

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – JANUARY 13, 2016
HANOVER TOWNSHIP MUNICIPAL BUILDING
12:00 PM**

Meeting of Fund Commissioners called to order by Chairman Poff. Open Public Meeting Notice read into records. Chairman Poff led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2015 EXECUTIVE COMMITTEE:

Greg Poff, Chairman	Township of Rockaway	Present
William Close, Secretary	Township of Sparta	Absent
Ralph Blakeslee	Borough of Netcong	Absent
Adam Brewer	Township of West Caldwell	Present
Michael Guarino	Township of Denville	Present
Brian McNeilly	Borough of Stanhope	Present
Jonathan Rheinhardt	Borough of Wharton	Absent

ROLL CALL OF 2015 FUND COMMISSIONERS:

Vita Thompson	Township of Andover	Absent
John Dunleavy	Borough of Bloomingdale	Present
Terry McCue	Town of Boonton	Absent
Barbara Shepard	Township of Boonton	Present
James Lampmann	Borough of Butler	Present
Thomas Ciccarone	Township of Chatham	Absent
Timothy Day	Borough of Chatham	Present
Valerie Egan	Borough of Chester	Absent
Donald Travisano	Dover Town	Present
Joseph Tempesta	Township of East Hanover	Present
Francine Paserchia	Borough of Essex Fells	Absent
William Huyler	Borough of Florham Park	Present
Silvio Esposito	Township of Hanover	Present
Eric Maurer	Borough of Hawthorne	Present
Robert Elia	Borough of Hopatcong	Present
Daniel O'Dougherty	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Absent
Neil Henry	Township of Long Hill	Absent
Robert Kalafut	Borough of Madison	Absent
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	Township of Mendham	Absent
Tim Gordon	Township of Millburn	Present
Victor Canning	Township of Montville	Present
June Uhrin	Borough of Morris Plains	Absent
Carolyn Rinaldi	Borough of Mount Arlington	Present
Laura Harris	Township of Mount Olive	Present
Richard Sheola	Borough of Mountain Lakes	Present
Mel Levine	Borough of North Caldwell	Present
David Hollberg	Township of Pequannock	Absent
Darren Maloney	Township of Randolph	Present
Scott Heck	Borough of Ringwood	Absent
Sheila Seifert	Borough of Rockaway	Present
Terri Lyons	Township of Washington	Present

Kenneth Gabbert	Township of West Milford	Absent
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2015 FUND COMMISSIONER ALTERNATES:

Maryann Frodella	Township of Andover	Present
Sherry Gallagher	Borough of Bloomingdale	Absent
Cynthia Oravits	Town of Boonton	Present
James Kozimor	Borough of Butler	Absent
Deborah King	Township of Chatham	Absent
Stephen Williams	Borough of Chatham	Absent
Steven Ward	Township of Denville	Absent
Kelly Toohey	Dover Town	Absent
Kenneth Huelbig	East Hanover Township	Absent
Patricia Visco	Borough of Florham Park	Absent
Kelli Schanz	Township of Hanover	Absent
Jennifer Scully	Borough of Hawthorne	Absent
Unappointed	Borough of Kinnelon	---
James Burnet	Borough of Madison	Present
Alex McDonald	Township of Millburn	Absent
Jason Kohn	Borough of Morris Plains	Present
June Hercek	Borough of Montville	Present
Michelle Reilly	Borough of Mountain Lakes	Absent
Andrew Cangiano	Borough of Mt. Arlington	Absent
Christine Stachnik	Township of Mount Olive	Absent
Christopher Tietjen	Township of Pequannock	Present
William Marsala	Borough of Ringwood	Absent
Yolanda Dykes	Borough of Rockaway	Absent
Joseph Fiorella	Township of Rockaway	Absent
Michele Landtau	Township of Sparta	Present
Dana Mooney	Borough of Stanhope	Absent
Andrew Coppola	Township of Washington	Absent
Catherine Shanahan	Township of West Milford	Absent
David Young	Borough of Wharton	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

PERMA Risk Management Services
Cathleen Kiernan

Attorney/Litigation Management

Dorsey & Semrau, Esq
Fred Semrau, Esq.

Underwriting Manager

Conner Strong & Buckelew
Edward Scioli

Safety Director

J.A. Montgomery Risk Control
David McHale
Brian Maitland

Treasurer

Grace Brennan

Liability Claims Service

D&H Alternative Risk Solutions, Inc.
Janine Leahy

Workers Compensation
Claim Service

Qual-Lynx
Robert Fox

Managed Care

FMCO
Thea Isabella

Auditor

Nisivoccia LLP

ALSO PRESENT:

Stephanie Thomas, Marsh USA
Linda D'Alessio, Polaris Galaxy Group
Sharon Cooper, Public Entity Advocates
Wayne Dietz, Skylands Risk Management
Stacy Russo, Russo & Associates, LLC
David Sgalia, Henry O. Baker, Inc.
Mark Todisco, The Chadler Group
Karen Waters, IMAC Insurance Agency, LLC
Frank Covelli, PIA
Jaine Testa, PERMA
Dawn Sullivan, Dorsey & Semrau, LLC

APPROVAL OF MINUTES -

December 9, 2015 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF DECEMBER 9, 2015

Motion:	Commissioner Levine
Second:	Commissioner Guarino
Vote:	15 Ayes, 0 Nays, 11 Abstains (Commissioners Lampmann, Huyler, Elia, Canning, Rinaldi, Sheola, Levine, Seifert, Oravits (alt.), Burnet (alt.))

CORRESPONDENCE – Executive Director reviewed correspondence from the State which reviewed the Morris JIF's website compliance documents. The fund's response to the State advising the location of the documents on the site was included.

ADJOURN SINE DIE MEETING:

Chairs vacated - Executive Director asked to run meeting. The meeting was called to order. Executive Director said regulations governing Joint Insurance Funds requires that an Executive Committee be elected once membership exceeds 7 municipalities. The Morris Joint Insurance Fund has a policy to meet as a Board of Fund Commissioners unless a quorum is not achieved, in which case it will be a meeting of the Executive Committee.

ROLL CALL OF 2016 FUND COMMISSIONERS:

Vita Thompson	Township of Andover	Absent
John Dunleavy	Borough of Bloomingdale	Present
Cynthia Oravits	Town of Boonton	Present
Barbara Shepard	Township of Boonton	Present
James Lampmann	Borough of Butler	Present
Thomas Ciccarone	Township of Chatham	Absent
Timothy Day	Borough of Chatham	Present
Valerie Egan	Borough of Chester	Absent
Michael Guarino	Township of Denville	Present
Donald Travisano	Dover Town	Present
Joseph Tempesta	Township of East Hanover	Present
Francine Paserchia	Borough of Essex Fells	Absent
William Huyler	Borough of Florham Park	Present
Silvio Esposito	Township of Hanover	Present
Eric Maurer	Borough of Hawthorne	Present
Robert Elia	Borough of Hopatcong	Present
Robert Collins	Borough of Kinnelon	Present
Perry Mayers	Borough of Lincoln Park	Absent
Neil Henry	Township of Long Hill	Absent
James Burnet	Borough of Madison	Present
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	Township of Mendham	Absent
Tim Gordon	Township of Millburn	Present
Victor Canning	Township of Montville	Present
June Uhrin	Borough of Morris Plains	Absent
Carolyn Rinaldi	Borough of Mount Arlington	Present
Laura Harris	Township of Mount Olive	Present
Richard Sheola	Borough of Mountain Lakes	Present
Ralph Blakeslee	Borough of Netcong	Absent
Mel Levine	Borough of North Caldwell	Present
David Hollberg	Township of Pequannock	Present
Darren Maloney	Township of Randolph	Present
Scott Heck	Borough of Ringwood	Absent
Sheila Seifert	Borough of Rockaway	Present
Greg Poff	Rockaway Township	Present
William Close	Township of Sparta	Absent
Brian McNeilly	Borough of Stanhope	Present
Terri Lyons	Township of Washington	Present
Adam Brewer	Township of West Caldwell	Present
Catherine Shanahan	Township of West Milford	Absent
Jonathan Rheinhardt	Borough of Wharton	Absent

ELECTION OF OFFICERS AND FIVE-MEMBER EXECUTIVE COMMITTEE

Executive Director asked for nominations. Commissioner Tempesta, Nominating Committee Chair, recommended the following slate for 2016 Officers and Executive Committee:

Greg Poff, Chair	Rockaway Township
William Close, Secretary	Township of Sparta
Ralph Blakeslee	Borough of Netcong
Adam Brewer	Township of West Caldwell
Michael Guarino	Township of Denville
Brian McNeilly	Borough of Stanhope
Jonathan Rheinhardt	Borough of Wharton

MOTION TO NOMINATE 2016 CHAIRMAN, SECRETARY AND 5-MEMBER EXECUTIVE COMMITTEE AS PRESENTED:

Motion: Commissioner Canning
Second: Commissioner Levine

MOTION TO CLOSE NOMINATIONS AND ELECT THE SLATE AS PROPOSED:

Motion: Commissioner Lampmann
Second: Commissioner Huyler
Roll Call Vote: unanimous

Attorney administered the Oath of Office to Fund Commissioners.

Chairman Poff continued the meeting and introduced the new fund commissioners appointed for 2016: Cynthia Oravits, Boonton Town; Robert Collins, Kinnelon Borough; James Burnet, Madison Borough; Laura Harris, Mt. Olive Township; Catherine Shanahan, West Milford.

MONTHLY COMMITTEE REPORTS:

Committee Reports:

Membership, Marketing & Coverage Committee, Michael Guarino, Chair, Denville Township—No report

Finance Committee, Chair (vacant) – No report

Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough. – No report

Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough— No report

Legal Review Committee, William Close, Chair, Sparta —Committee met on December 2nd and reviewed the defense panel for 2016. The committee’s recommendations for the 2016 panel were set forth in resolution 6-16 and were included for approval in the consent agenda. Minutes of the meeting were included in Appendix II.

Claims Review Committee, Jon Rheinhardt, Chair, Wharton Borough –The committee met on January 11, 2016 at PERMA’s office in Parsippany. The committee recommended approving payment authority requests for ten Workers’ Compensation Claims totaling Payment Authority Requests of \$562,760, two Property Claims totaling Payment Authority Requests of \$59,340 and 10 Liability Claims totaling Payment Authority Requests of \$370,558.

RESOLUTION 1-16 FUND PROFESSIONAL APPOINTMENTS AND PROFESSIONAL SERVICE AGREEMENTS: Resolution presented to confirm appointments of Fund Professionals.

Executive Director	PERMA Risk Management Services
Attorney/Litigation management	Fred Semrau, Esquire
Treasurer	Grace Brennan
Asset Manager	Wilmington Trust
Banking Manager	Investors Bank
Auditor	Nisivoccia LLP
WC Claims Service	Qual-Lynx
Liability Claims Service	Lenape Claims Management, Inc.
Managed Care Provider	First Managed Care Option
Actuary	Actuarial Advantage
Safety Director	JA Montgomery Risk Control Services
Compliance Services	Valley Medical Group
Underwriting Manager	Conner Strong & Buckelew
Internal Payroll Auditor	Russo and Associates, LLC
Police Accreditation Maintenance Provider	The Rodgers Group

Executive Director noted the resolution contains the addition of a clause awarding the Claims Administrator TPA and Managed Care provider contracts on a three-year term and in accordance with the fair and open process. After the RFQ responses were reviewed by the Claims Review and the Contract and Rules committees it was recommended that Qual Lynx remain as the Workers Compensation TPA and First Managed Care Option remain as the Managed Care Provider. The Property and Casualty TPA claims administrator contract was awarded to Lenape Claims Management, Inc., a new formation of the former D&H Alternative Risk Solutions, which is under new ownership but the servicing personnel will remain unchanged. The alternative method (non-fair and open) was used to award the balance of the professional service agreements.

MOTION TO ADOPT RESOLUTION 1-16 APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

Motion: Commissioner Esposito
 Second: Commissioner Trivisano
 Roll call vote: unanimous

RESOLUTION 2-16 ESTABLISHING A FISCAL MANAGEMENT PLAN - Resolution submitted designating Official Depositories and approving a Cash Management Plan; authorizing Signatories on Administrative Accounts; and authorizing Signatories on Claim Accounts; establishing a rate of interest for delinquent assessments; and certifying Approval Officer for all Fund expenses. Signatories will be Chairman Greg Poff, Secretary William Close, Treasurer Grace Brennan, and Commissioner Jon Rheinhardt was appointed as additional signatory. The resolution adds Investors Bank as the fund’s Banking Manager for 2016. The fund will be retaining the former service provider, Wells Fargo during

the transition process. Wilmington Trust has been named as the fund's Asset Manager. There were no additional changes to the 2016 Cash Management Plan.

RESOLUTION 3-16 ESTABLISHING PUBLIC MEETING PROCEDURES - Resolution presented establishing 2016 Meeting Dates as the second Wednesday of every month at 12:00 noon in the Hanover Township Municipal Building (including January of 2017); and designating the official newspaper as The Daily Record. The Executive Director's office will advertise the meeting schedule for the executive and claims review committee. Due to a conflict with Columbus Day, October 10th the Claims Review Committee will not meet on its regular schedule in October. Payment authority requests will be reviewed during the fund's board meeting on October 12, 2016.

RESOLUTION 4-16 ESTABLISHING FUND RECORDS PROGRAM - Resolution presented establishing a formal records retention program for Fund year 2016.

RESOLUTION 5-16 RISK MANAGEMENT PLAN – The 2016 Risk Management Plan, prepared by the MEL Underwriting Manager, was included in the agenda for approval. Changes to the plan for Fund year 2016 were highlighted.

Underwriting Manager said the significant changes to the plan for 2016 are the increase in the MEL excess property deductible from \$250,000 to \$500,000 from Zurich Insurance and the MEL Equipment Breakdown deductible increase to \$50,000 from \$5,000 from Zurich Insurance. There is no change in the members' deductible. The MEL will increase its retention from \$200,000 excess of the JIF's SIR of \$50,000 to \$450,000. The Joint Insurance Funds have replaced their primary POL/EPL carrier from XL Insurance to QBE North America, effective January 12, 2016.

**MOTION TO ADOPT RESOLUTION 5-16
ESTABLISHING THE 2016 PLAN OF RISK
MANAGEMENT**

Motion: Commissioner Levine
Second: Commissioner Day
Roll call vote: unanimous

Resolutions 2-16, 3-16, 4-16, 6-16 were included in the consent motion.

EXECUTIVE DIRECTOR/ADMINISTRATOR:

EXECUTIVE DIRECTOR'S REPORT: Monthly report submitted to Fund Commissioners, including monthly fast-track, accident frequency, fast-track financial report, claim activity report, interest rate summary comparison, monthly loss ratio by fund year and line of coverage, public officials/employment practices compliance, deductibles & co-insurance levels and regulatory checklist.

Executive Director reviewed the Financial Fast Track report for November – which shows the statutory surplus at \$4,542,723.

Claims Management Report: With the exception of 2015 all years are at or below actuarial projections.

Employment Practices Compliance Report: The report will be used for 2016/2017 compliance and members will have through December 31st to complete compliance requirements. Once the changes to the Model Personnel Manual are finalized and posted to the MEL's webpage – njmel.org, an email will be sent to all members.

2013 State Examination - The State of New Jersey Department of Banking & Insurance performed an examination of the Fund for the 2013 Fund Year. A copy of the report, along with an affidavit for signature by the fund's executive committee certifying that each has reviewed the report, was distributed and signed by the commissioners. The examiners noted that the fund's Property and Liability service provider, formerly D&H Alternative Risk Solutions) did not purchase a surety bond as required and that the letter of credit submitted in lieu of the bond was not specifically written to the Morris JIF. Lenape Claims Management is in the process of putting a performance bond in place. This was the only item commented on in the examination.

❑ MOTION TO ACCEPT STATE OF NEW JERSEY DEPARTMENT OF BANKING & INSURANCE EXAMINATION REPORT FOR THE 2013 FUND YEAR AND EXECUTE GROUP AFFIDAVIT CERTIFYING THAT FUND'S EXECUTIVE COMMITTEE HAS READ THE REPORT.

Motion: Commissioner Maloney
Second: Commissioner Guarino
Vote: unanimous

Committee Appointments - The Fund's standing committees, and a brief description of their charges was distributed to commissioners. Chairman will make appointments for 2016 at the February board meeting.

2016 1st Installment Billings – The 2016 1st installment billings were mailed out last month, and are due by January 15th. There is a fifteen day grace period, however, the penalty for late payment is retroactive to January 15th.

RCF- The Residual Claims Fund held its 2016 re-organizational meeting on Wednesday, January 6, 2016. A copy of Commissioner Close's report on the meeting was distributed to commissioners.

EJIF – The EJIF held its 2016 re-organizational meeting on Wednesday, January 6, 2016. A copy of Commissioner Rheinhardt's report on the meeting was distributed to commissioners. The EJIF adopted a new policy for 2016 – representing some modifications resulting from further review by the Fund and the excess carrier during 2015. The EJIF had expected to finalize those changes during 2015 and did not issue the policy in anticipation. The 2015 policy will now be issued to members, as adopted in January of 2015.

MEL - The MEL is held its 2016 re-organizational meeting on Wednesday, January 6, 2016. A copy of Commissioner Rheinhardt's report on the meeting was distributed to commissioners. Commissioner Rheinhardt said the MEL authorized the release of an RFQ for a Financial Advisor to review to expand the scope of its investment opportunities and increase its earnings.

Casualty Policy Cyber Exclusion: the MEL report contained an exclusion to its casualty policy regarding cyber liability. The JIF has already purchased a cyber liability policy and the excess carrier required the exclusion to ensure there was not a duplication of coverage. Since this coverage is primary to the JIF the fund should adopt the exclusion. The board referred review of the exclusion to its Membership, Marketing and Coverage committee.

Assembly Bill 1347 and Senate Bill 264: This bill which is an act concerning worker's compensation for public safety workers was include in the report as MEL resolution 7-16. This bill opposed by the MEL fund, has now been vetoed by the Governor.

Reinsurance and excess program renewal: with the exception of the increase in the property and equipment breakdown deductibles, discussed in the risk management plan, the program is renewing as expiring. All rates have decreased except for the excess general liability which increased 2% for 2016 and the POL/EPL rate increased by 5% for 2016 and 2017.

Inclement Weather Procedure - A procedure has been instituted for Commissioners to confirm whether a meeting has been cancelled. The Executive Director will talk to the Chair to determine if a meeting should be cancelled. In the case of an early morning or evening meeting, PERMA will leave a message, which can be obtained by dialing the Fund's main number (201) 881-7632. For meetings that occur during normal business hours, meeting status can also be obtained by dialing the Fund office and a notice will be posted on the website the day of the meeting.

Executive Director's Report Made Part of Minutes.

TREASURER:

Assessment bills were mailed to members and are due by January 15th. Treasurer advised members to verify their office is using the correct address for payments and to submit payment on time as the penalty for late payment is retroactive to January 15th if payment is not submitted during the fifteen day grace period.

The following January 2016 bills list was included for approval on the consent motion as Resolution 7-16

January 2016	
2016	\$1,238,258.75
2015	\$76,445.20
Total	\$1,314,703.95

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF NOVEMBER 2015:

CLOSED	\$0.00
2011	\$0.00
2012	73,752.58
2013	\$149,480.27
2014	\$161,674.60
2015	\$313,394.60
TOTAL	\$698,302.05

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Fund Attorney reviewed actions taken in 2015 and said he met with defense panel attorneys last year to review case assignments and performances and also attended motions to observe attorneys performance. A seminar on POL/EPL practices for emergency services management was conducted as well. The non-supervisory management seminars will be scheduled again for 2016.

He also noted that in 2016 panel attorneys will be assigned subrogation claim matters where necessary – as reflected in the Defense Panel Resolution. While subrogation is normally pursued by the claims administrator, there are situations where an attorney is necessary to pursue recovery efforts. As an incentive to recovery, fees will be based on a percentage of the recovery amount therefore there will not be any liability to the fund.

He further encouraged members to contact his office regarding any questions on POL/EPL claims and to take advantage of the resources available through the MEL and the EJIF funds.

UNDERWRITING MANAGER:

CERTIFICATES OF INSURANCE: List of certificates was included in the agenda. 23 certificates we issued during December.

Certificates List made part of minutes

SAFETY DIRECTOR:

Safety director introduced Brian Maitland as the new Safety Consultant replacing John Zengel - who retired at the end of 2015. Mr. Maitland is a Certified Safety Professional and has more than 10 years of experience in the safety field. All service requests should be directed to his office.

A meeting of the Executive Safety Committee will be scheduled to review the 2016 Safety Incentive Program.

Safety Director's Report Made Part of Minutes.

MANAGED CARE:

Managed Care Provider's Report Made Part of Minutes

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

Motion: Commissioner Tempesta
Second: Commissioner Day
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Tempesta
Second: Commissioner Brewer
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT, RESOLUTION 2-16 ESTABLISHING A FISCAL MANAGEMENT PLAN, RESOLUTION 3-16

**ESTABLISHING PUBLIC MEETING PROCEDURES,
RESOLUTION 4-16 ESTABLISHING A FUND RECORDS
PROGRAM, RESOLUTION 6-16 ESTABLISHING A LEGAL
DEFENSE PANEL, RESOLUTION 7-16 APPROVING THE
JANUARY BILL LISTS, TREASURER'S REPORTS, ATTORNEY'S
REPORTS, UNDERWRITING MANAGER'S REPORTS -
MONTHLY CERTIFICATES, SAFETY DIRECTOR'S REPORTS,
AND MANAGED CARE PROVIDER'S REPORTS**

Moved: Commissioner Day
Second: Commissioner Maloney
Vote: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Brewer
Second: Commissioner Levine
Vote: Unanimous

Meeting Adjourned: 12:35 PM
Jaime Testa, Assisting Secretary
For William Close, Secretary
Date prepared: February 1, 2016

RESOLUTION NO. 1-16

**MORRIS 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 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 2016 Fund Year.

WHEREAS, the Fund resolved to award the Professional Service Agreements for Claims Administrators and Managed Care in accordance with a fair and open process pursuant to NJSA 19:44A-20.4 et. seq.; and the alternate process pursuant to NJSA 19:44A-20.4 et seq for all other Professional Service Agreements; and

WHEREAS, a notice soliciting proposals was published in the Daily Record and posted on the Morris JIF website www.mcjif.org. under the Public Bids section; and,

WHEREAS, responses were received from Claims Administrators and Managed Care Organizations as listed below on August 13, 2015 at 2 pm; and,

WHEREAS, the Fund's Rules & Contract Committee and Claims Review Committee recommended 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 Board of Fund Commissioners; and,

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

- I.** PERMA Risk Management Services is hereby appointed as Administrator, Cathleen Kiernan is appointed as **Executive Director**, and Joseph Hrubash as Deputy Executive Director, and all as agent for process of services at an annual fee of \$279,651.
- II** Fred Semrau, Esquire is hereby appointed as **General Counsel** at an annual fee of \$27,602 and **Litigation Manager** at an annual fee of \$193,719
- II.** Grace Brennan is hereby appointed as **Fund Treasurer** at an annual fee of \$24,290.
- III.** Wilmington Trust as the **Asset Manager** - .05% of the market value of the FUND's invested assets.

- IV. Investors Bank for **Banking Manager** at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn the federal funds rate less .25% with a floor of .65% and a ceiling of 2.0%
- V. Francis Jones, of Nisivoccia LLP is hereby appointed as **Fund Auditor** at an annual fee of \$18,567.
- VI. Qual-Lynx is hereby appointed as the **Workers Compensation Claims Service Organization** for the FUND for Fund Years 2016, 2017 & 2018 to adjust all claims for current and prior Fund Years at an annual fee of \$245,000 for 2016.
- VII. Lenape Claims Management, Inc. is hereby appointed as the **Liability Claims Service Organization** for the FUND for Fund Years 2016, 2017 & 2018 to adjust all claims for current and prior Fund Years at an annual fee of \$200,000 for 2016.
- VIII. First Managed Care Option is hereby appointed as the **Managed Care Provider** for the FUND for Fund Years 2016, 2017 & 2018 Workers Compensation Claims at an annual fee of \$252,530.36 for 2016.
- IX. Dennis Henry of Actuarial Advantage is hereby appointed as **Actuary** for the FUND at an annual fee of \$39,101.
- X. JA Montgomery Risk Control is hereby appointed to provide **Loss Control Services** to the FUND at \$197,258.
- XI. Valley Health Medical Group is hereby appointed to provide **CDL Drug Testing Compliance Services** to the FUND at a fee of \$62.93 per CDL driver.
- XII. Conner Strong & Buckelew is hereby appointed **Underwriting Manager** for the FUND at an annual fee of \$11,317.
- XIII. Russo & Associates LLC is hereby appointed **Payroll Auditor** at a fee of \$436.15 per payroll audit.
- XIV. The Rodgers Group is appointed as **Police Accreditation Maintenance Provider** at an annual fee of \$12,000.

NOW, THEREFORE BE IT FURTHER RESOLVED, All professionals and service organizations appointed pursuant to this Resolution shall serve the Fund for ONE YEAR (unless noted otherwise) from the adoption of this Resolution or until a successor shall be appointed and qualified, in accordance with the fees, terms and conditions of the Professional Services Contract(s) which will be entered into, a copy of which will be on file in the Fund office, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07504.

Adopted by the Governing Body this 13th day of January 2016.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 2-16

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")**

ESTABLISHING A FISCAL MANAGEMENT PLAN

FOR THE 2016 FUND YEAR

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

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

NOW, THEREFORE BE IT RESOLVED, THE FUND's Governing Body hereby appoints the following professionals for the 2016 Fund Year:

- I.** The following financial institutions are hereby declared as THE FUND's Official Depositories:
 - a) Those banks or institutions identified through the Governmental Unit Depository Protection Act (GUDPA)
 - b) New Jersey Cash Management Plan
 - c) Wells Fargo
 - d) Investors Bank

- II.** All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Gregory Poff	CHAIR
William Close	SECRETARY
Grace Brennan	TREASURER
Jon Rheinhardt	COMMISSIONER

- III.** All funds for Claims payments shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following Workers Compensation TPA representatives, and at least two (2) of the following General Liability, Auto Liability, Property, Auto Physical Damage, and Fidelity TPA representatives, duly authorized pursuant to this Resolution.

Workers Compensation TPA Signatories:

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

**General Liability, Auto Liability, Property, Auto Physical Damage,
and Fidelity TPA Signatories:**

Paul Messerschmidt, Lenape Claims Management, Inc.
Susan Hammer, Lenape Claims Management, Inc.

- IV.** The Cash and Investment Policy attached herewith shall be adopted.
- V.** The rate of interest assessed by the Fund, for delinquent assessments for the year 2016 shall be ten (10) percent per annum, from the due date for any such assessment and imposed when installment assessments are received after February 1st for the first installment and August 15th for the second assessment.
- VI.** Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

Adopted by the Governing Body this 13th day of January 2016.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 3-16

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

ESTABLISHING PUBLIC MEETING PROCEDURES

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

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

- I. The Governing Body shall conduct Public Meetings at the Hanover Municipal Building to conduct the official business of the FUND on the second Wednesday of each month at 12 noon including January 2017.
- II. The following is hereby designated the official newspaper (s) of the Fund:

The Daily Record, Parsippany, New Jersey 07054. In addition, the Morris JIF's webpage is designated for official notices – www.mcjif.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 by the Governing Body this 13th day of January 2016.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 4-16

**MORRIS 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 2016 fund year.

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

- I.** William Close, 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 216, Parsippany, NJ 07054.
- II.** The Account Manager designated by the Executive Director is hereby appointed as **Assistant Fund Secretary**.
- III.** The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.
- IV.** Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

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

Adopted by the Governing Body this 13th day of January, 2016.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 05-16
Morris County Municipal Joint Insurance Fund

(hereinafter the "Fund")

ESTABLISHING THE 2016 PLAN OF RISK MANAGEMENT

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

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

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

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

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

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

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

c.) **Automobile Liability** limits.

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

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

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

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

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

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

- The JIF, 100% commercially insured with QBE North America, covers \$2,000,000 in the aggregate on a claims made basis per member municipality for each Fund year subject to a deductible and coinsurance as outlined below. There is a combined POL/EPL \$2,000,000 per member local unit annual aggregate.
- For member local units with approved EPL Loss Control/Risk Management Programs:
 - \$20,000 deductible per occurrence, except that a \$75,000 deductible per occurrence applies for member local units with unfavorable loss experience.
 - 20% coinsurance of the first \$250,000 of the loss
- For member local units without approved EPL Loss Control/Risk Management Programs:
 - \$100,000 deductible per occurrence, except that a \$150,000 deductible per occurrence applies for member local units with unfavorable loss experience.

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

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

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

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

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

- The Fund covers \$50,000 per occurrence (Property & Time Element combined) less applicable member deductibles:
 - Flood for locations wholly or partially within 100-year flood zone
 - Boiler and Machinery
 - Named Storm (Flood & Wind)

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

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

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

- Policy limit - \$125 million per occurrence for all coverage despite number of locations involved in an occurrence state-wide.
- Named Storm - \$125 million per occurrence (Property and Time Element combined - (120 Hours)
- Earth Movement - \$75 million annual aggregate (168 hours)

- Flood - \$75 million (annual aggregate) except;
- Flood for locations wholly or partially within 100-year flood zone (SFHA) –
 - \$2.5 million per location building & contents
 - \$1 million all outdoor property
 - \$2.5 million for pumping stations
 - Definition of Flood includes Storm Surge
- Asbestos Cleanup - \$50,000 per occurrence
- Equipment Breakdown - \$125 million
 - Ammonia Contamination - \$5 million
 - Spoilage - \$5 million
- Time Element – included in the policy limit.
 - Time element sub-limits include:
 - Business Interruption – Included (12 Months)
 - Extra Expense - \$10 million
 - Tenant Relocation - \$750,000
 - Leasehold Interest - \$15 million
 - Tenant Prohibited Access- \$1 million (24 Hours)
 - Service Interruption - Included
 - 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 and Loss Adjustment Expense- \$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 – Not Covered Property
- Off Premises Services Interruption - \$10 million Excluding Utilities – 24 hour qualifying period
- Protection & Preservation of Property-\$10 million (48 Hrs BI)
- Research & Development - \$10 million (12 Months)
- Impounded Water - \$250,000 (30 days)
- Tenant Prohibited Access - \$1 million
- Soft Costs - \$5 million
- Wind Turbine - \$1 million per occurrence

*The Morris JIF within its property retention of \$50,000 provides a per occurrence limit of \$50,000 for asbestos cleanup coverage resulting from an insured peril.

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

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

- Property Deductibles

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

- The standard member local unit deductible is \$1,250 per occurrence except for:
 - Flood for locations wholly or partially within 100-year flood zone
 - Equipment Breakdown
 - Named Storm (Flood & Wind)

- Equipment Breakdown coverage is subject to a member local unit \$5,000 deductible per occurrence (MELJIF Retention \$50,000 less JIF retention). (Property & Time Element Combined).

- Flood loss and/or surface water for locations with any part of the legal description within a SFHA (wholly or partially within the 100-year flood zone) as defined by the Federal Emergency Management Agency is subject to separate deductibles of \$500,000 each for building damage for municipal buildings, and \$500,000 each building for municipal contents damage and \$250,000 each building damage for housing authority buildings, and \$100,000 each building for housing authorities contents damage or the National Flood Insurance Plans (NFIP) maximum available limits for municipalities and housing authorities respectively, whichever is greater, regardless of whether National Flood Insurance Program coverage is purchased. Vehicles, mobile equipment, pistol ranges and pumping stations are subject to the standard member local unit deductible. “Pumping Stations” include “lift stations” and also include “wet wells” that are an integral part of the “pumping station”. The flood loss deductible outside of the SFHA (100-year flood zone) is the standard member local unit deductible. All other property not eligible for NFIP is either defined as Outdoor or addressed elsewhere in the policy. NOTE: For housing authorities the MEL self insures the layer of \$250,000 excess \$250,000 each building for housing

authority buildings and \$400,000 excess \$100,000 each building for housing authorities contents damage.

- “Named Storm” (Wind and Flood)

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

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

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

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

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

Locations: As respects to covered property in **Atlantic, Ocean, Monmouth, and Burlington Counties** located west of the Garden State Parkway and any covered property located in the remaining counties, except **Cape May County** as noted above. **SEE PAGE 8** (JIF Retention \$50,000; MELJIF Retention \$450,000 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 \$1,250. 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:
 - 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

- \$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 \$25,000 deductible. There is a \$3,000,000 sub-limit each for (1) Privacy Notification Costs, (2) Regulatory Fines/Claims Expenses for Privacy Liability, (3) Extortion Damages for Extortion Threat and (4) Crisis Management Expenses.

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

3.) **The amount of risk to be retained by the Fund.**

- a.) Workers' Compensation (all coverages) - \$300,000 CSL
- b.) General Liability (all coverages) - \$300,000 CSL
- c.) Employment Practices Liability – none 100% commercially insured with QBE North America.
- d.) Non-Owned Aircraft - none
- e.) Automobile Liability
 - 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 QBE North America.
 - g.) Optional Directors and Officials Liability – none 100% commercially insured with QBE North America.
 - h.) Property - \$50,000 per occurrence less member deductibles.
 - i.) JIF Blanket Crime - \$50,000 less member deductible
 - j.) Optional Excess Liability – none provided by MEL
 - k.) Environmental Impairment Liability - none other than the risk of a E-JIF assessment.
 - l.) Residual Claims Liability - none other than the risk of a RCF assessment.
 - m.) MEL Crime Policy – none provided by MEL
 - n.) Optional Excess POL\EPL – none provided by MEL
 - o.) Cyber Liability – none 100% commercially insured with XL Insurance
- 4.) **The amount of unpaid claims to be established.**
- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Fund expects the claims servicing company to set reserves at 85% accuracy. The Fund also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the Fund has adequate reserves to pay all claims and allocated loss adjusted expense liability.
 - b.) Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Executive Committee and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Fund.
- 5.) **The method of assessing contributions to be paid by each member of the Fund.**
- a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Fund year by line of coverage and for each prior Fund year. The actuary includes all budget items in these computations. The annual assessment of each participating municipality is its pro rata share of

the probable net cost of the upcoming Fund year for each line of coverage as computed by the actuary.

- b.) The calculation of pro rata shares is based on each municipality's experience modified manual premium for that line of coverage. The Fund's governing body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Fund wide average increase plus a percentage selected by the governing body. The total amount of each member's annual assessment is certified by majority vote of the Fund's governing body at least one (1) month prior to the beginning of the next fiscal year.
 - c.) The treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust fund account by Fund year for each type of coverage in which the member participates.
 - d.) If a local unit becomes a member of the Fund or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
 - e.) The Fund's governing body may by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. All supplemental assessments are charged to the participating municipalities by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.
 - f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the chairman or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Fund's governing body.
- 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 Volunteer D&O and Cyber Liability insurance which is handled by Summit Risk Services representing XL Insurance and QBE North America. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Fund attorney, the MEL's attorney's office, as well as the claims department of the MEL's three major liability insurers/re-insurers [i.e. General Re and Munich Re for

excess liability, and Safety National for workers' compensation]. Every three years, the MEL's internal auditors also conduct an audit.

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

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

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

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

With the advance approval of the Fund Attorney or Executive Director, the certifying and approving officer may also pay hospital 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 13th day of January, 2016 by the Governing Body:*

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND

RESOLUTION 6-16

RESOLUTION OF THE COMMISSIONERS OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND ESTABLISHING A LEGAL DEFENSE PANEL FOR THE YEAR 2016

WHEREAS, the Commissioners of the Morris Joint Insurance Fund traditionally establish a defense panel of attorneys to handle the various claims and litigation asserted against the insured of the Morris Joint Insurance Fund.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Morris County Municipal Joint Insurance Fund that the following attorneys are hereby designated as the JIF's defense panel for the year 2016 at the rates herein specified:

Worker's Compensation

Thomas H. Green, Esq. for worker's compensation purposes at the rate of \$135 per hour.

John R. Tort, Esq. and Steven M. Leitner, Esq. and Joseph S. Defazio, Esq. of the firm of Leitner Tort and Defazio for worker's compensation defense at the rate of \$135 per hour.

Howard E. Brechner Esq. of the firm of Weiner Lesniak for worker's compensation defense at the rate of \$135 per hour.

John E. Ursin , Esq. of the firm Schenck, Price, Smith & King, LLP for worker's compensation defense at the rate of \$135 per hour.

Joseph V. Biancamano, Esq of the firm Biancamano & DiStefano

General Liability

TIER ONE

William Johnson, Esq. at a rate of \$160.00 per hour.

Eric Harrison, Esq. at a rate of \$160.00 per hour.

Robert J. Greenbaum, Esq. at a rate of \$160.00 per hour.

Matthew R. Petracca, Esq., at a rate of \$160.00 per hour

TIER TWO

Brian Mason, Esq. (Police Claims) at a rate of \$160.00 per hour.

John P. Inglesino, Esq., at a rate of \$160.00 per hour

Matthew Giacobbe, Esq. at a rate of \$160.00 per hour

David Pennella, Esq. at the rate of \$160 per hour

Brian O'Toole, Esq. at the rate of \$160 per hour

Carl A. Perrone, Esq. at the rate of \$160 per hour

TIER THREE

Carl Mazzie, Esq.(Passaic County) at the rate of \$160.00 per hour

Scott Seelogy, Esq (Sussex County) at the rate of \$160.00 per hour

Jacqueline A. DeGregorio, Esq (Essex County) at the rate of \$160 per hour

CONFLICT COUNSEL

Russell R. Huntington, Esq. at the rate of \$160.00 per hour

BE IT FURTHER RESOLVED, by the Commissioners of the Morris County Municipal Joint Insurance Fund that the above attorneys are also hereby designated to be assigned subrogation matters – on a contingency basis of 25% unless required to take the matter to trial, in which case contingency basis will be 33%. In matters of subrogation, Claims Administrator is authorized to allow up to \$2,500 in costs to secure expert witness/testimony. If additional funds are required, Claims Administrator will seek authority of the Fund.

Adopted by the Governing Body this 13th day of January, 2016.

Morris County Municipal Joint Insurance Fund

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

Resolution No. 7-16

JANUARY 2016

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

BE IT RESOLVED that the Morris 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 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000516			
000516	FIRST MCO	MANAGED CARE SERVICES - 12/2015	21,044.20
			21,044.20
000517			
000517	VALLEY MEDICAL GROUP	DOT TESTING TRNG & MRO 4TH QTR 2015	10,149.00
			10,149.00
000518			
000518	PERMA	POSTAGE FEE 12/2015	374.01
			374.01
000519			
000519	DAILY RECORD	ACCT: ASB-70026874 - 12/9/15 - PUB NOTIC	66.68
			66.68
000520			
000520	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR - 11/30/2015	61.48
			61.48
000521			
000521	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 12/15	75.00
			75.00
000522			
000522	ADVENT INSURANCE SERVICES	RMC FEE 2ND INSTALL 2015 - MT ARLINGTON	5,572.08
000522	ADVENT INSURANCE SERVICES	RMC FEE 1ST INSTALL 2015 - MT ARLINGTON	5,572.08
000522	ADVENT INSURANCE SERVICES	RMC FEE 1ST INSTALL 2015 - FLORHAM PARK	13,021.55
000522	ADVENT INSURANCE SERVICES	RMC FEE 2ND INSTALL 2015 - FLORHAM PARK	13,021.55
			37,187.26
000523			
000523	MENDHAM TOWNSHIP	RMC FEE 2ND INSTALLMENT 2015	7,487.57
			7,487.57
		Total Payments FY 2015	76,445.20

FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000524			
000524	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 1ST QTR 2016	4,777.57
			4,777.57
000525			
000525	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 1ST QTR 2016	273,757.80
000525	MUNICIPAL EXCESS LIABILITY JIF	MEL 1ST QTR 2016	839,424.93
			1,113,182.73
000526			
000526	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 01/2016	16,143.29

			16,143.29
000527			
000527	QUAL-LYNX	CLAIMS ADMIN - 01/2016	20,416.67
			20,416.67
000528			
000528	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 01/2016	16,438.15
			16,438.15
000529			
000529	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS ADMIN FEE - 01/2016	18,670.96
			18,670.96
000530			
000530	PERMA	EXECUTIVE DIRECTOR FEE 01/2016	23,304.25
			23,304.25
000531			
000531	FRED SEMRAU, ESQUIRE	ATTORNEY FEE - 01/2016	2,300.19
			2,300.19
000532			
000532	GRACE BRENNAN	TREASURER FEE 01/2016	2,024.19
			2,024.19
000533			
000533	MUNICIPAL EXCESS LIABILITY JIF	MSI 1ST QTR 2016	19,962.68
			19,962.68
000534			
000534	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 01/2016	943.07
			943.07
000535			
000535	NEWTECH SERVICES INC.	DOMAIN RENEWAL - 2016	95.00
			95.00

Total Payments FY 2016 1,238,258.75

TOTAL PAYMENTS ALL FUND YEARS \$ 1,314,703.95