

**CENTRAL JERSEY JOINT INSURANCE FUND  
MEETING MINUTES  
May 19, 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	Present
Melissa Perilstein, Borough of Metuchen	Absent
Bryan Bidlack, 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  
Tony Jones, Qual Lynx  
Jay McManus, North American Insurance Management  
Robin Racioppi, North American Insurance Management  
Amy Pieroni, North American Insurance Management  
Patti Fahy, North American Insurance Management  
Jasmine Brascom, Alamo Insurance Group  
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  
Ilene Laursen, Conner Strong & Buckelew  
Jennifer Conicella, Perma  
Robyn Walcoff, Perma  
Bradford Stokes, Perma

Joseph Hrubash, Perma  
Rachel Chwastek, Perma

**MINUTES:** April 21, 2021 Open and Closed Minutes, April 27, 2021 Open and Closed Minutes

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR APRIL 21, 2021 AND MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR APRIL 27, 2021**

Moved:	Commissioner Karrow
Second:	Commissioner Dacey
Vote:	Unanimous

**CORRESPONDENCE:** Mr. Hrubash advised there was some correspondence. A letter came in from Qual-Lynx and was distributed via email.

Plans were announced for QualCare Alliance Networks, Inc. (QANI) to be acquired by Mitchell | Genex | Coventry, or M|G|C, a leader in cost containment technology, provider networks, clinical services, pharmacy benefit management (PBM) and disability management. The press release can be found at QualCare Inc. | News.

Ms. Kissane reported they are very excited about the new company and advised the Central JIF's services and personnel will not change. It's expected to close in the second half of the year and Ms. Kissane advised she would update the Fund if there is any new information.

Mr. Hrubash advised he spoke with Ms. Lihou of Qual Lynx and felt the Fund is in good hands.

Mr. Northgrave advised the Qual Lynx team the Fund has does a terrific job and if team is staying the same the nomenclature should not matter.

**EXECUTIVE DIRECTOR'S REPORT**

**MEL, MR HIF & NJCE Educational Seminar.** Executive Director Hrubash reported the 10<sup>th</sup> annual seminar will be conducted virtually on 2 half-day sessions; the first session was held last Friday and the second will be held this 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 engaged by MEL member JIFs and MR HIF member HIFs.

Mr. Hrubash reported they had 265 people in attendance at the seminar on May 14<sup>th</sup>.

Included in the agenda was the event agenda; a Zoom invite with registration instructions has been emailed to members and is listed below.

[https://permainc.zoom.us/webinar/register/WN\\_4Vo8s4QLRfSrDMcWkm7VfA](https://permainc.zoom.us/webinar/register/WN_4Vo8s4QLRfSrDMcWkm7VfA)

**MEL Year End Results:** Executive Director Hrubash reported that included in the agenda was the MEL's financial fast track as of 12/31/2020. The MEL's statutory surplus declined to \$8.3 million and is now at the surplus floor established by the MEL. The MEL's strategy is to be especially conservative considering all of the current uncertainty concerning COVID claims, the recent changes in public employee pensions as it relates to WC, firefighter's cancer WC presumption (FFCP), and the extension of the statute of limitations for sexual molestation claims (SAM). Below are the factors that has led to changes in the MEL financials:

**COVID:** The most significant factor is the projected \$20 million that COVID related workers' compensation claims will eventually cost the MEL. Instead of the local JIFs, the MEL will pay up to \$20 million in COVID claims that have been incurred over the last year. The MEL is strengthening its claim and IBNR reserves (by \$7.5 million) because of the uncertainty over the recovery from its' excess insurer Safety National. Hopefully, the MEL will be successful in making a full recovery from Safety National so that it can reverse this accrual.

**General Claim Reserves:** The MEL is also strengthening general claim reserves by \$2.6 million to cover non-COVID related claims such as sexual molestation and fire fighter cancer presumption claims.

**RCF:** The fast track also records a \$3 million additional assessment payable to the RCF to bring surplus floor to that as established by the RCF commissioners for 2020.

Under the plan of risk management, the MEL will adopt an additional assessment of \$3 million, payable in ten annual installments to maintain the surplus at the \$8.3 million surplus floor. Because this additional assessment is payable over ten years, the impact on each individual JIF will not be significant. The MEL financials will be reviewed by the Audit Committee on May 24<sup>th</sup> and will be approved by the MEL Commissioners at its meeting on June 2<sup>nd</sup>. Please note, the overall JIF/MEL combined surplus remains in excess of \$200 million.

Executive Director Hrubash pointed out the MEL surplus remains strong, especially when you look at it from a statewide perspective.

**D2 Cybersecurity – Status Report** – Included in the agenda was the monthly status report from D2, recapping members' participation and training to date. Executive Director Hrubash reported column 4 of the report shows how each member performed for the first phishing test and the percentages were pretty good. The last column is each member's training progress. Executive Director Hrubash advised Dunellen and South Amboy are starting their training now.

It was noted Middlesex Borough's training progress is very good.

**Employment Practices Compliance Program:** Please visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program; Deadlines for updates and training has been

extended to November 1, 2021 (from June 1, 2021). Please use the following link to view an outline of the MEL program and its model documents:

<https://njmel.org/insurance/public-officials/risk-management-program/>

This year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar: “Protecting Children From Abuse – Managers/Supervisors”. This course for Managers includes an Employment Practices component. Included in the agenda was a copy of a notice distributed to members from J.A. Montgomery on classes scheduled through September.

**Power of Collaboration:** Executive Director Hrubash reported that included in the agenda were the two latest Ads in the “Power of Collaboration” series. The first focuses on the actions taken by the MEL to help members in addressing the public health crisis and the second highlights the NJ Environmental Fund and its efforts in the Passaic River II litigation. The two key points of the EJIF Ad was a consolidation of defense, which will save money, and an archivist has been hired to find the old liability policies that would provide coverage. There was success with the first litigation, which was at the state level, and we expect the same for this one at the federal level.

**2021 Financial Disclosures:** Executive Director Hrubash reported the Local Finance Board has now indicated that the filing deadline has been extended until June 30<sup>th</sup>. Although we contacted member to begin their filing, we are now being advised that Commissioners should wait until the Local Finance Board releases its instruction bulletin before completing your file. If you have already filed, once the bulletin is released, you should review your filing again to make sure there weren’t any changes in the process that might require you to edit your filing.

**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 March Financial Fast Track showed a surplus of \$10,187,874 and the Fund gained \$512,000 in surplus since year end. Line 9 of the Financial Fast Track shows the RCF & MEL Surplus Trigger. The 2019 RCF trigger was \$261,000 to the Central JIF. The 2020 RCF Trigger is \$284,000. The RCF triggers will be paid out of the closed year accounts, so there won’t be any additional assessments or additional bills to our membership for the RCF Triggers. The MEL surplus trigger of \$198,000 will be billed to the members and payable over ten years. Executive Director Hrubash asked if there were any questions on the Fast Track or the Surplus Triggers. Executive Director Hrubash then reported on the Fund’s expected loss ratio analysis and advised the Fund is performing better than the actuary’s projections in each fund year and that directly correlates with the surplus the Fund is generating. The Executive Director advised they monitor 15 JIFs in the MEL system and Central Fund’s LTAF is 0.55, with the three year average at 1.39. He advised the MEL JIFs spent twenty-plus years excess of 2.5, so this is great news and in 1991 when they started tracking the state average was 5.71. The Fund’s performance in this area has helped offset some of the other issues we’re dealing with now with respect to Covid-19, recent legislation, etc.

The Executive Director advised that was all he had for open session, however he has one item to be discussed in executive session.

Reports Made Part of Minutes.

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

**RESOLUTION 20-21 MAY 2021 VOUCHER PAYMENTS**

2021                      \$ 170,285.80

**MOTION TO ADOPT RESOLUTIONS 20-21, APPROVING THE MAY VOUCHER PAYMENT LIST, AS SUBMITTED:**

Moved:	Commissioner Karrow
Second:	Commissioner Costa
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 the Claims Committee reviewed the 8 PARs prior to the JIF meeting and recommended approval.

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

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS FOR MAY CLAIMS PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:**

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

Claims Manager, Kathy Kissane, advised the workers comp lost time accident ratio report for April was included in the agenda. There were 31 claims, most of them medical only. The subrogation report shows a recovery for April in the amount of \$134,373.00, with a year to date amount of just under \$300,326.43.

**MANAGED CARE:**

**MANAGED CARE** – Donna Setzer reported there were a total of 365 bills, 363 were in network, for April totaling \$340,055.41 came in, \$94,326.15 was paid yielding a savings of \$245,729.26 or 72% with a network penetration of 99%. Also included in the agenda were the reports for Top 10 Providers, Savings by Specialty and Top 10 Charges. Ms. Setzer asked if there were any questions and then concluded her report.

## **UNDERWRITING MANAGER**

**LIST OF CERTIFICATES ISSUED** – There were 7 certificates issued from 3/22/2021 to 4/22/2021.

List of Certificates made part of the minutes.

**MARKETING MANAGER:** Ms. Lindsay Travali advised marketing had nothing to report at this time.

**SAFETY DIRECTOR:** Paul Shives advised the Safety Director's report was included in the agenda. The report included a list the loss control visits and a list of all the meetings attended during that time. Mr. Shives advised a workshop held on April 20<sup>th</sup> on the Covid-19 pandemic, received really great feedback. Mr. Shives reported also included in the agenda was a list of the bulletins sent from his office in April, including distracted driving, workplace violence prevention month and others. Also included was the usage of the MSI Now and MSI DVD program as well as the link to the MSI Live Classes. Mr. Shives advised they are updating the protection and safe treatment of minors policy based on feedback received and the target date to get that out is July 1. Mr. Shives asked if there were any questions and then concluded his report.

Executive Director Hrubash complemented JA Montgomery, Harry Earle was the keynote speaker at the MEL Educations Seminar, on Implicit Bias, which was fantastic and he advised the session would be posted on the MEL website.

Chairman Northgrave advised before the Fund went into Executive Session he would ask if there was public would wanted to comment. There were none.

**PUBLIC COMMENT:** NONE

Chairman Northgrave then asked for a motion to enter Executive Session, achieved via Zoom Breakout Room.

### **MOTION TO ENTER EXECUTIVE SESSION**

Moved:	Commissioner Dacey
Second:	Commissioner Costa
Vote:	Unanimous

### **MOTION TO RETURN TO OPEN SESSION**

Moved:	Commissioner Criscuolo
Second:	Commissioner Dacey
Vote:	Unanimous

**OLD BUSINESS:** NONE

**NEW BUSINESS:** NONE

**MOTION TO ADJOURN**

Moved:	Commissioner Criscuolo
Second:	Commissioner Costa
Vote:	Unanimous

Meeting adjournment at 2:30 p.m.  
Prepared by Rachel Chwastek, Assisting Secretary for

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Nancy Costa, Secretary