

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
MINUTES
MEETING –JANUARY 15, 2014
LODI MUNICIPAL BUILDING
4:30 P.M.**

Meeting called to order by Mr. Hansen. Open Public Meeting Act read into Minutes by Chairman.

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairman		
Frank Bianchi	Borough of Lyndhurst	Absent
Secretary		
John Hansen	Borough of E. Rutherford	Present
Executive Committee		
Peggy Thomas	Borough of Fort Lee	Absent
Charles Cuccia	Borough of Maywood	Present
Peter Van Winkle	Borough of Rutherford	Present
Anthony Luna	Borough of Lodi	Present
Dominick Azzolini	Borough of Wood Ridge	Present
ALTERNATES		
Gregory Franz #1	Borough of Edgewater	Present
Joseph Crifasi #2	Borough of Carlstadt	Present
Victor Baginski #3	Borough of Wallington	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Perma Risk Management Services Stephen Sacco	Present
Attorney	Paul Barbire	Present
Underwriting Manager	Conner Strong & Buckelew Joseph Hrubash	Present
Claims Services	Bergen Risk Managers Robert Mc Guire	Present
Treasurer	Joseph Iannaconi, Jr.	Present
Safety Director	JA Montgomery David McHale	Present

OTHERS PRESENT:

Jason Thorpe, PERMA
Donna Gambutti, South Hackensack
Robert Colletti, Elmwood Park
John Rossi, Fairview
Hugo Poli, Ridgefield Park
Gary Vinci, Lerch, Vinci & Higgins
Ezio Altamura, RMC
Frank Covelli, RMC
Sharon Fallon, RMC
Matt McArow, RMC
Andrew Durkin, RMC
Roseann Varick, RMC
Kim Loos, RMC
Cathy Marecki, RMC
David Voza, RMC
Ken Schulz, JA Montgomery

APPROVAL OF MINUTES: DECEMBER 18, 2013

MOTION TO APPROVE OPEN MINUTES FOR THE ABOVE REFERENCED MEETING:

MOVED:	Commissioner Baginski
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

MOTION TO APPROVE CLOSED MINUTES FOR THE ABOVE REFERENCED MEETING:

MOVED:	Commissioner Baginski
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

CORRESPONDENCE:

None

MOTION TO ADJOURN SINE DIE:

MOVED:	Commissioner Crifasi
SECOND:	Commissioner Baginski
VOTE:	Unanimous

SINE DIE MEETING ADJOURNED - CHAIRS VACATED. STEPHEN SACCO, EXECUTIVE DIRECTOR CONDUCTED MEETING.

ROLL CALL OF FUND COMMISSIONERS:

		Present	Absent
Bogota Borough	August Greiner		x
Borough of North Arlington	Tom Kane		x
Carlstadt Borough	Joseph Crifasi	x	
East Rutherford	John Hansen	x	
Edgewater Borough	Greg Franz	x	
Elmwood Park Borough	Robert Colletti	x	
Englewood Cliffs Borough	Lisette Duffy		x
Fairview Borough	John Rossi	x	
Fort Lee Borough	Al Restaino	x	
Hackensack	Anthony Rottino		x
Little Ferry Borough	Michael Capabianco		x
Lodi Borough	Anthony Luna	x	
Maywood Borough	Charles Cuccia	x	
Moonachie Borough	Anthony Ciannanmea		x
Palisades Park Borough	David Lorenzo		x
Ridgefield Park Village of	Hugo Poli	x	
Rochelle Park Township	Virginia DeMaria		x
Rutherford Borough	Peter Van Winkle	x	
Saddle Brook Borough	Karen Chamberlain		x
South Hackensack Towns	Donna Gambutti	x	
Township of Lyndhurst	Francis Bianchi		x
Wallington Borough	Victor Baginski	x	
Wood-Ridge Borough	Dominick Azzolini	x	

It was established a quorum of the Fund Commissioners was present, thus Mr. Sacco indicated the Reorganization of the Fund would continue. He further explained that in accordance with the by-laws, the Fund elects a Chairman, Secretary, Five (5) member Executive Committee, and Alternates.

MOTION TO OPEN FLOOR FOR NOMINATIONS OF CHAIRMAN, SECRETARY, EXECUTIVE COMMITTEE, AND ALTERNATES:

Moved:	Commissioner Crifasi
Second:	Commissioner Van Winkle
Vote:	Unanimous

NOMINATING COMMITTEE REPORT: Commissioner Cuccia said the Nominating Committee would recommend the following slate:

Chairman	John Hansen
Vice Chairman	Francis Bianchi
Secretary	Gregory Franz
Executive Committee	Charles Cuccia
	Peter Van Winkle
	Anthony Luna
	Dominick Azzolini
Exec Committee Alternates	Jospeh Crifasi #1
	Victor Baginski #2
	Al Restaino #3

Mr. Sacco asked for additional nominations. Hearing none, Mr. Sacco asked for a motion to close nominations and confirm elections.

MOTION TO CLOSE NOMINATIONS AND APPROVE SLATE, AS RECOMMENDED BY THE NOMINATING COMMITTEE:

Moved:	Commissioner Van Winkle
Second:	Commissioner Luna
Vote:	Unanimous

ATTORNEY ADMINISTERED OATH OF OFFICE TO OFFICERS, EXECUTIVE COMMITTEE AND ALTERNATES.

Mr. Sacco asked for a roll call of the 2014 Executive Committee.

Chairman	
John Hansen	East Rutherford
Vice Chairman	
Frank Bianchi	Lyndhurst
Secretary	
Gregory Franz	Borough of Edgewater
Executive Committee	
Charles Cuccia	Borough of Maywood
Peter Van Winkle	Borough of Rutherford
Anthony Luna	Borough of Lodi
Dominick Azzolini	Borough of Wood Ridge
ALTERNATES	

Joseph Crifasi #1	Borough of Carlstadt
Victor Baginski #2	Borough of Wallington
Al Restaino #3	Borough of Fort Lee

Mr. Sacco then indicated that he would review the reorg resolutions with the committee.

RESOLUTION 2-14 FUND PROFESSIONAL APPOINTMENT AND PROFESSIONAL SERVICE AGREEMENTS: Resolution presented to confirm appointments of Fund Professionals and approval of Professional Service Agreements.

Executive Director -	Stephen Sacco, Perma Risk Management Services
Attorney	Paul Barbire, Esquire
Treasurer	Joseph Iannaconi
Actuary	Charles Gruber, Stergiou & Gruber
Auditor	Gary Vinci, Lerch, Vinci & Higgins
Internal Auditor	Russo & Associates
Safety Director	JA Montgomery
Claims Administrator	Bergen Risk Managers
Managed Care	Bergen Risk Managers
Asset Manager	Wells Capital Management
UW Manager	Joe Hrubash, Conner Strong & Buckelew
Web Site Developer	Execu-Tech

Mr. Sacco requested the following Resolutions be considered for adoption with one motion, unless a Fund Commissioner or Executive Committee member objected:

- 1-14 Certifying the Election of Chairman and Secretary
- 2-14 Appointing Certain Professionals and Service Organizations
- 3-14 Establishing Public Meeting Procedures-
- 4-14 Establishing a Fiscal Management Plan for the 2014 Fund Year, Gregory Franz is the extra signature.
- 5-14 Establishing a Fund Records Program
- 6-14 Establishing the 2014 Plan of Risk Management. All changes are highlighted within the plan.
- 7-14 Appointing Approved Counsel for 2014.

Upon conclusion, the acting Chairman asked if there were any questions on the resolutions.

Commissioner Azzolini asked that Resolution 7-14 be voted on separately.

Hearing no further requests or questions, Mr. Sacco asked for a motion to approve resolutions 1-14 through 6-14, as noted above.

MOTION TO ADOPT RESOLUTION NOS. 1-14 THROUGH 6-14:

MOTION: Commissioner Crifasi
SECOND: Commissioner Cuccia
VOTE: Unanimous

MOTION TO ADOPT RESOLUTION NO. 7-14:

MOTION: Commissioner Crifasi
SECOND: Commissioner Baginski
ROLL CALL VOTE: 8 ayes, 0 nays, 1 abstention
Commissioner Azzolini

Mr. Sacco indicated that the 2013 Standing Committee appointments were enclosed within the agenda packet. He advised that there are a few vacancies and that he will speak to Chairman Hansen prior to the next meeting regarding additional committee appointments for the 2014 Fund Year.

**MOTION TO ENTER INTO EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES:
PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION**

Moved: Commissioner Azzolini
Second: Commissioner Crifasi
Vote: Unanimous

MOTION TO ADJOURN EXECUTIVE SESSION

MOTION: Commissioner Luna
SECOND: Commissioner Azzolini
VOTE: Unanimous

**MOTION TO APPROVE PAYMENT OF CLAIMS AS DISCUSSED IN EXECUTIVE
SESSION:**

W73087	GL
X22934	GL

X10070	GL
X80614	WC
X79351	WC
X77473	WC
X70608	WC
X78462	WC
X20767	GL
X79346-01	PRP
X79346-02	PRP
X79327	PRP
X79597	WC
X78451	WC
X77208	WC
X79647	WC
X75270	WC
X78457	PRP

MOTION: Commissioner Azzolini
SECOND: Commissioner Baginski
VOTE: Unanimous

TREASURER

Mr. Iannaconi's Monthly Financial Report which contained an overview of the transactions that took place for the month relative to the financial portfolio of the Fund was introduced.

RESOLUTION 34-13 DECEMBER SUPPLEMENTAL VOUCHER PAYMENTS:

2013: \$ 676,977.03

RESOLUTION 8-14 JANUARY VOUCHER PAYMENTS (BILL LIST):

2013: \$ 21,853.58
2014: \$ 1,009,451.94
TOTAL: \$ **1,031,305.52**

MOTION TO APPROVE CERTIFICATION OF CLAIMS & CONFIRMATION OF CLAIMS PAYMENTS FOR THE MONTH OF DECEMBER, RESOLUTION NO. 34-13 DECEMBER SUPPLEMENTAL VOUCHER LIST, AND RESOLUTION 8-14 JANUARY VOUCHER LIST AS SUBMITTED:

MOVED: Commissioner Van Winkle
SECOND: Commissioner Cuccia
VOTE: Unanimous

Treasurer's Reports Attached and Made Part of the Minutes

EXECUTIVE DIRECTOR/ADMINISTRATOR:

CLAIMS REVIEW COMMITTEE:

The Claims Review Committee met on Wednesday, January 15, 2014. Report will be discussed in closed session.

FINANCIALS – Mr. Sacco referred the Committee to the Financial Fast Track chart contained within the agenda booklet. He advised the Committee on the Fund's statutory surplus position as of November 30th. Mr. Sacco noted that although the 2013 dividends impacted the financials for the month of November, the Fund continues to be excellent financial shape.

2014 ASSESSMENTS – Mr. Sacco informed the Committee that first installment payments are due to Treasurer, Joseph Iannaconi by January 31st.

REORGANIZATION RESOLUTIONS - Included in the agenda packet are the Resolutions necessary to undertake the 2014 Reorganization of the Fund. The board resolved to award professional service agreements in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq. for fund years 2012, 2013 and 2014. 2014 will be the third year of the agreement.

MEL 2014 REORGANIZATION MEETING: Mr. Sacco indicated that the MEL's 2014 Reorganization meeting was held on Wednesday, January 2, 2014 at the Forsgate Country Club. He then referred to a copy of Commissioner Cuccia's report on the meeting.

E-JIF 2014 REORGANIZATION MEETING- Mr. Sacco indicated that the E-JIF also held its Reorganization meeting on Wednesday, January 2, 2014. He noted that it was Commissioner Franz's first meeting at the State level and referred to his report enclosed within the agenda booklet.

RCF 2014 REORGANIZATION MEETING – Mr. Sacco informed the Committee that the RCF also held its Reorganization Meeting on Wednesday, January 2, 2014. He referred to Commissioner Franz's report enclosed within the agenda booklet.

COMMITTEE APPOINTMENTS – The Chairman of the Fund will appoint four standing committees. Enclosed is a copy of the 2013 listing for your review and update if necessary.

RISK MANAGEMENT CONSULTANT AGREEMENTS- Mr. Sacco advised that the Fund's policy remains the same. He indicated that in order to process the invoice for Risk Management Fees, the Risk Manager must first submit an adopted resolution from the Borough which appoints the firm as the Risk Management Consultant for 2014. Mr. Sacco added that the Risk Managers must also provide the Fund office with the signed contract/agreement between the Firm and the Borough. Lastly, the Risk Managers must provide an executed South Bergen Voucher in order for payment to be processed.

SEWER BACKUP CLAIMS – Mr. Sacco referred to the enclosed listing of sewer backup claims for the period of October 1, 2013 through December 31, 2013. He noted that a motion was needed for Resolution # 9-14 authorizing the assessments related to these claims.

MOTION TO ADOPT RESOLUTION NO. 9-14 AUTHORIZING THE ASSESSMENTS FOR THE PERIOD OF OCTOBER 1, 2013 THROUGH DECEMBER 31, 2013.

MOVED:	Commissioner Van Winkle
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

GENDER EQUITY NOTICE – Enclosed you will find information recently published from the NJ Dept. of Labor outlining “Right to be Free of Gender Inequity or Bias in Pay, Compensation, Benefits or Other Terms and Conditions of Employment”.

Lastly, Mr. Sacco thanked the Board for Perma's reappointment on behalf of himself, Mr. Thorpe, Mr. Kickham, and the entire Perma staff.

ATTORNEY:

Mr. Barbire referred the Committee to his report contained in the agenda booklet and thanked the committee for his reappointment.

SAFETY REPORT:

Mr. McHale was present and reviewed the December activities and the January agenda. He referred the Committee to the listing of upcoming MSI training days scheduled through March.

Mr. McHale then referred the Committee to the Fast Track To Safety Days schedule. He reminded the Committee that the purpose of Fast Track To Safety Days are for members to take multiple safety trainings courses in one offering.

Lastly, Mr. McHale thanked the Board for JA Montgomery's reappointment.

Safety Report Attached and Made Part of the Minutes

UNDERWRITING MANAGER:

Mr. Hrubash began by thanking the Board for reappointment. He then referred the Committee to the list of monthly certificates contained within the Agenda Packet.

Mr. Hrubash referred the Committee to his Cyber Liability memorandum contained within the agenda booklet. He reminded the Committee that in 2013 the Fund bought cyber liability coverage for the first time. Mr. Hrubash indicated that the current limits are \$1,000,000 for each claim and a \$3,000,000 annual aggregate, with a \$10,000 deductible. He added that the current cost is \$500 per member and noted that the limits are shared by all the members of the Fund. Mr. Hrubash informed the Committee that he has asked the provider, XL Insurance, for options of higher limits and they have provided 2 options.

Option #1

- **Limit of Liability** (inclusive of defense costs, charges and expenses): **\$3,000,000** each claim and **\$6,000,000** annual aggregate for each JIF.
- **Deductible: \$10,000** each claim (inclusive of claim expenses) per member entity.
- **Policy Sub -Limits: \$1,000,000** 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.
- **Expiring Premium: \$600** per member entity
- **Coverage:** JIF wide basis only.

Option #2

- **Limit of Liability** (inclusive of defense costs, charges and expenses): **\$5,000,000** each claim and **\$8,000,000** annual aggregate for each JIF.
- **Deductible: \$25,000** each claim (inclusive of claim expenses) per member entity.
- **Policy Sub -Limits: \$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.
- **Expiring Premium: \$675** per member entity
- **Coverage:** JIF wide basis only.

Mr. Sacco asked Mr. Hrubash to give the Board a brief overview of what the coverage actually provides. Mr. Hrubash indicated that this coverage will protect the membership from data breach, computer viruses, computer hacking, identity theft, and anything that pertains to the member's computer system involving personal data. Mr. Sacco noted that if the Board were to elect Option #1, there will not be an additional cost to the membership as there is money the budget to cover the additional costs. After a brief discussion, the Board decided that Option #1 would be the better option for the Fund.

MOTION TO SELECT OPTION #1 FOR THE SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND'S CYBER LIABILITY COVERAGE INCREASING THE LIMIT \$3,000,000 EACH CLAIM AND \$6,000,000 ANNUAL AGGREGATE AND A \$10,000 DEDUCTIBLE.

MOVED:	Commissioner Van Winkle
SECOND:	Commissioner Baginski
VOTE:	Unanimous

Underwriting Certificates made part of the Minutes

MANAGED CARE:

Mr. McGuire referred the Committee to his report contained in the agenda booklet and thanked the committee for his reappointment.

OLD BUSINESS:

Mr. Sacco reminded the Board that in 2012 they approved the Police Accreditation grant program. He noted that numerous member municipalities took advantage of the program. Mr. Sacco further noted that when the program was approved, members were informed that the program had to be completed in 18 months, which will be June 2014. He indicated that in speaking to several Risk Managers, due to Hurricane Sandy as well as other unforeseen obstacles, an extension to the end of the calendar year to complete the task is warranted. Mr. Sacco then requested that the extension be approved by way of a formal motion

MOTION TO EXTEND DEADLINE FOR COMPLETION OF THE POLICE ACCREDITATION GRANT PROGRAM TO THE END OF THE 2014 CALENDAR YEAR.

MOVED:	Commissioner Cuccia
SECOND:	Commissioner Van Winkle
VOTE:	Unanimous

Mr. Hrubash indicated that he had one item under Old Business. He advised that during the MEL Reorganization meeting, the Board elected to purchase higher flood limits. Mr. Hrubash indicated that for the 2014 fund year there is now a \$25,000,000 in excess of the \$50,000,000 policy for a total of \$75,000,000 in flood coverage. Mr. Sacco added that the added protection was all within budget.

NEW BUSINESS:

None.

PUBLIC COMMENT:

Chairman Hansen indicated that he would like to make a comment. He thanked the Board for his election and noted that the South Bergen JIF is an excellent organization that he is happy to be a part of.

Mr. Altamura indicated that he also had a comment. He noted that with regards to the Cyber Liability coverage, he would like to commend Mr. Hrubash. Mr. Altamura added that the Board made a wise choice by selecting Option #1 which doubles the liability limit and maintains the same deductible.

MOTION TO ADJOURN MEETING

MOTION:	Commissioner Restaino
SECOND:	Commissioner Luna
VOTE:	Unanimous

MEETING ADJOURNED:	4:55 pm
NEXT MEETING:	February 2014
	Lodi Borough Hall

Jason Thorpe, Assisting Secretary
For
Gregory Franz, SECRETARY

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTAL BILLS LIST**

Resolution No. 34-13

DECEMBER 2013

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

BE IT RESOLVED that the South Bergen Municipal 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 2013

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000105			
000105	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 4TH QTR 2013	3,320.84
			3,320.84
000106			
000106	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 4TH QTR 2013	131,966.85
000106	MUNICIPAL EXCESS LIABILITY JIF	MEL 4TH QTR 2013	514,457.83
			646,424.68
000107			
000107	ANTHONY LUNA	2013 MEETING ATTENDANCE	1,500.00
			1,500.00
000108			
000108	JOHN P. HANSEN	2013 MEETING ATTENDANCE	1,650.00
			1,650.00
000109			
000109	JOSEPH T. CRIFASI	2013 MEETING ATTENDANCE	1,500.00
			1,500.00
000110			
000110	WITOLD T. BAGINSKI	2013 MEETING ATTENDANCE	1,500.00
			1,500.00
000111			
000111	GREGORY S. FRANZ	2013 MEETING ATTENDANCE	1,650.00
			1,650.00
000112			
000112	CHARLES CUCCIA	2013 MEETING ATTENDANCE	1,500.00
			1,500.00
000113			
000113	MUNICIPAL EXCESS LIABILITY JIF	MSI 4TH QTR 2013	13,355.63
			13,355.63
000114			
000114	DOMINICK AZZOLINI	2013 MEETING ATTENDANCE	1,650.00
			1,650.00
000115			
000115	PEGGY E. THOMAS	2013 MEETING ATTENDANCE	1,200.00
			1,200.00
000116			

000116	PETER S. VAN WINKLE	2013 MEETING ATTENDANCE	1,500.00
			1,500.00
000117			
000117	ALLSTATE INFORMATION MANAGEMNT	DEPT: 414 - ACT & STOR 11/30/2013	53.94
			53.94
000118			
000118	BT SPECIALTIES/BOB'S TROPHY	ROSEWOOD FINISH SKELETON CLOCK - 12/13/1	171.94
			171.94
	Total Payments – 2013		676,977.03

TOTAL PAYMENTS ALL FUND YEARS \$ 676,977.03

RESOLUTION NO. 1-14

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as the "FUND")

**CERTIFYING THE ELECTION OF
CHAIRMAN AND SECRETARY**

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

John Hansen Chairman

Gregory Franz Secretary

BE IT FURTHER RESOLVED, that the Chairman and Secretary shall serve for the year 2014 and until their successors shall be elected and qualified.

ADOPTED:

this day before the Governing Body,

RESOLUTION NO: 2-14
SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

(Hereinafter the "Fund")

APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

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 finds it necessary and appropriate to obtain certain professional services and other extraordinary and other unspecifiable services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-11 et. seq.) for the 2013 Fund Year.

WHEREAS , the FUND held a bid opening on September 23, 2011 and in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.; and

WHEREAS, the FUND awarded contracts for a three year period for the 2012, 2013 and 2014 Fund years at its January 18, 2012 re-organization meeting; (*unless otherwise specified*)

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

- I. Perma Risk Management Services is hereby appointed as **Executive Director/Administrator**, with **Steve Sacco** appointed as **Executive Director**, and David N. Grubb as **Deputy Executive Director**, and all as Agents for process of service.
- II. **Paul S. Barbire, Esq.**, is hereby appointed as **Fund Attorney**.
- III. **Joseph Iannaconi, Jr.**, is hereby appointed as **Fund Treasurer**.
- IV. **Gary Vinci** of Lerch, Vinci & Higgins is hereby appointed as **Fund Auditor**.
- V. **Joe Hrubash, of Conner Strong & Buckelew** is hereby appointed as **Underwriting Manager**.
- VI. **JA Montgomery Risk Control** is hereby appointed to provide **Loss Control Services and Hazard Communication Training Services**.
- VII. **Bergen Risk Managers** is hereby appointed as the **Claims Service Organization** and as the **Managed Care Organization**.
- VIII. **Russo & Associates, LLC** is hereby appointed as the FUND's **Internal Auditor**.
- IX. **Wells Capital Management** is hereby appointed as **Asset Manager** to the FUND. –For accounts over \$20 Million the fee will be 15 basis points on the first \$75 Million and 10 basis points on the balances with the minimum annual fee of \$75,000.
- X. **Charles Gruber** of Stergiou & Gruber is hereby appointed as **Actuary**.

XI. Execu-Tech is hereby appointed as the **Web Site Development and hosting Manager** *Contract term to be one year (1/1/14 – 12/31/14)at the same rate as 2013.*

BE IT FURTHER RESOLVLED, that The Board of Fund Commissioners has awarded these contracts for the 2012, 2013 and 2014 Fund Years; unless otherwise noted; and

BE IT FURTHER RESOLVED that the professional service fee compensation for the professionals shall be increased 2% for the period of January 1, 2014 through December 31, 2014; unless otherwise noted.

ADOPTED: *this day by the Governing Body*

RESOLUTION NO: 3-14

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
(hereafter the "FUND")
ESTABLISHING PUBLIC MEETING PROCEDURES**

WHEREAS, the FUND must establish meeting procedures for Fund Year 2014, and

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

I. The Governing Body shall conduct Public Meetings at the Lodi Borough Municipal Building, 1 Memorial Drive, Lodi, New Jersey 07644 to conduct the official business of the FUND on the **third Wednesday of each month at 4:30 P.M.** for the **2014 Fund Year** and **January 21, 2015**.

II. The following is hereby designated the official newspaper (s) of the Fund:

The Bergen Record, Hackensack, New Jersey and the Fund's webpage – www.sbjif.org

III. 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.

ADOPTED: *this day by the Governing Body;*

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")

**ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2014 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 by the Board of Fund Commissioners that for the 2014 Fund Year:

- I.** 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;

John Hansen	CHAIRMAN
Gregory Franz	SECRETARY
Joseph Iannaconi	TREASURER
Al Restaino	COMMISSIONER

- II.** 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, the Fund Treasurer, Chairman and Secretary or designated Commissioner shall also be a signatory.

Robert McGuire	Manager of Compensation
Jennifer Ditermer	Operations Manager
John Markel	

- III.** The Cash and Investment Policy attached herewith, shall be adopted.
- IV.** 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.

- V. 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.

ADOPTED: *this day before the Governing Body:*

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

2014 CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The South Bergen Municipal Joint Insurance Fund (hereinafter referred to as the FUND) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the FUND's economic surplus.

2.) Permissible Investments

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- c.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- d.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e.) Debt obligations of federal agencies or government corporations with maturities not greater than five (5) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that the investment a fixed rate of interest not dependent on any index or external factors.
- f.) Repurchase agreements of fully collateralized securities, subject to rules and conditions establish by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than five (5) years from date of purchase.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories are as follows:

Wells Fargo Bank

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a

statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

RESOLUTION NO. 5-14
SOUTH BERGEN MUNICIPAL JOINT INSURANCE
FUND
(Hereinafter the "FUND")

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS: The FUND must establish a formal record retention program for the 2014 Fund Year.

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

I. Gregory Franz, Fund Secretary, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive, Suite 16, Parsippany, NJ 07054.

II. Jason Thorpe, Account Manager for Perma Risk Management Services is hereby designated 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.

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 Route 80, Business Archives, 24 Beckwith Avenue, Paterson, New Jersey. The FUND's Executive Director shall coordinate the archive process and shall make sure that all records are properly indexed and accessible.

ADOPTED: *this day before the Governing Body*

RESOLUTION NO. 06-14

South Bergen Municipal Joint Insurance Fund

(hereinafter the "Fund")

ESTABLISHING THE 2014 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's governing body that the **2014** 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- \$1,700,000 CSL excess of the Fund's \$300,000. The \$250,000 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 - \$1,700,000 CSL excess of the Fund's \$300,000. The \$250,000 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 XL Insurance, 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. This applies to members that reported 3 or more POL/EPL claims during the period of 2008 to 2012* and incurred a loss ratio greater than 200%.

*The calculation will be based on the most recent five years. Each year thereafter, claims reported during the year that just ended will be added and claims reported during the oldest year will be deleted.

- 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.

f.) **Employment Practices Liability (EPL)**

- The JIF, 100% commercially insured with XL Insurance, 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. This applies to members that reported 3 or more POL/EPL claims during the period of 2008 to 2012* and incurred a loss ratio greater than 200%.

*The calculation will be based on the most recent five years. Each year thereafter, claims reported during the year that just ended will be added and claims reported during the oldest year will be deleted.
 - 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. This applies to members that reported 3 or more POL/EPL claims during the period of 2008 to 2012* and incurred a loss ratio greater than 200%.

*The calculation will be based on the most recent five years. Each year thereafter, claims reported during the year that just ended will be added and claims reported during the oldest year will be deleted.
 - 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.

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

- The JIF, 100% commercially insured with XL 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, 2013) –

The MEL retains and provides excess property coverage at limits of \$200,000 excess \$50,000 per occurrence except for the following:

- Flood for locations wholly or partially within 100-year flood zone
- Boiler and Machinery
- Cyber Secure Coverage
- Named Storm

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 (120 Hours)
- Earth Movement - \$50 million annual aggregate (168 hours)
- Flood - \$50 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
 - \$1 million for pumping stations
 - Definition of Flood includes Storm Surge
- Asbestos Cleanup - \$50,000
- 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
- Valuable Paper and Records - \$10 million
- Accounts Receivable - \$10 million
- Increased Construction Cost - \$25 million
- 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
 - 30 Days Delay in Completion
- Computer Systems Damage - \$1 million (24 Hours)
- Newly Acquired Locations – \$25 million per occurrence
 - 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 - \$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
- Bridges and Dams \$10 million if scheduled. No flood coverage
- Piers, Wharfs, Docks, Boardwalks, Bulkheads, Crossovers - \$10 million
- Transmission and Distribution Lines - \$10 million (within a 1 mile of an insured Location)
- 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 - \$10 million
- Off Premises Services Interruption - \$10 million
- Excluding Utilities
 - Protection & Preservation of Property-\$10 million(48 Hrs BI)
 - Research & Development - \$10 million (12 Hours)
 - Impounded Water - \$250,000 (30 days)
- Property Deductibles
 - The standard Member JIF retains and provides \$50,000 per occurrence less member local unit deductibles except for:
 - Flood for locations wholly or partially within 100-year flood zone
 - Boiler and Machinery
 - Cyber Secure Coverage
 - Named Storm
 - The standard member local unit deductible is \$1,000 per occurrence except for:

- Flood for locations wholly or partially within 100-year flood zone
 - Equipment Breakdown
 - Cyber Secure Coverage
- **Equipment Breakdown** coverage is subject to a member local unit \$5,000 deductible per occurrence.
 - 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 building for municipal buildings, and \$500,000 each building for municipal contents and \$250,000 each building for housing authority buildings, and \$100,000 each building for housing authorities contents 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 **unless they are not at a Location then the deductible is \$250,000 per occurrence.** “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.
 - “Named Storm” as respects covered property within (1) Atlantic, Monmouth, Ocean and Burlington Counties located east of the Garden State Parkway and (2) any covered property in Cape May County are subject to a property damage deductible of 1% of the value per the valuation clause in General Conditions of property insured as of the date of loss, for the “Location” where the direct physical damage loss or damage occurred, per occurrence. The “Named Storm” deductible for all other properties is the standard member local unit deductible. 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:

- As specified in the Schedule of Locations. If not then:
 - 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;

- A site tract of land occupied or available for occupancy with tangible property;
 - Or in the insured is a tenant.
- If two or more deductible amounts provided in this Policy apply to a single occurrence, the total to be deducted shall not exceed the largest deductible applicable unless provided in the Policy.
 - Piers, wharfs, docks, floating docks, boardwalks, **crossovers**, **bulkheads** and buildings/structures thereon are covered on a named peril basis, including windstorm, fire, lightning, vandalism, **malicious mischief**, hail, civil commotion, smoke, aircraft, **sprinkler leakage, sinkhole collapse, volcanic action, watercraft**, vehicles, explosion and riot. There is no coverage for the peril of flood on piers, wharfs, docks, floating docks, boardwalks and buildings/structures thereon.
 - Buildings constructed on pilings that are located wholly or partially within the Special Flood Zone Hazard (SFHA) designated zones V, VE, VI-30 are excluded except for the perils of windstorm, fire, vandalism, malicious mischief, hail, civil commotion, smoke, aircraft, watercraft, vehicles, explosion and riot.
 - The MEL does not provide primary flood coverage. The member local unit must purchase this coverage from the National Flood Insurance Program.
- 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 \$2,500.

- 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:
 - o \$2 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
 - o \$5 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
 - o \$5 million CSL and per member local unit annual aggregate excess of \$10 million (auto liability not aggregated).
 - o \$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:
 - o \$1 million CSL and per member local unit annual aggregate excess of \$2 million
 - o \$2 million CSL and per member local unit annual aggregate excess of \$2 million
 - o \$3 million CSL and per member local unit annual aggregate excess of \$2 million
 - o \$4 million CSL and per member local unit annual aggregate excess of \$2 million
 - o \$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 \$1,000,000 each/\$3,000,000 policy aggregate. The limits are JIF wide and shared amongst member local units of the JIF. There is a \$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 \$10,000 policy deductible. There are options available at limits of \$3 million each/\$6 million policy aggregate at a \$10,000 deductible. There is a \$1,000,000 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 a \$10,000 policy deductible. There is also an option at limits of \$5 million each/\$8 million Aggregate and a \$25,000 deductible. 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.

Optional Individual Self-Insured Retentions – Hackensack has an individual SIR of \$500,000 for Workers' Compensation, \$200,000 General Liability and Auto Liability, and a \$25,000 Deductible for Property including Crime. The Fund insures the \$100,000 excess of \$500,000 for the Workers Compensation layer, \$100,000 excess of \$200,000 for Auto & General Liability, and \$25,000 excess of the \$25,000 Property Deductible.

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 XL Insurance.
- 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 XL Insurance.

- g.) Optional Directors and Officials Liability – none 100% commercially insured with XL Insurance.
- 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. 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 purchase commercial insurance for the POL/EPL, Volunteer D&O, 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.
 - o 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.**
- \$10,000 for General and automobile liability
 - \$50,000 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.

ADOPTED: this 15th day of January , 2014 by the Governing Body:

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

RESOLUTION NO. 7-14
RESOLUTION OF THE COMMISSIONERS OF THE
SOUTH BERGEN JOINT INSURANCE FUND
ESTABLISHING A DEFENSE PANEL

WHEREAS, the South Bergen Joint Insurance Fund has a need and a responsibility for providing a defense for certain claims brought against its members in accordance with the Fund’s coverage documents; and

WHEREAS, the South Bergen Joint Insurance Fund is required to comply with the New Jersey Law (P.L. 2004c.19,N.J.S.A. 19:44 et seq.); and

WHEREAS, by motion adopted on October 16, 2013, the Fund determined it intended to acquire the services of defense attorneys – Liability and Workers’ Compensation for the year 2014, pursuant to a “Fair and Open” process; and

WHEREAS, the South Bergen Joint Insurance Fund followed the guidelines as set forth in the New Jersey Law (P.L. 2004 c. 19 N.J.S.A. 19:44 et seq.) issued by the New Jersey Department of Community Affairs; and

WHEREAS, the South Bergen Joint Insurance Fund advertised for the submission of “Requests for Qualifications” (“RFQ”) at least 10 days in advance of the opening of such qualifications in accordance with the aforesaid law; and

WHEREAS, the request for RFQ(s) was closed as of 2:00 p.m. on November 12, 2013, and

WHEREAS, the RFQ(s) were publicly opened and announced by the Executive Director at the Executive Director’s office on November 12, 2013 at 2:00 p.m.; and

WHEREAS, the proposals and qualifications have been reviewed by the Operations Committee of the South Bergen Joint Insurance Fund who considered experience and reputation in the field; the professionals’ knowledge of the Fund and other factors deemed to be in the best interest of the South Bergen Joint Insurance Fund.

NOW, THEREFORE, BE IT RESOLVED, by the Executive Board of the South Bergen Joint Insurance Fund that the following law firms be appointed as Defense Attorneys – Liability and/or Workers’ Compensation from the date of this resolution through December 31, 2014:

Sokol, Behot & Florenzo
John L. Schettino, LLC
Florio, Perrucci, Steinhardt & Fader
John Feczko, P.C.
Wells, Jaworski & Liebman, LLP
Thomas Hanrahan & Associates, LLC
Botta & Associates, LLC
DeCotiis, Fitzpatrick & Cole, LLP

Winne, Dooley & Bole, P.C.
Fronzuto Law Group
Eastwood, Scandariato & Steinberg
Azzolini & Benedetti, LLC
Florio & Kenny, LLP
Norton, Sheehy, Higgins & Rosa, P.C.
Ganz & Sivin, L.L.P.
Keenan & Doris, LLC
Huntington Bailey, LLP
Secare, Ryan & Hensel
Zisa & Hirscherich
Chasen Leyner & Lamparello, P.C.
Hartmann Doherty Rosa Berman Bulbulia
Elsbeth J Crusius LLC
Rubenstein, Meyerson, Fox, Mancinelli, Conte & Bern
Pfund McDonnell, P.C.
Durkin & Durkin
Cottrell Solensky & Semple
Biancomano & DiStefano, P.C.
Jardim, Meisner & Susser
Kaufman Semeraro & Leibman
John F. Hipp

BE IT FURTHER RESOLVED that the award of the contract for the Defense Panel Attorneys – Liability and/or Workers’ Compensation for the year 2014 is made pursuant to a “Fair and Open” process; and

BE IT FURTHER RESOLVED that a notice of this action shall be printed once in the official newspaper of the Fund.

ADOPTED: This 15th day of January 2014 before the Commissioners of the South Bergen Joint Insurance Fund.

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 8-14

JANUARY 2014

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

BE IT RESOLVED that the South Bergen Municipal 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 2013

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000119			
000119	J.A. MONTGOMERY RISK CONTROL	2013 RIGHT TO KNOW INVENTORY & LABELING	13,827.13
			13,827.13
000120			
000120	PERMA	POSTAGE FEE 12/2013	215.85
			215.85
000121			
000121	JOSEPH IANACONI	TREASURER FEE 4TH QTR 2013	7,810.60
			7,810.60
		Total Payments – 2013	21,853.58

FUND YEAR 2014

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000122			
000122	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 1ST QTR 2014	3,208.29
			3,208.29
000123			
000123	BERGEN RISK MANAGER, INC.	COST CONTAINMENT SERVICES 01/2014	32,593.67
			32,593.67
000124			
000124	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 1ST QTR 2014	153,535.04
000124	MUNICIPAL EXCESS LIABILITY JIF	MEL 1ST QTR 2014	539,888.55
			693,423.59
000125			
000125	N.J. MUNICIPAL ENVIRONMENTAL	EJIF 1ST INSTALLMENT 2014	165,533.00
			165,533.00
000126			
000126	BERGEN RISK MANAGERS, INC.	CLAIMS ADMIN - 01/2014	46,662.16
000126	BERGEN RISK MANAGERS, INC.	COMPUTER TIME SHARE - 01/2014	3,502.00
000126	BERGEN RISK MANAGERS, INC.	FROI/SROI - 01/2014	16,937.71
			67,101.87
000127			
000127	PERMA	EXECUTIVE DIRECTOR - 01/2014	29,498.80
			29,498.80

000128			
000128	MUNICIPAL EXCESS LIABILITY JIF	MSI 1ST QTR 2014	13,161.06
			13,161.06
000129			
000129	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGEMENT - 01/2014	1,353.00
			1,353.00
000130			
000130	CONNER STRONG & BUCKELEW	AUTOMOBILE ID CARDS 2014 - RENEWAL	138.24
			138.24
000131			
000131	PAUL S. BARBIRE, ESQ.	ATTORNEY FEE 01/2014	3,440.42
			3,440.42
		Total Payments – 2014	1,009,451.94

TOTAL PAYMENTS ALL FUND YEARS \$ 1,031,305.52

RESOLUTION NO. 9 -14

**SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND
CERTIFICATION TO RATIFY ASSESSMENT MODIFICATION**

WHEREAS, the following municipalities have incurred sewer backup claims in excess of the maximum as defined under the rules of the South Bergen Municipal Joint Insurance Fund; and

WHEREAS, such modifications require amendments to the assessments of said municipalities;

NOW, THEREFORE, BE IT RESOLVED that the Executive Committee hereby certifies the modifications as presented in the attached memo dated January 3, 2014 and, ratifies the action of the Executive Director/Administrator in making these changes.

The South Bergen Municipal Joint Insurance Fund at a public meeting held on January 15, 2014 adopted the foregoing Resolution.

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND