with Keith Hummel of his staff delivering the address of 21 Irrefutable Laws of Leadership. He advised if you haven’t see it, or attended the class it is well worth the time. Included in the report were also the list of bulletins issued in February, there were six, and the resources utilized by the JIF, including MSI Now. Three additional sessions of the Protection and Safe Treatment of Minors training, a MEL mandated training, have been scheduled in April, two during the day and one in the evening to accommodate elected officials. Mr. Shives asked if there were any questions and then concluded his report.

The Executive Director added a new MEL initiative is an RFQ for Background Check Companies and asked Mr. Shives to fill everyone in.

Mr. Shives reported municipalities have had difficulty finding companies to run their background checks, as the new Protection and Safe Treatment of Minors Program requires. The MEL

Attorney's, Fred Semrau, office has put together specifications and will go out for proposals from qualified companies. It will be a pass through cost to the member, but the member will have the benefit of the unit cost being based on the MEL bid and know the company be used is qualified.

The Executive Director advised the member would deal directly with the vendor, the MEL will just qualify them and supply a reference list, as was done with the restoration vendors on the property side.

The Chairman thanked Mr. Hrubash and Mr. Shives and then asked Mr. Solomon if an executive session was necessary.

Mr. Solomon advised an executive session was not needed.

**OLD BUSINESS:** NONE

**NEW BUSINESS:** NONE

**PUBLIC COMMENT:** NONE

**MOTION TO ADJOURN**

Moved:	Commissioner Dacey
Second:	Commissioner Karrow
Vote:	Unanimous

Meeting adjournment at 2:31 p.m.  
Prepared by Rachel Chwastek, Assisting Secretary for

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Nancy Costa, Secretary