

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – JANUARY 11, 2017
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. Chairman Poff welcomed Victor Marotta, newly appointed fund commissioner from Hopatcong.

ROLL CALL OF 2016 EXECUTIVE COMMITTEE:

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

ROLL CALL OF 2016 FUND COMMISSIONERS:

Diana Francisco	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
Denean Probosco	Borough of Chester	Absent
Donald Travisano	Town of Dover	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
Unappointed	Borough of Hopatcong	
Robert Collins	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Present
Neil Henry	Township of Long Hill	Absent
James Burnett	Borough of Madison	Absent
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	Township of Mendham	Absent
Jason Gabloff	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	Present
Darren Maloney	Township of Randolph	Present

Scott Heck	Borough of Ringwood	Present
Sheila Seifert	Borough of Rockaway	Absent
Terri Lyons	Township of Washington	Present
Catherine Shanahan	Township of West Milford	Absent

2016 FUND COMMISSIONER ALTERNATES:

Maryann Frodella	Township of Andover	Absent
Sherry Gallagher	Borough of Bloomingdale	Absent
Terry McCue	Town of Boonton	Absent
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	Town of Dover	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
Alex McDonald	Township of Millburn	Absent
Jason Kohn	Borough of Morris Plains	Present
June Hercek	Borough of Montville	Absent
Valerie Egan	Borough of Mountain Lakes	Absent
Andrew Cangiano	Borough of Mt. Arlington	Absent
Christine Stachnik	Township of Mount Olive	Absent
Christopher Tietjen	Township of Pequannock	Absent
William Marsala	Borough of Ringwood	Absent
Yolanda Dykes	Borough of Rockaway	Absent
Patricia Seger	Township of Rockaway	Absent
Michele Landtau	Township of Sparta	Present
Dana Mooney	Borough of Stanhope	Absent
Andrew Coppola	Township of Washington	Absent
Antoinette Battaglia	Township of West Milford	Absent
William Wallace	Township of West Caldwell	Absent
Gabrielle Evangelista	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

Safety Director

J.A. Montgomery Risk Control
Brian Maitland

Treasurer

Grace Brennan

Liability Claims Service

D&H Alternative Risk Solutions, Inc.

Workers Compensation Claim Service	Janine Leahy Susan Hammer
Managed Care	Qual-Lynx Javier Esparra Caty Lambe
Auditor	FMCO Mary Bresadola
	Nisivoccia LLP Bud Jones Jenna Bauer

ALSO PRESENT:

Sharon Cooper, Public Entity Advocates
 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
 David Vozza, The Vozza Agency
 Patty Esposito, Marsh USA
 Jaine Testa, PERMA

APPROVAL OF MINUTES -

December 14, 2016 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF DECEMBER 14, 2016

Motion:	Commissioner Levine
Second:	Commissioner Travisano
Vote:	19 Ayes, 0 Nays, 9 Abstains (Commissioners Oravits, Lampmann, Huyler, Canning, Rinaldi, Sheola, Hollberg, Maloney, Heck)

CORRESPONDENCE – None

ADJOURN SINE DIE MEETING:

Chairs vacated - Executive Director asked to run meeting. Executive Director called the 2017 Reorganization meeting to order and said regulations governing Joint Insurance Funds require that an Executive Committee be elected once membership exceeds seven 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 they will meet as the Executive Committee.

ROLL CALL OF 2017 FUND COMMISSIONERS:

Diana Francisco	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
Denean Probosco	Borough of Chester	Absent
Michael Guarino	Township of Denville	Present
Donald Travisano	Town of Dover	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
Victor Marotta	Borough of Hopatcong	Present
Robert Collins	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Present
Neil Henry	Township of Long Hill	Absent
James Burnett	Borough of Madison	Absent
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	Township of Mendham	Absent
Jason Gabloff	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	Present
Mel Levine	Borough of North Caldwell	Present
David Hollberg	Township of Pequannock	Present
Darren Maloney	Township of Randolph	Present
Scott Heck	Borough of Ringwood	Present
Sheila Seifert	Borough of Rockaway	Absent
Greg Poff	Township of Rockaway	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	Present

ELECTION OF OFFICERS AND FIVE-MEMBER EXECUTIVE COMMITTEE

Executive Director asked for nominations. Commissioner Tempesta, Nominating Committee Chair, recommended the following slate for 2017 Officers and Executive Committee:

Chairman Poff explained the slate and explained that the Executive Committee works towards rotating the Secretary and Chair positions every two years and the Executive Committee. The commissioner that is appointed Secretary rotates up to the Chairperson position after a two year term. However, William Close 2016 fund Secretary, was appointed to a position at the Local Finance board and due to the board’s meeting schedule is not able to serve as Chairman in 2017. since the succession of Secretary to Chair cannot pass in order, current chairman Greg Poff will serve again as Chairman in a limited term of one year to allow for the changeover and executive committee member Michael Guarino will be appointed as Secretary, and Carolyn Rinaldi, commissioner from Mt. Arlington will serve as the seventh member of the executive committee.

Greg Poff, Chairman	Rockaway Township
Michael Guarino, Secretary	Township of Denville
Ralph Blakeslee	Borough of Netcong
Adam Brewer	Township of West Caldwell
Brian McNeilly	Borough of Stanhope
Jonathan Rheinhardt	Borough of Wharton
Carolyn Rinaldi	Borough of Mt. Arlington

MOTION TO NOMINATE 2017 CHAIRMAN, SECRETARY AND FIVE MEMBER EXECUTIVE COMMITTEE AS PRESENTED:

Motion:	Commissioner Guarino
Second:	Commissioner Levine

MOTION TO CLOSE NOMINATIONS AND ELECT THE SLATE AS PROPOSED:

Motion:	Commissioner Blakeslee
Second:	Commissioner Day
Roll Call Vote:	unanimous

Attorney administered the Oath of Office to Fund Commissioners.

Chairman Poff continued the meeting.

MONTHLY COMMITTEE REPORTS:

Committee Reports:

Membership, Marketing and Coverage Committee, Michael Guarino, Chair, Denville Township– Enclosed is a Quasi-Municipal Application for the Mountain Lakes Girls Lacrosse – which was distributed to the Coverage Committee via electronic mail for review. Committee recommended approving for coverage when resolution is received by Mountain Lakes. In addition, a committee member has raised some questions regarding quasi municipal entity coverage. To address these

questions, a meeting of the Membership, Marketing and Coverage committee will be scheduled at a later date to review exposures of quasi municipal entities.

Finance Committee, Jon Rheinhardt, Chair, Wharton Borough– No report

Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough. – Safety Director is working to schedule a meeting with the Safety Committee in January to review the proposed 2017 Safety Incentive Program.

Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough–

Legal Review Committee, William Close, Chair, Sparta — Executive Director is working to schedule a meeting of the Legal Review committee later this month.

Claims Review Committee, Brian McNeilly, Chair, Wharton Borough –The committee met on January 9, 2017 at 3:00 p.m. at PERMA’s office and recommended approval of payment authority requests for 11 worker’s compensation claim totaling payment authority requests of \$504,664.82, three property claims totaling payment authority requests of \$51,738.25 and four liability claims totaling payment authority requests of \$357,979.17.

RESOLUTION 1-17 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 reviewed resolution 1-17 Appointing Certain Professionals and Service Organizations and said the Fund is transitioning professional appointments from the alternative process to the fair and open process, beginning with Fund Year 2016 and further, transition to three-year contract terms. The contracts for 2016-2018 were awarded to Worker's Compensation and Property and Casualty Claims Administrator and Managed Care. The 2017-2019 term contracts were issued using this fair and open process for Auditor, Fund Attorney, Safety Director and CDL Testing/Compliance Service and are confirmed in this resolution. The balance of the contracts was awarded using the alternative open process. The fund will confirm its professional appointments annually via this resolution.

MOTION TO ADOPT RESOLUTION 1-17 APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

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

RESOLUTION 2-17 ESTABLISHING A FISCAL MANAGEMENT PLAN – Resolution presented designating Signatories, Official Depositories, assessment due dates and penalties as well as approving a Cash Management Plan. Item IV added voice confirmation at the request of Investors Bank to confirm wire transfers when monies are transferred to external account at another bank. The cash management plan also reflects changes added mid-year in 2016 regarding long term investment instruments and the funds ability to now invest in municipal bonds.

RESOLUTION 3-17 ESTABLISHING PUBLIC MEETING PROCEDURES - Resolution presented establishing 2017 Meeting Dates as the second Wednesday of every month at 12:00 noon in the Hanover Township Municipal Building (including January of 2018); 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. The resolution is amended to correct an error in the 2018 meeting date of the January meeting from 2017 to 2018.

RESOLUTION 4-17 ESTABLISHING FUND RECORDS PROGRAM - Resolution presented establishing a formal records retention program for Fund year 2017.

RESOLUTION 5-17 RISK MANAGEMENT PLAN – The 2017 Risk Management Plan, prepared by the MEL Underwriting Manager, was included in the agenda for approval. Changes to the plan for Fund year 2017 were highlighted.

Executive Director noted the primary change to the plan for 2017 is the change in the funds retention in the property limit from \$50,000 to \$100,000. In addition the plan included a new clause for ‘stranded costs’; costs incurred after a member leaves the fund that would have been otherwise paid through their assessment. This change authorizes the fund to transfer monies from a non-renewing member’s closed year’s account to the current budget up to a maximum of three year’s of costs to cover the claims expenses still in process of the departed member. A third allows a “court house authority” of \$50,000 to claims administrators when authority is needed before the fund’s monthly meeting. It authorizes the Executive Director to work with Fund Attorney and Claims Administrator to settle the claim if waiting for the next JIF meeting would jeopardize a settlement

MOTION TO ADOPT RESOLUTION 5-17 ESTABLISHING THE 2017 PLAN OF RISK MANAGEMENT

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

RESOLUTION 7-17 ESTABLISHING AN INFORMAL MEDIATION PROCESS FOR CLAIMS DISPUTES – This resolution establishes a non-binding mediation process when members have a difference of opinion with the fund on the resolution of a claim; resolution was first adopted in May of 2016. This resolution will be adopted annually at the fund’s reorganization meeting and will be included in the fund’s polices and procedures manual.

Resolutions 2-17, 3-17, 4-17, 6-17 and 7-17 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.

Committee Appointments – The Fund's standing committees, and a brief description of their charges was distributed to commissioners. Chairman will make appointments for 2017 at the February meeting..

2017 1st Installment Billings – The 2017 1st installment billings were mailed out last month, and are due by January 15th.with a grace period until February 1st.

RCF- The Residual Claims Fund held its 2017 re-organizational meeting on Wednesday, January 4, 2017 at 10:30 am at the Forsgate Country Club located in Jamesburg, NJ. A copy of Commissioner Rheinhardt's report on the meeting was distributed to commissioners.

EJIF – The EJIF held its 2017 re-organizational meeting on Wednesday, January 4, 2017 at 10:50 am at the Forsgate Country Club. A copy of Commissioner Rheinhardt's report on the meeting was distributed to commissioners.

MEL - The MEL is held its 2017 re-organizational meeting on Wednesday, January 4, 2017 at 11:15 am at the Forsgate Country Club located in Jamesburg, NJ. A copy of Commissioner Rheinhardt's report on the meeting was distributed to commissioners. Commissioner Rheinhardt has completed his two year term as Chairman of the MEL. He noted that David Grubb, Executive Director recognized him as outgoing chair and provided a presentation. James Kickham, former Deputy Executive Director has retired from PERMA.

Commissioner Rheinhardt also reported that the MEL is now in its 30th year. The MEL fund was founded in 1987 and both the Morris JIF also founded in 1987 (and in its 30th year) and the Atlantic JIF funds were charter members of the MEL fund.

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.

Executive Director's Report Made Part of Minutes.

TREASURER:

Assessment bills were mailed to members and are due by January 15th.

The following January 2017 bills list was included for approval on the consent motion as Resolution 8-17.

January 2017	
2017	\$1,188,210.88
2016	\$21,339.56
Total	\$1,209,550.44

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF NOVEMBER 2016:

CLOSED	\$0.00
2012	10540.00
2013	\$81909.70
2014	\$143771.87
2015	49404.96
2016	\$409581.64
TOTAL	\$695,208.17

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Fund attorney said that 2016 was a favorable year for litigation management. He noted the establishment of a "close out" form which is sent to administrators/managers at the close of a claim to help members identify corrective issues that member will take in future. Also his office is creating a 'motion bank', a reference library of most often used motions. His office also initiated distribution of quarterly updates to members on claims progress. Fund Attorney along with the Executive Director conducted managers and supervisors training on employee indemnification issues in the funds regional areas. Lastly, he emphasized again that members should contact his office if they have questions regarding POL/EPL matter even though there is an outside carrier they can feel free contacting him with questions. Bill Johnson, defense attorney will give a presentation during closed session on current cases.

UNDERWRITING MANAGER:

Cyber Liability: Executive Director referred to the 2017 Underwriting Manager's Cyber Liability Options memo outlining additional Cyber Coverage Limits. Underwriting Manager was asked to secure quotes for additional limits, particularly aggregate limits.

The option allows each JIF to purchase additional limits through its current policy with XL Catlin and to also purchase limits excess of XL Caitlin's. Currently each fund purchases their own policy but shares in the aggregate limit regardless of the number of members. An example was the Professional Municipal Management fund which has 4 members sharing a \$6,000,000 aggregate limit while larger member funds such as Morris which shares a \$6,000,000 aggregate limit amongst 41 members. The Morris fund currently purchases a \$6 million aggregate with \$3 million third and first party limits. The Underwriting Manager has been recommending Funds consider purchasing Option #2, an additional \$6,000,000 limit which will increase aggregate to

\$12 million; the additional premium increase will be \$509 per member or an additional \$20,000 annually. The board decided to refer this matter to their Coverage committee for further review and discussion.

Cyber Reporting: Deputy Executive Director Joseph Hrubash reviewed the Underwriting Manager’s memo on reporting cyber claims and emphasized the importance of reporting claim to XL and to the JIF’s claims administrator. Not reporting the claim may jeopardize coverage. Mr. Hrubash said there is an uptick of virus’ that lock a systems data with the hacker demanding a ransom. Simply paying the ransom may allow for the release of your data – but it doesn’t address prevention of future hacking. He said when a claim is reported to the carrier XL they will recommend remedies involving ‘cleaning” of your system which can be costly and can exceed the amount of the ransom. The board referred this matter to the coverage committee for further discussion.

Renewal: Copies of the Underwriting Manager’s memorandum on the 2017 renewal was distributed for information. Mr. Hrubash highlighted a significant change - the MEL purchased an additional flood limit of \$25,000,000 which brings the total statewide flood sub- limit to \$100,000,000.

Annual Bulletins: Annual coverage bulletins have been uploaded to the MEL’s webpage – njmel.org.

Underwriting manager’s report made part of minutes

CERTIFICATES OF INSURANCE: List of certificates was included in agenda. A total of 12 certificates were issued between November 26, 2016 and December 21, 2016.

Certificates List made part of minutes

SAFETY DIRECTOR:

Safety Director recommended that all employees view the online cyber liability video.

A meeting of the Executive Safety Committee will be scheduled in January to review the 2017 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 Day
Second: Commissioner Maurer
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 2-17 ESTABLISHING A FISCAL MANAGEMENT PLAN, RESOLUTION 3-17 ESTABLISHING PUBLIC MEETING PROCEDURES, RESOLUTION 4-17 ESTABLISHING A FUND RECORDS PROGRAM, RESOLUTION 6-17 ESTABLISHING A LEGAL DEFENSE PANEL, RESOLUTION 7-17 INFORMAL MEDIATION PROCESS, RESOLUTION 8-17 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 Rheinhardt
Second: Commissioner Gabloff
Roll call Vote: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

Commissioner Blakeslee discussed a matter concerning monitoring systems for fire alarms at firehouses. His town does not currently have monitored alarms and this is cited during annual safety inspections. He discussed the significant capital investment of a firehouse and whether the fund would consider covering part of the cost for installation and monthly monitoring. The cost can be treated as a grant, much like the police accreditation program to which Commissioner Rheinhardt noted the police accreditation program was suspended when fund balance levels went below acceptable minimum. Commissioner McNeilly inquired how to equally cover cost among members that might not have a department or have only one. The matter was referred to the finance committee for further discussion.

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Levine
Second: Commissioner Day
Vote: Unanimous

Meeting Adjourned: 1:05 PM
Jaine Testa, Assisting Secretary
For Michael Guarino, Secretary
Date prepared: February 1, 2017

RESOLUTION NO. 1-17

**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 2017 Fund Year.

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 \$293,633.
- II.** Fred Semrau, Esquire is hereby appointed as **General Counsel** at an annual fee of \$28,154 and **Litigation Manager** at an annual fee of \$197,593
- III.** Grace Brennan is hereby appointed as **Fund Treasurer** at an annual fee of \$24,776.
- IV.** Wilmington Trust as the **Asset Manager** - .05% of the market value of the FUND's invested assets.
- V.** 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%
- VI.** Francis Jones, of Nisivoccia LLP is hereby appointed as **Fund Auditor** at an annual fee of \$18,938.
- VII.** 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 \$249,900 for 2017.
- VIII.** 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 \$228,532 for 2017.

- IX.** 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 \$257,581 for 2017.
- X.** Dennis Henry of Actuarial Advantage is hereby appointed as **Actuary** for the FUND at an annual fee of \$39,883.
- XI.** JA Montgomery Risk Control is hereby appointed to provide **Loss Control Services** to the FUND at \$201,203.
- XII.** Valley Health Medical Group is hereby appointed to provide **CDL Drug Testing Compliance Services** to the FUND at a fee of \$64.19 per CDL driver.
- XIII.** Conner Strong & Buckelew is hereby appointed **Underwriting Manager** for the FUND at an annual fee of \$11,543.
- XIV.** Russo & Associates LLC is hereby appointed **Payroll Auditor** at a fee of \$444.87 per payroll audit.
- XV.** 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 11th day of January 2017

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 2-17

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

ESTABLISHING A FISCAL MANAGEMENT PLAN

FOR THE 2017 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 2017 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) 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, II	CHAIR
Michael Guarino	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
Grace Brennan, Fund Treasurer

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

Nancy Carrasco, Lenape Claims Management, Inc.
Susan Hammer, Lenape Claims Management, Inc.
Grace Brennan, Fund Treasurer

- IV.** For Wire Transfers - that the FUND does hereby require that Investors Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.
- V.** The Cash and Investment Policy attached herewith shall be adopted.
- VI.** The rate of interest assessed by the Fund, for delinquent assessments for the year 2017 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.
- VII.** 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 11th day of January 2017.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 3-17

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
(hereafter the “FUND”)**

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2017, 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 11th day of January 2017.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 4-17

**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 2017 fund year.

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

- I.** _____, 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 11th day of January 2017.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 05-17
Morris County Municipal Joint Insurance Fund

(hereinafter the "Fund")

ESTABLISHING THE 2017 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's governing body that the **2017** 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 Specialty Insurance Company, 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 Specialty Insurance Company.

- f.) **Employment Practices Liability (EPL)**
- The JIF, 100% commercially insured with QBE Specialty Insurance Company, 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 Specialty Insurance Company.

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

- The JIF, 100% commercially insured with QBE Specialty Insurance Company, 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, 2016) –

- The Fund covers \$100,000 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 \$400,000 excess \$100,000 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:

\$125,000,000	Per Occurrence – Property Damage and Time Element Combined
\$100,000,000	Aggregate – Earth Movement
\$100,000,000	Aggregate – Flood (includes Storm Surge)
Included	Named Storm
\$10,000,000	Extra Expense
\$750,000	Tenant Relocation Expenses
\$15,000,000	Leasehold Interest
\$15,000,000	Loss of Rents
\$1,000,000	Wind Turbine
Excluded	Power Generating Utilities
\$2,500,000	Computer Systems Damage
Excluded	Contingent Time Element
\$25,000,000	Debris Removal
\$2,500,000	Fine Arts
\$250,000	Fire Department Service Charge
\$250,000	Aggregate – Land and Water Contaminant Cleanup, Removal and Disposal
Excluded	Land Improvements
\$10,000,000	Miscellaneous Personal Property, Outdoor Property
\$10,000,000	Miscellaneous Unnamed Location
\$10,000,000	Off Premises Service

	Interruption (excludes Utilities)
\$50,000	Asbestos Removal
\$1,000,000	Transit
\$10,000,000	Valuable Papers and Records
\$25,000,000	New Construction and Additions
\$5,000,000	Soft Costs
\$1,000,000	Watercraft (Property Damage Only)
\$15,000,000	Vehicles
\$10,000,000	Bridges and Dams
\$10,000,000	Piers, Wharfs, Docks, Boardwalks and Bulkheads
\$10,000,000	Transmission and Distribution Lines <i>1 mile radius for overhead transmission</i> <i>5 mile radius for underground transmission</i>
\$1,000,000	Clogging/Blocking of Pipes
Included	Equipment Breakdown
\$5,000,000	Equipment Breakdown – Ammonia Contamination
\$5,000,000	Equipment Breakdown – Spoilage
Excluded	Earth Movement – Zones 1 and 2
\$2,500,000	Per Location – Flood, Special Flood Hazard Area (SFHA) and Pumping Stations

\$1,000,000	Per Occurrence – Flood, Outside Building or Structure
Excluded	Flood – Buildings on Pilings, Special Flood Hazard Area (SFHA) Zones V, VE and V1- 30
Excluded	Named Storm – Zones 1 and 2
365 Days	Extended Period of Liability
90 Days	Newly Acquired Property
168 Hours	Earth Movement
120 Hours	Named Storm
Included	Terrorism/TRIA

- **Deductibles**

\$500,000	Per Occurrence (Property Damage & Time Element)
\$50,000	Equipment Breakdown (Property Damage)
\$50,000	Equipment Breakdown (Time Element)
\$500,000	Flood, SFHA – Buildings
\$500,000	Flood, SFHA – Time Element
\$500,000	Flood, SFHA – Contents
\$250,000	Flood, SFHA – Housing Authority/Non-Profit Buildings
\$100,000	Flood, SFHA – Housing Authority/Non-Profit Contents
\$100,000	Flood, SFHA – Housing Authority/Non-Profit Time Element
\$500,000	Pumping Stations, Lift Stations, Wet Wells, Pistol Ranges, Vehicles and Mobile Equipment, and all property located outside building or structure, but not defined as Outdoor Property (Property Damage)
\$500,000	Pumping Stations, Lift Stations, Wet Wells, Pistol Ranges, Vehicles and Mobile Equipment, and all property located outside building or structure, but not defined as Outdoor Property (Time Element)
1%	Named Storm: Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May (Property Damage)
1%	Named Storm: Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May (Time Element)
\$500,000	Named Storm – Minimum, Per Location (Property

Damage & Time Element) Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May

\$1,000,000 Named Storm – Maximum, Per Occurrence (Property Damage & Time Element) Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May

- **Other Special Provisions**
Cape May Convention Center

- The policy insures direct physical loss or damage caused by a Covered Cause of Loss at the Cape May Convention Center.

Ocean City Music Pier

- The policy insures direct physical loss or damage caused by a Covered Cause of Loss at the Ocean City Music Pier.

Bridges & Dams

- Bridges and dams attached to an insured location, and the relating equipment, are covered, except for Flood, Earthquake and Named Storm.

Piers, Wharfs, Docks, Bulkheads and Boardwalks

- All are covered, including any crossovers, floating docks and the buildings/structures thereon against the perils of fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, watercraft and malicious intent.

Utilities

- The following are covered:
 - Transmission and distribution lines situated beyond 1 mile radius of insured location for above ground transmission.
 - Transmission and distribution lines situated beyond 5 mile radius of insured location for below ground transmission.

Outdoor Property

- Outdoor Property means Covered Property not at an Insured Location and:
 - Outside a permanent building, or not wholly enclosed by walls and a roof; or
 - Inside a moveable container located outside a permanent building.
- Covered for the perils of fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, watercraft and malicious intent.

Retaining Structures

- Retaining structures are only covered if attached to a scheduled location.
- Covered for all perils covered by the policy.

Underground Piping

- Excludes:
 - Underground piping beyond a 1,000 foot radius of a pump station, process plant, metering pit, well or similar operational location, which is owned, leased, used, occupied or intended for use by the member entity;
 - Underground Storage Tanks and associated systems including piping;
 - Underground electric, data voice, digital, fiber optic or similar cable beyond a 1,000 foot radius of an insured location owned by the member entity; and
 - Underground gas pipelines.

Vacant and Historic Property

- Vacant Buildings:

- Vacant Building: A building containing nothing; being without contents or occupants.
- Except as noted below, the JIF will only provide “Named Perils” coverage on an “Actual Cash Value” basis for any vacant building.
- The Underwriting Manager may provide “Replacement Cost” valuation with “All-Risk” coverage for any vacant building after the completion of a satisfactory inspection by the Underwriting Manager’s office and/or the insurers to verify building condition, security of the building, and status of utilities.
- Historic Property:
 - Historic Property: Any property appearing in the local register of Historic Places, National Historic Landmarks Program, or National Register of Historic Places.
 - Cost to replace, repair or restore using the same materials, workmanship and architectural features and details that existed before such loss provided they are available. If any materials or workmanship needed to replace, repair or restore a building or structure are not available, the cost to use materials and/or workmanship that will permit the replacement, repair or restoration of the building to a condition that most closely resembles the condition which existed immediately before the loss occurred will be utilized.
 - If there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a historic building (such as a Historic Preservation Act or other similar regulation), if that ordinance or law affects the repair or rebuilding of the historic building, and if you:
 - ✓ Repair or rebuild the building or structure as soon as reasonably possible, then you will receive

Replacement Cost valuation on the damaged and undamaged portions of the building, the cost to demolish and clear the site of the undamaged portion of the building, and the increased cost to repair or rebuild the building to the same general size in accordance with the minimum standards of such ordinance or law;

✓ Do not repair, rebuild or replace the building or structure, then you will receive Actual Cash Value valuation on the damaged and undamaged portions of the building, plus the cost to demolish and clear the site of the undamaged portion of the building.

- With respect to properties that qualify for "National Historic Landmark" status, the Insured shall have the sole discretion as to the means by which said property shall be repaired, rebuilt or replaced, but not to exceed the actual costs which would have been incurred in order to comply with "National Historic Landmark" status requirements.

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 its 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 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 Specialty Insurance Company.
 - 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 Specialty Insurance Company.
 - g.) Optional Directors and Officials Liability – none; 100% commercially insured with QBE Specialty Insurance Company.
 - h.) Property - \$100,000 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.) 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. 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 Specialty Insurance Company. 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 Specialty Insurance Company.

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.

- 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.
- 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.
- \$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 11th day of January, 2017 by the Governing Body:*

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND

RESOLUTION 6-17

RESOLUTION OF THE COMMISSIONERS OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND ESTABLISHING A LEGAL DEFENSE PANEL FOR THE YEAR 2017

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 2017 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 11th day of January 2017.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 7-17

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
(Hereinafter referred to as the “FUND”)**

**INFORMAL MEDIATION PROCESS
FOR DISPUTES BY MEMBERS AGAINST THE FUND**

WHEREAS, Members of the Morris County Municipal Joint Insurance Fund (“Fund”) may have differences of opinion or disputes with respect to coverage determinations; and

WHEREAS, in the history of the Fund has been fortunate to only be the recipient of two requests for arbitration to resolve such disputes; and

WHEREAS, these disputes are costly to the Fund and its membership; and

WHEREAS, the Fund, after consulting with the Executive Director, Chairman and the Fund Attorney, has suggested an informal process to review any potential claims or disputes against the Fund with respect to coverage or any terms of the policy; and

WHEREAS, this process is informal, not binding and is to allow Members a better understanding of whatever disputes exist between the Fund and a particular Member.

NOW, THEREFORE, BE IT RESOLVED, by the Morris County Joint Insurance Fund that the following informal process shall take place when a Member has a claim or dispute against the Fund with respect to coverage or any terms of the policy:

1. A Member will notify the Chairman, Executive Director, or Fund attorney that a dispute has occurred and the Member would like to conference the dispute with the Executive Director, Chairman and Fund Attorney of the Morris County Municipal Joint Insurance Fund.
2. Ten (10) days prior to said conference, which will be schedule at the mutual convenience of all parties, the Member will provide information in writing, to the Executive Director, which will set forth the claim, the basis for the claim and the requested relief.
3. After said conference with the Executive Director, Chairman and Fund Attorney, if the matter is not resolved, the Member may request that the matter be presented to the Morris County Joint Insurance Fund Claims Committee.
4. Ten (10) days prior to meeting with the Morris County Municipal Joint Insurance Fund Claims Committee, the Member shall submit information in writing, to the Executive Director, pertaining to the nature of the claim, the basis for the dispute and the requested relief.
5. If the Morris County Municipal Joint Insurance Fund Claims Committee cannot resolve the dispute, then the Member will then have the right to make a plea to the entire Board of Fund Commissioners.

6. Fifteen (15) days prior to the meeting with the entire Board of Fund Commissioners, the Member shall submit a letter, to the Executive Director, detailing the nature of the claim, the basis for the dispute and the requested relief.
7. The Morris County Joint Insurance Fund Claims Committee Chair, the Executive Director and the Fund Attorney will also provide information in writing relating to the dispute and the basis for the Claims Committee's recommendation.
8. The discussion with respect to disputes will occur in Executive Session.
9. All of said discussions throughout the process will be designated as "Settlement Discussions" and not admissible in any subsequent proceedings.
10. Any resolutions of disputes pursuant to this informal process will be done only by a formal vote of the Board of Fund Commissioners.

This Resolution shall take effect immediately.

Adopted by the Governing Body this 11th day of January, 2017.

Morris County Municipal Joint Insurance Fun

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

Resolution No. 8-17

JANUARY 2017

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 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001153			
001153	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 12/2016	21,044.20
			21,044.20
001154			
001154	TROPHY KING OF PARSIPPANY	CLOCK W/ENGRAVING - 12/12/16	75.00
			75.00
001155			
001155	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 12/2016	137.45
			137.45
001156			
001156	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 11/30/2016	82.91
			82.91
Total Payments FY 2016			21,339.56

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001157			
001157	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 1ST QTR 2017	4,875.85
			4,875.85
001158			
001158	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 1ST QTR 2017	305,434.54
001158	MUNICIPAL EXCESS LIABILITY JIF	MEL 1ST QTR 2017	773,253.58
			1,078,688.12
001159			
001159	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 01/2016	16,466.15
			16,466.15
001160			
001160	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 01/2017	16,766.91
			16,766.91
001161			
001161	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEE 01/2017	19,044.38
			19,044.38
001162			
001162	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 01/2017	24,469.46
			24,469.46
001163			
001163	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 01/2016	2,346.19
			2,346.19
001164			
001164	GRACE BRENNAN	TREASURER FEE 01/2017	2,064.67

			2,064.67
001165			
001165	CONNER STRONG & BUCKELEW	AUTOMOBILE ID CARDS RENEWAL 2017	157.02
			157.02
001166			
001166	MUNICIPAL EXCESS LIABILITY JIF	MSI 1ST QTR 2017	22,370.21
			22,370.21
001167			
001167	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 01/2017	961.92
			961.92
		Total Payments FY 2017	1,188,210.88

TOTAL PAYMENTS ALL FUND YEARS \$ 1,209,550.44