

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
JANUARY 8, 2015
TOMS RIVER MUNICIPAL BUILDING
3:00 P.M.**

SINE DIE MEETING

Meeting Called to Order by Chairman Pine. Open Public Meeting Statement read into the record.

Pledge of Allegiance

ROLL CALL OF 2014 EXECUTIVE COMMITTEE:

| | |
|--|---------|
| James Pine, Chairperson, Township of Eagleswood | Present |
| Charlene Carney, Vice Chair, Borough of Pine Beach | Present |
| Paul Shives, Secretary, Township of Toms River | Present |
| Diane Lapp, Township of Manchester | Present |
| Veronica Laureigh, Twp. of Lacey | Present |
| David Pawlishak, Borough of Surf City | Present |
| Christopher Parlow, Borough of Lavallette | Present |
| Joseph Gilsenan, Township of Brick, Alternate #1 | Present |
| Steven Langert, Township of Lakewood, Alternate #2 | Absent |

APPOINTED OFFICIALS PRESENT:

| | | | |
|--|---------------------------------|-----------------------|---------|
| Executive Director /Administrator | Perma Risk Management Services. | Stephen Sacco | Present |
| Attorney | Citta, Holzapfel, Zabarsky | Steven Zabarsky, Esq. | Present |
| Treasurer | | Bill Garofalo | Present |
| Claims Service | Qual-Lynx | Kathie Tyler-Schohl | Present |
| Underwriting Manager | Conner Strong & Buckelew | Ed Scioli | Present |
| Safety Director | JA Montgomery | Joanne Hall | Present |
| Risk Management Consultants | Conner Strong & Buckelew | Mike Avalone | Present |

ALSO PRESENT

Jason Thorpe, PERMA
Tom Tallon, Ship Bottom
Patricia Applegate, Bay Head
Eileen Farrell, Pt. Pleasant Beach
Diane Ambrosio, Ocean Township
Michael Garafalo, Harvey Cedars
Dana Dale, Harvey Cedars
Lisa Jones, Long Beach Township
Gregory Handsby, South Toms River
Michael Tierney, Seaside Park
David Breeden, Barnegat Township
Steve McNamara, CSG
Katie Osborne, CS&B
Joe Harvey, Joe Harvey & Associates

APPROVAL OF MINUTES: November 13, 2014

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR ABOVE REFERENCED MEETING

| | |
|------------------------|---|
| MOTION: | Commissioner Lapp |
| SECOND: | Commissioner Laureigh |
| ROLL CALL VOTE: | 7 ayes, 0 nays, 1abstention Commissioner Pawlishak |

CORRESPONDENCE:

None.

MOTION TO ADJOURN SINE DIE MEETING:

| | |
|----------------|------------------------|
| MOTION: | Commissioner Pawlishak |
| SECOND: | Commissioner Parlow |
| VOTE: | Unanimous |

Chairman requested the Executive Director, Mr. Sacco to chair the meeting.

Mr. Sacco indicated that in accordance with the By-Laws of the Fund, it is necessary to elect a Chairman, Secretary, Executive Committee and Fund Alternates. He requested

the recording Secretary to call the roll of Fund Commissioners to determine if a quorum was present to proceed with a reorganization of the Fund.

ROLL CALL OF FUND COMMISSIONERS:

| 2015 Roll Call | EC | Alternate | | |
|----------------------------|--------------------|-------------------|---------|--------|
| | | | PRESENT | ABSENT |
| Barnegat Light Borough | Gail Wetmore | Kathleen Flanagan | | X |
| Barnegat Township | David Breeden | Kathy Janeski | X | |
| Bay Head Borough | Patricia Applegate | | X | |
| Beach Haven Borough | Richard Crane | Sherry Mason | | X |
| Beachwood Borough | Ed Zakar | | | X |
| Brick Township | Joseph Gilsenan | | X | |
| Toms River Twp | Paul Shives | | X | |
| Eagleswood Borough | James Pine | | X | |
| Harvey Cedars Borough | Michael Garafalo | Daina Dale | X | |
| Island Heights Borough | Ellie Rogalski | | | X |
| Jackson Twp | Helene Schlegel | Denise Fluck | | X |
| Lacey Township | Veronica Laureigh | Mark Dykoff | X | |
| Lakehurst Borough | Bernadette Dugan | | | X |
| Lakewood Township | Isaac Akerman | | | X |
| Lavallette Borough | Christopher Parlow | | X | |
| Little Egg Harbor Township | Garrett Loesch | | | X |
| Long Beach Township | Lisa Jones | | X | |
| Manchester Township | Diane Lapp | | X | |
| Ocean Gate Borough | Paul Kennedy | | | X |
| Ocean Township | Diane Ambrosio | | X | |
| Pine Beach Borough | Charlene Carney | | X | |
| Plumsted Township | Eric Sorchik | David Leutwyler | | X |
| Point Pleasant Borough | Robert Forsyth | | | X |
| Pt. Pleasant Beach Boro | Christine Riehl | Eileen Farrell | | X |
| Seaside Heights Borough | Christopher Vaz | John Camera | | X |
| Seaside Park Borough | Mike Tierney | Robert Martucci | X | |
| Ship Bottom Borough | Tom Tallon | | X | |
| South Toms River Borough | Greg Handshy | Jennifer Carr | X | |
| Stafford Township | John Spodofora | James Moran | | X |
| Surf City Borough | David Pawlishak | | X | |
| Tuckerton Borough | Jenny Gleghorn | | | 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 Shives
 SECOND: Commissioner Laureigh
 VOTE: Unanimous

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

James Pine, Chairperson, Township of Eagleswood
Charlene Carney, Vice Chair, Borough of Pine Beach
Paul Shives, Secretary, Township of Toms River
Diane Lapp, Township of Manchester
Veronica Laureigh, Twp. of Lacey
Dave Pawlishak, Borough of Surf City
Christopher Parlow, Borough of Lavallette
Joseph Gilsean, Township of Brick, Alternate #1
Isaac Akerman, Township of Lakewood, Alternate #2

Mr. Sacco asked for additional nominations. Hearing none, Mr. Sacco asked for a motion to close nominations and confirm elections as presented by the nominating committee.

**MOTION TO CLOSE NOMINATIONS AND CONFIRM THE ELECTION
AS PRESENTED BY THE NOMINATING COMMITTEE**

MOVED: Commissioner Parlow
SECOND: Commissioner Lapp
VOTE: Unanimous

Mr. Sacco asked Mr. Zabarsky to swear in the 2015 Executive Committee and complete the Oaths of Office.

Oaths of Office made a part of the Minutes.

Mr. Sacco requested a roll call of the newly elected Executive Committee and Alternates.

ROLL CALL OF 2015 EXECUTIVE COMMITTEE:

James Pine, Chairperson, Township of Eagleswood - Present
Charlene Carney, Vice Chair, Borough of Pine Beach - Present
Paul Shives, Secretary, Township of Toms River - Present
Diane Lapp, Township of Manchester - Present
Veronica Laureigh, Twp. of Lacey – Present
Dave Pawlishak, Borough of Surf City - Present
Christopher Parlow, Borough of Lavallette - Present
Joseph Gilsean, Township of Brick, Alternate #1 - Present
Isaac Akerman,, Township of Lakewood, Alternate #2 - Absent

Mr. Sacco indicated that he would review the reorganization resolutions with the committee. He then requested the following Resolutions be considered for adoption with one motion as a consent agenda, unless a Fund Commissioner or Executive Committee member objected:

Resolution No. 1-15 Certifying the Election of Chairman and Secretary.

2-15 Appointing Certain Professionals and Service Organizations.

3-15 Establishing Public Meeting Procedures. Mr. Sacco noted that a time limit on the public comment portion of the meeting had been added. He also noted that all Claims Committee meetings will now be held at the Conner Strong & Buckelew office in Toms River.

4-15 Establishing a Fiscal Management Plan. Commissioner Carney was chosen for the additional check signatory.

5-15 Establishing a Fund Records Program

6a-15, 6b-15, and 6c-15 Appointing approved counsel

7-15 establishing the 2015 plan of risk management.

Upon conclusion, the acting Chairman asked if there were any questions on the resolutions. Hearing none, Mr. Sacco asked for a motion to approve Resolutions 1-15 through 7-15

MOTION TO ADOPT RESOLUTIONS 1-15 THROUGH 7-15 AS PRESENTED

| | |
|-----------------|-----------------------|
| MOVED: | Commissioner Laureigh |
| SECOND: | Commissioner Gilsenan |
| ROLL CALL VOTE: | Unanimous |

Mr. Sacco then turned the meeting over to Chairman Pine.

Chairman Pine thanked the Board for re-election.

COMMITTEE APPOINTMENTS – Chairman Pine indicated that the Fund has traditionally had 5 standing committees and then referred to the Standing Committee list distributed prior to the meeting.

Safety Committee
Rules & Contracts Committee

**Claims Review Committee
 Coverage Committee
 Finance Committee**

Chairman Pine noted that any interested commissioner that would like to serve on one of the committees can contact him.

COMMITTEE REPORTS:

The Claims Review Committee: Met on Monday, January 5, 2015. Minutes from that meeting were distributed prior to the meeting. A verbal report will be provided during the Closed Session portion of the meeting.

TREASURER:

Mr. Garofalo thanked the Committee for re-appointment. He went on to review the report he distributed prior to the meeting detailing the financial portfolio of the Fund as well as the cash investments and imprest/transfers. Mr. Garofalo also reported on the Bills List for the month that was distributed prior to the meeting.

December 2014

| FUND YEAR | AMOUNT |
|--------------|-----------------------|
| 2014 | \$1,110,007.04 |
| TOTAL | \$1,110,007.04 |

**MOTION TO APPROVE RESOLUTION # 28-14
 APPROVAL FOR PAYMENT OF DECEMBER 2014 BILLS LIST**

MOTION: Commissioner Shives
SECOND: Commissioner Laureigh
ROLL CALL VOTE: Unanimous

December 2014

| FUND YEAR | AMOUNT |
|--------------|---------------------|
| Closed Years | \$701,841.12 |
| TOTAL | \$701,841.12 |

**MOTION TO APPROVE RESOLUTION # 29-14
APPROVAL FOR PAYMENT OF DIVIDENDS LIST**

MOTION: Commissioner Parlow
SECOND: Commissioner Carney
ROLL CALL VOTE: Unanimous

December 2014

| FUND YEAR | AMOUNT |
|------------------|--------------------------|
| Closed Years | -\$14,674.39 (VOIDED) |
| TOTAL | \$-0- |

**MOTION TO APPROVE RESOLUTION # 30-14
APPROVAL FOR VOIDED CHECK ON DIVIDENDS LIST**

MOTION: Commissioner Laureigh
SECOND: Commissioner Pawlishak
ROLL CALL VOTE: Unanimous

January 2015

| FUND YEAR | AMOUNT |
|------------------|-----------------------|
| 2014 | \$16,670.54 |
| 2015 | \$1,555,603.89 |
| TOTAL | \$1,572,274.43 |

**MOTION TO APPROVE RESOLUTION # 8-15
APPROVAL FOR PAYMENT OF JANUARY 2015 BILLS LIST**

MOTION: Commissioner Shives
SECOND: Commissioner Pawlishak
ROLL CALL VOTE: Unanimous

**MOTION TO ACCEPT CLAIMS/IMPREST TRANSFERS AS OF
NOVEMBER 2014 AND DECEMBER 2014 AS CERTIFIED BY THE
TREASURER**

MOTION: Commissioner Pawlishak
SECOND: Commissioner Laureigh
ROLL CALL VOTE: Unanimous

Copy of the Treasurer's Report made a part of the Minutes.

EXECUTIVE DIRECTOR:

2015 ASSESSMENTS – Mr. Sacco reminded the Board that first installment payments are due and payable by January 15, 2015.

2015 BUDGET – Mr. Sacco indicated that in accordance with the regulations, the budget adopted by the Fund has been advertised in the Fund's official newspaper. In addition, Perma has sent the budget to member municipalities and filed same with the State.

MEL 2015 REORGANIZATION MEETING - Mr. Sacco advised that the MEL held its Reorganization Meeting on Wednesday, January 7, 2015 in Jamesburg, NJ. He indicated that Commissioner Shives's report on the meeting would be included in the March agenda.

E-JIF 2015 REORGANIZATION MEETING - Mr. Sacco indicated that the E-JIF also held its Reorganization meeting on Wednesday, January 7, 2015 in Jamesburg, NJ. He indicated that Commissioner Shives's report on the meeting would also be included in the March agenda.

RCF 2015 REORGANIZATION MEETING - Mr. Sacco noted that the RCF also held its Reorganization meeting on Wednesday, January 7, 2015 in Jamesburg, New Jersey as well and Commissioner Shives's report would be included in the March agenda.

DUE DILIGENCE REPORTS - Mr. Sacco referred the Committee to the Lost Days Report contained within the agenda booklet. He advised the Committee on how many days that employees have missed due to injury. He added that the report reflects that Workers' Compensation is the largest exposure for the Fund.

ATTORNEY:

Mr. Zabarsky advised that his report will be conducted during closed session and thanked the Committee for reappointment.

SAFETY DIRECTOR:

Ms. Hall began his report by thanking the Board for reappointment. She reviewed the December activities and the January agenda. Ms. Hall then referred to the three Safety Director's bulletins enclosed within the agenda booklet.

Copy of the Safety Director's Report made a part of the Minutes

UNDERWRITING MANAGER:

Mr. Sacco introduced Ed Scioli to the Board. He indicated that Mr. Scioli has been working with Mr. Hrubash and is now the Deputy Underwriting Manager. Mr. Scioli referred to his list of certificates contained within the agenda packet. He then thanked the Board for the reappointment.

List of Certificates made part of the Minutes.

CLAIMS SERVICE:

Ms. Tyler-Schohl thanked the Committee for reappointment and indicated that the Claims Services report would be given in Closed Session.

RISK MANAGEMENT CONSULTANT:

Mr. Avalone began by thanking the Board for reappointment on behalf of Conner Strong & Buckelew.

Mr. Avalone referred to the RMC written report distributed prior to the beginning of the meeting. He advised that the Elected Officials Risk Management seminars have been scheduled. He asked that officials sign up for one of the sessions. He added that a \$250 credit is available for each official that completes the course as well as the Municipal Administrator/Manager.

Chairman Pine took a moment to commend Mr. Avalone for all his hard work on help the membership with regards to Super Storm Sandy. He then thanked him for all of his efforts as well the other fund professionals.

Copy of the Risk Manager's Report made a part of the Minutes.

MANAGED CARE:

Mr. McNamara began by thanking the committee for the reappointment. He then referred the Committee to his report contained in the agenda booklet. He informed the Committee that through the month of December, there has been a savings of \$3,234,622.89 or 55.04% on the medical billing for Workers' Compensation claims.

OLD BUSINESS:

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

NEW BUSINESS:

None.

PUBLIC COMMENT:

None.

MOTION TO ENTER EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING CLAIMS AND POTENTIAL LITIGATION:

| | |
|----------------|-----------------------|
| MOTION: | Commissioner Shives |
| SECOND: | Commissioner Laureigh |
| VOTE: | Unanimous |

MOTION TO ADJOURN EXECUTIVE SESSION:

| | |
|----------------|-----------------------|
| MOTION: | Commissioner Laureigh |
| SECOND: | Commissioner Carney |
| VOTE: | Unanimous |

MOTION TO APPROVE PAYMENT OF CLAIMS AS DISCUSSED IN EXECUTIVE SESSION, THE FOLLOWING PARS WERE APPROVED:

Workers Compensation

X31919
Z04628
X92157
Z04281
X81224
Z00970
X46481
X99225
X47812
Z04493
X86665
W67389
E68212
X91983

GL, AL, and Property claims

X36433
W81237
X35189
Z01751
X79408
X35025
X59056
X84347

| | |
|------------------------|------------------------|
| MOTION: | Commissioner Laureigh |
| SECOND: | Commissioner Pawlishak |
| ROLL CALL VOTE: | Unanmious |

MOTION TO ADJOURN MEETING:

| | |
|----------------|---------------------|
| MOTION: | Commissioner Lapp |
| SECOND: | Commissioner Parlow |
| VOTE: | Unanimous |

Meeting Adjourned at: 3:26 PM

NEXT MEETING: March, 2015 3:00 PM
Toms River Municipal Building
33 Washington Street
Toms River, NJ 08754

- Secretary

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 28-14

DECEMBER 2014

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

BE IT RESOLVED that the Ocean County 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 2014

| <u>CheckNumber</u> | <u>VendorName</u> | <u>Comment</u> | <u>InvoiceAmount</u> |
|--------------------|--------------------------------|--|----------------------|
| 000268 | | | |
| 000268 | MUNICIPAL EXCESS LIABILITY JIF | FAITHFUL PERFORMANCE BOND - 4YH QTR 2014 | 4,932.92 |
| | | | 4,932.92 |
| 000269 | | | |
| 000269 | MUNICIPAL EXCESS LIABILITY JIF | MEL PROPERTY - 4TH QTR 2014 | 162,658.44 |
| 000269 | MUNICIPAL EXCESS LIABILITY JIF | MEL 4TH QTR 2014 | 777,822.58 |
| | | | 940,481.02 |
| 000270 | | | |
| 000270 | QUAL-LYNX | OUTSIDE ADJUSTER - 12/2014 | 5,380.73 |
| 000270 | QUAL-LYNX | CLAIMS ADMIN - 12/2014 | 55,271.96 |
| | | | 60,652.69 |
| 000271 | | | |
| 000271 | J.A. MONTGOMERY RISK CONTROL | LOSS CONTROL SERVICES - 12/2014 | 9,712.84 |
| | | | 9,712.84 |
| 000272 | | | |
| 000272 | CLARION HOTEL & CONFERENCE | 3/18/15 - BREAKFAST BUFFET - DEPOSIT | 300.00 |
| | | | 300.00 |
| 000273 | | | |
| 000273 | PERMA | POSTAGE FEE 11/2014 | 30.15 |
| 000273 | PERMA | EXECUTIVE DIRECTOR FEE 12/2014 | 23,076.56 |
| | | | 23,106.71 |
| 000274 | | | |
| 000274 | THE ACTUARIAL ADVANTAGE | ACTUARIAL CONSULTING FEE - 12/2014 | 3,563.00 |
| | | | 3,563.00 |
| 000275 | | | |
| 000275 | CITTA, HOLZAPFEL & ZABARSKY PC | LITIGATION MANAGEMENT - 12/2014 | 14,517.00 |
| 000275 | CITTA, HOLZAPFEL & ZABARSKY PC | ATTORNEY FEE 12/2014 | 3,327.66 |
| | | | 17,844.66 |
| 000276 | | | |
| 000276 | CONSOLIDATED SERVICES GRP, INC | MANAGED CARE SERVICES - 12/2014 | 25,262.50 |
| | | | 25,262.50 |
| 000277 | | | |
| 000277 | WILLIAM GAROFALO | TREASURER FEE 12/2014 | 2,753.80 |
| | | | 2,753.80 |
| 000278 | | | |
| 000278 | MUNICIPAL EXCESS LIABILITY JIF | MSI 4TH QTR 2014 | 20,235.78 |
| | | | 20,235.78 |
| 000279 | | | |

| | | | |
|---------------|--------------------------------|-------------------------------------|---------------|
| 000279 | ALLSTATE INFORMATION MANAGEMNT | DEPT: 411 - ACT & STOR 10/31/2014 | 50.12 |
| | | | 50.12 |
| 000280 | | | |
| 000280 | CONNER STRONG & BUCKELEW | UNDERWRITING MANAGER - 12/2014 | 911.00 |
| | | | 911.00 |
| 000281 | | | |
| 000281 | EXECU-TECH, INC. | MONTHLY WEBSITE MAINTENANCE - 12/14 | 200.00 |
| | | | 200.00 |
| | | Total Payments FY 2014 | 1,110,007.04 |

TOTAL PAYMENTS ALL FUND YEARS \$ 1,110,007.04

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
DIVIDENDS LIST**

Resolution No. 29-14

DECEMBER 2014

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

BE IT RESOLVED that the Ocean County 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 CLOSED

| <u>CheckNumber</u> | <u>VendorName</u> | <u>Comment</u> | <u>InvoiceAmount</u> |
|--------------------|--------------------------|----------------|----------------------|
| 000248 | | | |
| 000248 | BARNEGAT LIGHT BOROUGH | 2014 DIVIDEND | 3,357.60 |
| | | | 3,357.60 |
| 000249 | | | |
| 000249 | TOMS RIVER TOWNSHIP | 2014 DIVIDEND | 206,118.13 |
| | | | 206,118.13 |
| 000250 | | | |
| 000250 | MANCHESTER TOWNSHIP | 2014 DIVIDEND | 68,487.07 |
| | | | 68,487.07 |
| 000251 | | | |
| 000251 | OCEAN GATE BORO | 2014 DIVIDEND | 7,590.69 |
| | | | 7,590.69 |
| 000252 | | | |
| 000252 | PINE BEACH BOROUGH | 2014 DIVIDEND | 7,413.73 |
| | | | 7,413.73 |
| 000253 | | | |
| 000253 | SOUTH TOMS RIVER BOROUGH | 2014 DIVIDEND | 7,106.26 |
| | | | 7,106.26 |
| 000254 | | | |
| 000254 | BERKELEY TOWNSHIP | 2014 DIVIDEND | 1,683.15 |
| | | | 1,683.15 |
| 000255 | | | |
| 000255 | BEACH HAVEN BOROUGH | 2014 DIVIDEND | 14,674.39 |
| | | | 14,674.39 |
| 000256 | | | |
| 000256 | JACKSON TOWNSHIP | 2014 DIVIDEND | 451.76 |
| | | | 451.76 |
| 000257 | | | |
| 000257 | BARNEGAT TOWNSHIP | 2014 DIVIDEND | 24,763.05 |
| | | | 24,763.05 |
| 000258 | | | |
| 000258 | BEACHWOOD BOROUGH | 2014 DIVIDEND | 16,211.54 |
| | | | 16,211.54 |
| 000259 | | | |
| 000259 | OCEAN TOWNSHIP | 2014 DIVIDEND | 9,357.64 |
| | | | 9,357.64 |
| 000260 | | | |

| | | | |
|---------------|----------------------------|----------------------------|------------------|
| 000260 | BRICK TOWNSHIP | 2014 DIVIDEND | 77,326.91 |
| | | | 77,326.91 |
| 000261 | | | |
| 000261 | PLUMSTED TOWNSHIP | 2014 DIVIDEND | 6,536.76 |
| | | | 6,536.76 |
| 000262 | | | |
| 000262 | LITTLE EGG HARBOR TOWNSHIP | 2014 DIVIDEND | 19,412.89 |
| | | | 19,412.89 |
| 000263 | | | |
| 000263 | SHIP BOTTOM BOROUGH | 2014 DIVIDEND | 12,721.11 |
| | | | 12,721.11 |
| 000264 | | | |
| 000264 | LACEY TOWNSHIP | 2014 DIVIDEND | 52,324.30 |
| | | | 52,324.30 |
| 000265 | | | |
| 000265 | SEASIDE HEIGHTS BOROUGH | 2014 DIVIDEND | 52,119.06 |
| | | | 52,119.06 |
| 000266 | | | |
| 000266 | SEASIDE PARK BOROUGH | 2014 DIVIDEND | 37,041.70 |
| | | | 37,041.70 |
| 000267 | | | |
| 000267 | LAKEWOOD TOWNSHIP | 2014 DIVIDEND | 77,143.38 |
| | | | 77,143.38 |
| | | Total Payments Closed Year | 701,841.12 |

TOTAL PAYMENTS ALL FUND YEARS \$ 701,841.12

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTAL DIVIDENDS LIST**

Resolution No. 30-14

DECEMBER 2014

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

BE IT RESOLVED that the Ocean County 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 CLOSED

| <u>CheckNumber</u> | <u>VendorName</u> | <u>Comment</u> | <u>InvoiceAmount</u> |
|--------------------|---------------------|----------------------------|----------------------|
| 000255 | | | |
| 000255 | BEACH HAVEN BOROUGH | VOIDED | 14,674.39- |
| | | | 14,674.39- |
| 000255 | | | |
| 000255 | BEACH HAVEN BOROUGH | 2014 DIVIDEND | 14,674.39 |
| | | | 14,674.39 |
| | | Total Payments Closed Year | -0- |

TOTAL PAYMENTS ALL FUND YEARS \$ -0-

RESOLUTION NO. 1-15

OCEAN COUNTY 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:

James Pine, Chairman

Paul Shives, Secretary

BE IT FURTHER RESOLVED, that the Chairman and Secretary shall serve for the year 2015 and until their successors shall be elected and qualified.

ADOPTED:

this day before the Governing Body,

RESOLUTION NO. 2-15

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND (Hereinafter referred to as 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 requires the services of certain professional service providers and service organizations for the 2015, 2016 and 2017 Fund years; and,

WHEREAS, NJSA 40a11-15 (6) allows for a contract duration of three (3) years; and,

WHEREAS, the Fund resolved to award Professional Service Agreements in accordance with a fair and open process pursuant to NJSA 19:44A-20.4 et. seq.; and,

WHEREAS, a notice soliciting proposals was published in the Asbury Park Press, July 24, 2014 issue of the Asbury Park Press;

WHEREAS, responses were received from professional service providers and service organizations as listed below on August 20, 2014 at 2 pm; and,

WHEREAS, the Fund's RFQ review Committee recommends the award of contracts to the below listed Professional Service Providers and service organizations based on a review of their; responses, experience and prior service provided at the rates established by the Fund Executive Committee; and,

WHEREAS, the Fund Treasurer has issued a certificate of available funds indicating sufficient funds exist for the award of these contracts in the usual and customary accounts.

NOW, THEREFORE, BE IT RESOLVED by the Fund's Executive Committee that contracts for the following professionals be appointed for a three (3) year term; (*unless otherwise specified*)

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

- I. PERMA Risk Management Services hereby appointed as **Administrator**, Mr. Stephen Sacco is appointed as **Executive Director**, Mr. Joseph Hrubash and Mr. David Grubb as **Deputy Executive Director**, and all as agents for process of services.
- II. Mr. William Garofalo is hereby appointed as **Fund Treasurer**.
- III. 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.

- IV. Mr. Robert Allison of Hutchins, Farrell, Meyer & Allison, P.A. is hereby appointed as **Fund Auditor**.
- V. Michael Avalone of Conner Strong and Buckelew is hereby appointed as **Risk Management Consultant** for the FUND.
- VI. Qual-Lynx is hereby appointed as the **Claims Service Organization** for the FUND to adjust all claims for current and prior Fund Years.
- VII. Consolidated Services Group, Inc. (CSG) is hereby appointed as the **Managed Care Provider for Workers Compensation Claims** in accordance with the negotiated fee schedule contained within the Professional Services Agreement.
- VIII. Mr. Dennis Henry of Actuarial Advantage is hereby appointed as **Actuary** for the FUND.
- IX. J.A. Montgomery Risk Control is hereby appointed to provide **Loss Control Services and Right To Know Training Services** to the FUND.
- X. Conner Strong & Buckelew is hereby appointed **Underwriting Manager** for the FUND.
- XI. Execu-Tech is hereby appointed as the **Web Site Development and hosting Manager** *Contract term to be one year (1/1/15– 12/31/15) at the same rate as 2014.*
- XII. Steven A. Zabarsky, Esq. of Citta, Holzapfel, & Zabarsky is hereby appointed as **Fund Attorney** and shall receive a retainer for administrative services, legal research and legal opinions. In addition,. Citta, Holzapfel, Zabarsky shall provide litigation management services.

BE IT FURTHER RESOLVED, all Professional Service Providers and Service Organizations appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service contracts attached to this Resolution.

BE IT FURTHER RESOLVED, that in accordance with NJSA 19:44A-20.7, the decision of the Fund's Executive Committee that the procurement process utilized, constitutes a fair and open process, shall be final.

BE IT FURTHER RESOLVED that the professional service fee compensation for the professionals shall increase 2% for the period of January 1, 2015 through December 31, 2015 unless otherwise noted. Contracts will be provided for each respective professional addressing the increase in fees.

ADOPTED: *this day by the Governing Body,*

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
(hereafter the "FUND")**

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2015, and

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

- I.** The Governing Body shall conduct Public Meetings at the Toms River Municipal Building, 33 Washington Street, Toms River, New Jersey 08754 to conduct the official business of the FUND on the **second Thursday of January, March, May, July, September, October, November, December** at **3:00 P.M.** for the 2015 Fund Year including January 14, 2016.
- II.** In addition, **the Ocean County Municipal Joint Insurance Fund Claims Committee** will meet on the Monday before the second Thursday of every month at 11 AM at the Conner Strong & Buckelew Office, Toms River, NJ.
- III.** Each Public Comments session is limited to thirty (30) minutes; any one person may address the Chairperson for a maximum of five (5) minutes; once a particular topic has been addressed by a member of the public, subsequent comments on that same topic by other people is limited to a maximum of two (2) minutes; citizens who have spoken once during the session will not be recognized a second time; and speakers are required to state their names and addresses.
- IV.** The following is hereby designated the official newspaper (s) of the Fund:

THE ASBURY PARK PRESS
www.NJMEL.org
Fund Website – www.ocjif.org
- V.** 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,*

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

RESOLUTION NO: 4- 15

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

(hereafter referred to as "THE FUND")

**ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2015 FUND YEAR**

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

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

NOW, THEREFORE BE IT RESOLVED, THE FUND's Executive Committee that:

- 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, shall be required:

| | |
|------------------|--------------|
| JAMES PINE | CHAIRMAN |
| PAUL SHIVES | SECRETARY |
| WILLIAM GAROFALO | TREASURER |
| CHARLENE CARNEY | 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,

| | |
|----------------|-----------|
| Ann L. Noble | Qual-Lynx |
| David S. Ruber | Qual-Lynx |
| Alic Lihou | Qual-Lynx |
| Joy DiPatri | Qual-Lynx |
| Janet Buggle | Qual-Lynx |

- 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 with a grace period for the first (1st) assessment installment paid to be January 31, and the second (2nd) assessment installment paid to be July 31.

- 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:*

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

2015 CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The Ocean JIF (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.) Government money market mutual funds.
- c.) 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.
- d.) 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
- e.) 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.
- f.) 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.

- g.) Local Government Investment Pools
- h..) 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. 5-15

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
(Hereinafter the "FUND")

ESTABLISHING A FUND RECORDS PROGRAM

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

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

- I.** Paul Shives, **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, **Assistant 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. 6A-15

**RESOLUTION OF THE OCEAN COUNTY MUNICIPAL
JOINT INSURANCE FUND
APPOINTMENT OF APPROVED PANEL OF ATTORNEYS TO DEFEND
GENERAL LITIGATION CASES ON BEHALF OF THE FUND
FOR
FUND YEAR 2015**

WHEREAS, the Ocean County Municipal Joint Insurance Fund is constituted as a Municipal Self Insurance Fund and is subject to certain requirements of the Local Public Contracts Law; and

WHEREAS, the Executive Committee finds that it is necessary and appropriate to obtain the services of legal counsel to defend general litigation actions on behalf of the Ocean County Municipal Joint Insurance Fund; and

WHEREAS, the appointment of such professionals is required and necessary to meet the purposes of the Ocean County Municipal Joint Insurance Fund; and

WHEREAS, although the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., authorizes the award of contracts for "Professional Services" without competitive bids, the Ocean County Municipal Joint Insurance Fund published a request for proposals for professional service contracts in accordance with a competitive negotiation procedure which satisfies the requirements of a fair and open process under N.J.S.A. 19:44A:20.4 et seq.; and

WHEREAS, pursuant to the recommendation of the Fund Committee on Professional Services, the Ocean County Municipal Joint Insurance Fund has established as approved.

- 1) Cases assigned for a defense on or after January 1, 2015, \$145.00 per hour, plus actual out-of-pocket costs as approved by the Fund attorney;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Ocean County Municipal Joint Insurance Fund assembled in a public session on January 8, 2015, that it does hereby establish and adopt as approved attorneys to handle general litigation on behalf of the Fund, at the established rate, the attorneys listed on the annexed Schedule A.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

SCHEDULE A

LIST OF COUNSELORS
OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND – GENERAL LITIGATION

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RESOLUTION NO. 6B-15

RESOLUTION OF THE OCEAN COUNTY MUNICIPAL

**JOINT INSURANCE FUND
APPOINTMENT OF APPROVED PANEL OF ATTORNEYS TO DEFEND
WORKER'S COMPENSATION CASES ON BEHALF OF THE FUND
FOR
FUND YEAR 2015**

WHEREAS, the Ocean County Municipal Joint Insurance Fund is constituted as a Municipal Self Insurance Fund and is subject to certain requirements of the Local Public Contracts Law; and

WHEREAS, the Executive Committee finds that it is necessary and appropriate to obtain the services of legal counsel to defend worker's compensation actions on behalf of the Ocean County Municipal Joint Insurance Fund; and

WHEREAS, the appointment of such professionals is required and necessary to meet the purposes of the Ocean County Municipal Joint Insurance Fund; and

WHEREAS, although the Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.*, authorizes the award of contracts for "Professional Services" without competitive bids, the Ocean County Municipal Joint Insurance Fund published a request for proposals for professional service contracts in accordance with a competitive negotiation procedure which satisfies the requirements of a fair and open process under N.J.S.A. 19:44A:20.4 *et seq.*; and

WHEREAS, pursuant to the recommendation of the Fund Committee on Professional Services, the Ocean County Municipal Joint Insurance Fund has established as approved attorney billing rates for worker's compensation litigation, the following schedule:

Cases assigned for a defense on or after January 1, 2015, shall be paid on a fee of \$700.00 flat rate through the first day of trial, and \$125.00 per hour for any trial, plus actual out-of-pocket costs, approved by the Fund.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Ocean County Municipal Joint Insurance Fund assembled in a public session on January 8, 2015, that it does hereby establish and adopt as approved attorneys to handle worker's compensation litigation on behalf of the Fund, at the established rate, the attorneys listed on the annexed Schedule A.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

**SCHEDULE A
LIST OF COUNSELORS**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND – WORKER'S
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**RESOLUTION OF THE OCEAN COUNTY MUNICIPAL
JOINT INSURANCE FUND
APPOINTMENT OF APPROVED ATTORNEY TO LITIGATE
SUBROGATION CASES ON BEHALF OF THE FUND
FOR
FUND YEAR 2015**

WHEREAS, the Ocean County Municipal Joint Insurance Fund is constituted as a Municipal Self Insurance Fund and is subject to certain requirements of the Local Public Contracts Law; and

WHEREAS, the Executive Committee finds that it is necessary and appropriate to obtain the services of legal counsel to litigate subrogation cases on behalf of the Ocean County Municipal Joint Insurance Fund; and

WHEREAS, the appointment of such a professional is required and necessary to meet the purposes of the Ocean County Municipal Joint Insurance Fund; and

WHEREAS, although the Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.*, authorizes the award of contracts for "Professional Services" without competitive bids, the Ocean County Municipal Joint Insurance Fund published a request for proposals for professional service contracts in accordance with a competitive negotiation procedure which satisfies the requirements of a fair and open process under N.J.S.A. 19:44A:20.4 *et seq.*; and

WHEREAS, pursuant to the recommendation of the Fund Committee on Professional Services, the Ocean County Municipal Joint Insurance Fund has established as approved attorney billing rates for litigating subrogation cases, the following schedule:

Cases assigned for a defense will be compensated at one-third (1/3) of the actual recovery amount, plus actual out-of-pocket costs as approved by the Fund attorney.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Ocean County Municipal Joint Insurance Fund assembled in a public session on January 8, 2015 that it does hereby establish and adopt as an approved attorney to litigate subrogation on behalf of the Fund, at the established rate, James J. Gluck, Esq., Gluck & Allen, LLC, 217 Washington Street, Toms River, New Jersey 08753.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

RESOLUTION NO. 07-15
Ocean County Municipal Joint Insurance Fund

(hereinafter the "Fund")

ESTABLISHING THE 2015 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's governing body that the **2015** Plan of Risk Management shall be:

- 1.) **The perils or liability to be insured against.**
 - a.) The Fund insures the following perils or liability:
 - **Workers' Compensation** including Employer's Liability, USL&H and Harbor Marine/Jones Act.
 - **General Liability** including Police Professional Liability, Employee Benefits Liability, Quasi Municipal Organization Liability, Garage Keeper's Liability, Failure to Supply (water and electricity), Riot, Civil Commotion or Mob Action, Good Samaritan, Disinfecting Agents Release Hazard, and Skateboard Facility.
 - **Automobile Liability** including PIP and uninsured/Underinsured Motorists Coverage.
 - **Blanket Crime** including public employee dishonesty; forgery or alteration; theft, disappearance and destruction; robbery and safe burglary; and computer fraud with funds transfer. Excludes Statutory Positions.
 - **Property** including Boiler and Machinery
 - **Public Officials and Employment Practices Liability**
 - **Volunteer Directors & Officers Liability**
 - **Cyber Liability**
 - b.) The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL).
 - **Excess Workers' Compensation**
 - **Excess General Liability**

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

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

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

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

- Dams (Class I and II – High Hazard) - \$700,000 CSL excess of the Fund's \$300,000.
- Subsidence Property Damage Liability- \$3,450,000 CSL excess of the Fund's \$300,000. The \$2,000,000 layer excess of \$1,750,000 layer is included in the MEL's General Liability and is subject to a \$2,000,000 “all members” annual aggregate limit excess of the \$1,750,000 each occurrence. There is no bodily injury liability sub-limit for subsidence.
- Sewer Back Up - \$3,450,000 CSL excess of the Fund's \$300,000. The \$2,000,000 layer excess of \$1,750,000 layer is included in the MEL's General Liability and is subject to a \$2,000,000 “all members” annual aggregate limit excess of the \$1,750,000 each occurrence. There is no bodily injury liability sub-limit for 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.

- 20% coinsurance of the first \$250,000 of the loss

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

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.

- 20% coinsurance of the first \$250,000 of the loss

- For member local units without approved EPL Loss Control/Risk Management Programs:

- \$100,000 deductible per occurrence, except that a \$150,000 deductible per occurrence applies for member local units with unfavorable loss experience.

- 20% coinsurance (no cap) 1st \$2 million (not imposed against optional limits).

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

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, 2014) –

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

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

The MEL retains and provides excess property coverage at limits of \$200,000 excess \$50,000 per occurrence (Property & Time Element combined) except for the following:

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

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

- Policy limit - \$125 million per occurrence for all coverage despite number of locations involved in an occurrence state-wide.
- Named Storm - \$125 million per occurrence (Property and Time Element combined - (120 Hours)

- Earth Movement - \$75 million annual aggregate (168 hours)
- Flood - \$75 million (annual aggregate) except;
- Flood for locations wholly or partially within 100-year flood zone (SFHA) –
 - \$2.5 million per location building & contents
 - \$1 million all outdoor property
 - \$2.5 million for pumping stations
 - Definition of Flood includes Storm Surge
- Asbestos Cleanup - \$50,000 per occurrence
- Equipment Breakdown - \$125 million
 - Ammonia Contamination - \$5 million
 - Spoilage - \$5 million
- Time Element – included in the policy limit.
 - Time element sub-limits include:
 - Business Interruption – Included (12 Months)
 - Extra Expense - \$10 million
 - Tenant Relocation - \$750,000
 - Leasehold Interest - \$15 million
 - Tenant Prohibited Access- \$1 million (24 Hours)
 - Service Interruption - \$10 million
 - Loss of Rents - \$15 million
 - Delay in Completion -60 days
 - Extended Period of Liability – 365 days
- Utilities Member Owned – Property Damage and Time Element Combined - \$125 million
 - Time Element Pass Through Utilities – Per Policy Sub-limit
 - Time Element Power Generation Utilities - **Not Covered**
- Valuable Paper and Records (incl. EDP Media/Software - \$10 million
- Accounts Receivable - \$10 million
- Increased Construction Cost - \$25 million (Incl. Demolition)
- Transit - \$1 million per occurrence
- Fine Arts - \$2.5 million
- Land and Water Contamination Cleanup (limited) - \$250,000 (annual aggregate) Including removal & disposal
- Decontamination Costs - \$250,000
- **Miscellaneous Unnamed Locations - \$10 million**
- New Construction & Additions - \$25 million
 - Including soft costs - \$5 million sub-limit
 - 15 Days Delay in Completion
- Computer Systems Damage - \$2.5 million (24 Hours)
- Newly Acquired Locations – \$25 million per location
 - 90 Day Period
- Ingress/Egress - \$5 million (within 1 mile-30 Day Period)
- Debris Removal - \$25 million
- Expediting Expense - \$10 million
- Civil Authority -\$5 million(within 5 miles-30 Day Period)

- Professional Fees including Architects/Engineering Fees - \$1,250,000
- Errors & Omissions - \$10 million
- Miscellaneous Personal Property - \$10 million
 - Includes Outdoor Property - \$10 million (Named Peril Only)
- Watercraft - \$1 million - 32' or less – ACV in not scheduled
- Vehicles - \$15 million (Property Damage only)
- Bridges and Dams \$10 million. (Property & TE combined). Excluded for the Perils of Flood, Named Storm & Earth Movement.
- Piers, Wharfs, Docks, Boardwalks, Bulkheads, Crossovers - \$10 million - Named Peril Only
- Transmission and Distribution Lines - \$10 million (within a 1 mile radius of an insured Location for overhead lines & 5 mile radius for underground lines)
- Clogging/Blocking of pipes - \$1 million
- Off Premises Storage Under Construction - \$250,000
- Fire Department Service Charge - \$250,000
- Deferred Payments - \$1 million
- Land Improvements - \$10 million
- Off Premises Services Interruption - \$10 million
 - Excluding Utilities 24 hour qualifying period
 - Protection & Preservation of Property-\$10 million(48 Hrs BI)
 - Research & Development - \$10 million (12 Hours)
- Impounded Water - \$250,000 (30 days)
 - Tenant Prohibited Access - \$1 million
 - Soft Costs - \$5 million
 - Wind Turbine \$1 million per occurrence

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

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

- Property Deductibles
 - The standard Member JIF retains and provides \$50,000 per occurrence (Property & Time Element Combined) less member local unit deductibles except for:
 - Flood for locations wholly or partially within 100-year flood zone
 - Boiler and Machinery
 - Named Storm (Flood & Wind)
 - The standard member local unit deductible is \$2,500 per occurrence except for:
 - Flood for locations wholly or partially within 100-year flood zone
 - Equipment Breakdown
 - Named Storm (Flood & Wind)
 - Equipment Breakdown coverage is subject to a member local unit \$5,000 deductible per occurrence (Property & Time Element Combined).
 - Flood loss and/or surface water for locations with any part of the legal description within a SFHA (wholly or partially within the 100-year flood zone) as defined by the Federal Emergency Management Agency is subject to separate deductibles of \$500,000 each for building damage for municipal buildings, and \$500,000 each building for municipal contents damage and \$250,000 each building damage for housing authority buildings, and \$100,000 each building for housing authorities contents damage or the National Flood Insurance Plans (NFIP) maximum available limits for municipalities and housing authorities respectively, whichever is greater, regardless of whether National Flood Insurance Program coverage is purchased. Vehicles, mobile equipment, pistol ranges and pumping stations are subject to the standard member local unit deductible 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. All other property not eligible for NFIP is either defined as Outdoor or addressed elsewhere in the policy.
 - Named Storm” (Wind and Flood)

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

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

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

Time Element 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following an occurrence by use of facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence.

The above Named Storm deductibles are subject to a minimum deductible of \$250,000 for Property Damage and Time Element Combined per Location and maximum deductible of \$1,000,000 per occurrence.

Locations: As respects to covered property in **Atlantic, Ocean, Monmouth, and Burlington Counties** located west of the Garden State Parkway and any covered property located in the remaining counties, except **Cape May County** as noted above. **SEE PAGE 8** (JIF Retention \$50,000; MELJIF Retention \$200,000 XS \$50,000).

- **The definitions of “Named Storm” and “Location” are per the definitions in the MEL policy form with Zurich. Named Storm** is defined as any storm or weather disturbance that is named by the U.S. Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center of the Center or any comparable worldwide equivalent. Named Storm includes Storm Surge. **Location** is defined as: (1) as specified in the Schedule of Locations. If not specified in the schedule of locations then : (2) A Location is a building(s) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide; (3) A site tract of land occupied or available for occupancy with tangible property.

- As respects to the perils of Flood, Earth Movement and Named Storm, if there is an event or series of related events in which more than one of these perils causes direct physical damage to insured property, a single deductible shall apply to these perils involved. The single deductible will not exceed the largest applicable for the perils of Flood, Earth Movement and Named Storm. In the event of a **Joint Loss** (Property and Equipment Breakdown), the higher deductible applies.
 - **Piers, wharfs, docks**, floating docks, boardwalks, buildings, bulkheads, crossovers and/or structures thereon are covered for the perils of fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action, watercraft and malicious intent.
 - **Buildings constructed on pilings** that are located wholly or partially within the Special Flood Zone Hazard (SFHA) designated zones V, VE, V1-30 are excluded except fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action, watercraft and malicious intent.
 - **Bridges and Dams and Equipment relating thereto** are not covered for loss caused by or resulting from Flood, Earth Movement or Named Storm regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or is any other sequence to the loss.
- i.) **Blanket Crime** - The JIF provides a limit of \$50,000 less the member entity deductible of \$2,500. Coverage includes Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, Computer Fraud with Funds Transfer. The MEL provides it's member JIF's **excess public employees coverage** at limits of \$1,000,000 less the member JIF's retention of \$50,000 for Public Employee Dishonesty.
- j.) **Excess Public Officials Crime Coverage** - The MEL provides excess employee dishonesty for those employed positions which are required by law to be individually bonded and where they have not applied and have not been approved for coverage under the MELJIF Statutory Position Program at a limit of \$1,000,000 less a member local units' deductible which is the higher of the following:
- 1) The amount said persons are required by Law to be individually bonded whether or not such individual Bond is in place, or

2) The amount of the individual Bond in place.

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

- k.) **Crime Statutory Position Coverage** - The MEL provides employee dishonesty and faithful performance coverage for those employed positions which are required by law to be individually bonded and where they have applied and have been approved for coverage at a limit of \$1,000,000 per occurrence per position less a member local units' deductible of **\$1,000**.
- l.) **Optional Excess Liability** - The MEL offers Optional Excess General Liability, including Police Professional Liability, Employee Benefits Liability, Quasi Municipal Organization Liability (Emergency Service Units and Auxiliaries only), and Automobile Liability (not including PIP or Underinsured/Uninsured Motorist Coverage) as follows:
- \$2 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
 - \$5 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
 - \$5 million CSL and per member local unit annual aggregate excess of \$10 million (auto liability not aggregated).
 - \$10 million CSL and per member local unit annual aggregate excess of \$10 million (auto liability not aggregated).
- m.) **Optional Excess POL/EPL** – The MEL offers optional excess POL/EPL as follows:
- \$1 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$2 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$3 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$4 million CSL and per member local unit annual aggregate excess of \$2 million
 - \$4 million CSL and per member local unit annual aggregate excess of \$6 million

- n.) **Environmental Impairment Liability** - The limits of liability as established in the E-JIF's Plan of Risk Management and coverage documents.
- o.) **Cyber Liability** – The JIF, 100% commercially insured with XL Insurance, provides Third Party coverage including Media Communication, Network Security Liability and Privacy Liability and First Party coverage including Extortion Threat, Crisis Management Expenses and Privacy Notification Costs. The JIF limits of liability are \$3,000,000 each/\$6,000,000 policy aggregate. The limits are JIF wide and shared amongst member local units of the JIF. 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 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 – Seaside Heights has an individual deductible of \$10,000 for police professional liability.

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

- Underinsured/Uninsured - \$15,000/\$30,000 CSL
 - 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.

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 purchases 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.) In the event a member leaves the Fund, the Fund's governing body may assess the member's closed Fund Year account an amount not exceeding three (3) years stranded costs that the Fund incurs as a result of the member's withdraw. Stranded costs are those expenses incurred by the Fund that would otherwise have been paid from the withdrawing member's assessments had the member remained in the Fund. 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
- \$10,000 for workers compensation
- 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.
- \$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.

ADOPTED: *this 8th day of January , 2015 by the Governing Body:*

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 8-15

JANUARY 2015

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

BE IT RESOLVED that the Ocean County 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 2014

| <u>CheckNumber</u> | <u>VendorName</u> | <u>Comment</u> | <u>InvoiceAmount</u> |
|------------------------|--------------------------------|---|----------------------|
| 000282 | | | |
| 000282 | CLARION HOTEL & CONFERENCE | 3/18/15 BREAKFAST BUFFET - BALANCE | 475.26 |
| | | | 475.26 |
| 000283 | | | |
| 000283 | CITTA, HOLZAPFEL & ZABARSKY PC | LITIGATION MANAGEMENT - 12/2014 | 12,772.00 |
| 000283 | CITTA, HOLZAPFEL & ZABARSKY PC | ATTORNEY FEE 12/2014 | 3,327.66 |
| | | | 16,099.66 |
| 000284 | | | |
| 000284 | ASBURY PARK PRESS | ACCT ASB-028930 - 12/10/14 - MTG CANCEL | 45.50 |
| | | | 45.50 |
| 000285 | | | |
| 000285 | ALLSTATE INFORMATION MANAGEMNT | DEPT: 411 - ACT & STOR 11/30/2014 | 50.12 |
| | | | 50.12 |
| Total Payments FY 2014 | | | 16,670.54 |

FUND YEAR 2015

| <u>CheckNumber</u> | <u>VendorName</u> | <u>Comment</u> | <u>InvoiceAmount</u> |
|--------------------|--------------------------------|--|----------------------|
| 000286 | | | |
| 000286 | MUNICIPAL EXCESS LIABILITY JIF | FAITHFUL PERFORMANCE BOND - 1ST QTR 2015 | 5,102.52 |
| | | | 5,102.52 |
| 000287 | | | |
| 000287 | MUNICIPAL EXCESS LIABILITY JIF | MEL 1ST QTR 2015 (LESS 1,000 - 4TH QTR) | 820,442.29 |
| 000287 | MUNICIPAL EXCESS LIABILITY JIF | MEL PROPERTY 1ST QTR 2015 | 192,681.80 |
| | | | 1,013,124.09 |
| 000288 | | | |
| 000288 | N.J. MUNICIPAL ENVIRONMENTAL | EJIF - 1ST INSTALLMENT 2015 | 247,997.01 |
| | | | 247,997.01 |
| 000289 | | | |
| 000289 | QUAL-LYNX | CLAIMS ADMIN - 01/2015 | 55,272.00 |
| 000289 | QUAL-LYNX | OUTSIDE ADJUSTER - 01/2015 | 5,380.75 |
| | | | 60,652.75 |
| 000290 | | | |
| 000290 | J.A. MONTGOMERY RISK CONTROL | LOSS CONTROL SERVICES - 01/2015 | 9,907.10 |
| | | | 9,907.10 |
| 000291 | | | |
| 000291 | PERMA | EXECUTIVE DIRECTOR FEE - 01/2015 | 23,538.00 |
| | | | 23,538.00 |
| 000292 | | | |
| 000292 | CONSOLIDATED SERVICES GRP, INC | MANAGED CARE SERVICES - 01/2015 | 23,190.92 |

| | | | |
|---------------|--------------------------------|------------------------------------|-------------------|
| | | | 23,190.92 |
| 000293 | | | |
| 000293 | WILLIAM GAROFALO | TREASURER FEE 01/2015 | 2,809.00 |
| | | | 2,809.00 |
| 000294 | | | |
| 000294 | MUNICIPAL EXCESS LIABILITY JIF | MSI 1ST QTR 2015 | 20,931.55 |
| | | | 20,931.55 |
| 000295 | | | |
| 000295 | CONNER STRONG & BUCKELEW | AUTOMOBILE ID CARDS - RENEWAL 2015 | 375.12 |
| | | | 375.12 |
| 000296 | | | |
| 000296 | CONNER STRONG & BUCKELEW | UNDERWRITING MANAGERS FEE 01/2015 | 924.58 |
| | | | 924.58 |
| 000297 | | | |
| 000297 | CONNER STRONG & BUCKELEW | RMC FEE 1ST QTR 2015 | 147,051.25 |
| | | | 147,051.25 |
| | | Total Payments FY 2015 | 1,555,603.89 |

TOTAL PAYMENTS ALL FUND YEARS \$ 1,572,274.43