

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – JANUARY 8, 2020
HANOVER TOWNSHIP MUNICIPAL BUILDING
12:00 PM**

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

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

Denville	Michael Guarino, Chairman	Present
Stanhope	Brian McNeilly, Secretary	Present
Netcong	Ralph Blakeslee	Present
Wharton	Jon Rheinhardt	Present
Mount Arlington	Carolyn Rinaldi	Present
East Hanover	Joseph Tempesta	Absent
Pequannock	Adam Brewer	Present

ROLL CALL OF 2019 FUND COMMISSIONERS:

Andover	Diana Francisco	Absent
Bloomingtondale	Jon Dunleavy	Present
Boonton Town	Neil Henry	Present
Boonton Township	Barbara Shepard	Absent
Butler	Jim Lampmann	Present
Chatham Township	Robert Hoffmann	Present
Chatham Borough	Stephen Williams	Present
Chester	Margaret Nordstrom	Present
Dover	Bill Reyes	Absent
Essex Fells	Francine Paserchia	Absent
Florham Park	Bill Huyler	Present
Frelinghuysen	Donna Zilberfarb	Present
Hanover	Silvio Esposito	Present
Hawthorne	Eric Maurer	Present
Hopatcong	Ronald Tappan	Absent
Kinnelon	James Frieda	Present
Lincoln Park	Perry Mayers	Present
Long Hill	Nancy Malool	Absent
Madison	James Burnet	Absent
Mendham Borough	Joyce Bushman	Absent
Mendham Township	Karen Fornaro	Absent
Millburn	Jason Gabloff	Absent
Montville	Victor Canning	Absent
Morris Plains	June Uhrin	Absent
Mount Olive	Claudia Tomasello	Present
Mountain Lakes	Mitchell Stern	Present
North Caldwell	Kevin O'Sullivan	Absent
Pompton Lakes	Kevin Boyle	Absent
Randolph	Darren Maloney	Absent
Ringwood	Scott Heck	Absent
Rockaway Borough	Patricia Bussow	Present
Rockaway Township	Lisa Palmieri	Present

South Orange Village	Adam Loehner	Present
Sparta	Bill Close	Absent
Washington Twp	Andrew Coppola	Absent
West Caldwell	Nikole Baltycki	Present
West Milford	Catherine Shanahan	Present

2019 FUND COMMISSIONER ALTERNATES:

Denville	Steven Ward	Absent
Stanhope	Dana Mooney	Absent
Wharton	Bill Hamilton	Absent
Mount Arlington	Kayleen Knight	Absent
East Hanover	Kenneth Huelbig	Present
Andover	Maryann Frodella	Absent
Bloomingtondale	Sherry Gallagher	Absent
Boonton Town	Cynthia Oravits	Absent
Butler	James Kozimor	Absent
Chatham	Debra King	Absent
Chatham Borough	David Hollberg	Absent
Chester	Denean Probosco	Absent
Dover	Kelly Toohey	Absent
Florham Park	Cindy Phillips	Absent
Hanover	Mark Roddy	Absent
Hawthorne	Jennifer Scully	Absent
Lincoln Park	Dina Valente-Stoel	Absent
Mendham Borough	Jeff Cooper	Absent
Mendham Township	Debra Bonanno	Absent
Millburn	Alex McDonald	Absent
Montville	June Hercek	Absent
Morris Plains	Jason Kohn	Absent
Mount Olive	Andrew Tatarenko	Absent
Mountain Lakes	Marcy Gianattasio	Absent
North Caldwell	Tami Michelotti	Absent
Rockaway Borough	Patricia Reiche	Absent
Rockaway Twp.	Patricia Seger	Absent
Sparta	Michele Landtau	Present
Washington Twp	Roger Read	Present
West Caldwell	William Wallace	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

PERMA Risk Management Services
Cathleen Kiernan
Joseph Hrubash

Attorney/Litigation Management

Dorsey & Semrau, Esq.
Fred Semrau, Esq.

Underwriting Manager

Conner Strong & Buckelew
Ed Cooney

Safety Director

J.A. Montgomery Risk Control
Brian Maitland

	Scott Thompson
Treasurer	Grace Brennan
Liability Claims Service	D&H Alternative Risk Solutions, Inc. Theresa Loudis
Workers Compensation Claim Service	Qual-Lynx Claudia Acosta Caty Lambe
Managed Care	FMCO Suzanne Rajsteter
Auditor	Nisivoccia LLP

ALSO PRESENT:

Matthew Struck, Treadstone Risk Management
 Karen Waters, IMAC Insurance Agency, LLC
 David Voza, The Voza Agency
 Wayne F. Deitz, Skylands Risk Management, Inc.
 Patty Esposito, Marsh USA
 Charles Daniel, CFO-Kinnelon
 Rob Rossmeissl, Dorsey & Semrau
 John Testa, Dorsey & Semrau
 Sue Sharpe, Dorsey & Semrau
 Ed Pasternak, Dorsey & Semrau
 Dawn Sullivan, Dorsey & Semrau
 Tammy Probst, Dorsey & Semrau
 David Sgalia, Cupo Insurance Agency
 Frank Covelli, Public Entity Advocates
 Sharon Fallon, Public Entity Advocates
 Adam Becker, Brown & Brown
 Stacey Russo, Russo & Associates, LLC
 Sandy Cantwell, PERMA

APPROVAL OF MINUTES -

December 11, 2019 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF DECEMBER 11, 2019

Motion: Commissioner Williams
 Second: Commissioner Stern
 Vote: 18 Ayes, 0 Nays, 12 Abstains
 (Commissioners Cabana, Hoffman, Zilberfarb, Frieda,
 Mayers, Tomasello, Bussow, Palmieri, Shanahan, Huelbig
 (Alt.), Schmidt (Alt.), Read(Alt.))

CORRESPONDENCE – None

Chairman Guarino adjourned the sine die meeting.

ADJOURN SINE DIE MEETING:

Chairs vacated - Executive Director asked to run meeting. Executive Director called the 2020 Reorganization meeting to order. 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 the fund could revert to a quorum of the Executive Committee. As the JIF added a new member, the total members comes to 45, and using the formula as defined in the bylaws, 17 members are required for a quorum. A quorum was confirmed, and Executive Director asked for a roll call for the 2020 Fund Commissioners.

ROLL CALL OF 2020 FUND COMMISSIONERS:

Denville	Michael Guarino	Present
Stanhope	Brian McNeilly	Present
Netcong	Ralph Blakeslee	Present
Wharton	Jon Rheinhardt	Present
Mount Arlington	Carolyn Rinaldi	Present
East Hanover	Joseph Tempesta	Absent
Pequannock	Adam Brewer	Present

Andover	Diana Francisco	Absent
Bloomingtondale	Jon Dunleavy	Present
Boonton Town	Neil Henry	Present
Boonton Township	Douglas Cabana	Present
Butler	Jim Lampmann	Present
Chatham	Robert Hoffmann	Present
Chatham Borough	Stephen Williams	Present
Chester	Margaret Nordstrom	Present
Dover	Carlos N. Sanchez	Absent
Essex Fells	Francine Paserchia	Absent
Florham Park	Bill Huyler	Present
Frelinghuysen	Donna Zilberfarb	Present
Hanover	Silvio Esposito	Present
Hawthorne	Eric Maurer	Present
Hopatcong	Ronald Tappan	Absent
Kinnelon	James Frieda	Present
Lincoln Park	Perry Mayers	Present
Long Hill	Nancy Malool	Absent
Madison	James Burnet	Absent
Mendham Borough	Joyce Bushman	Absent
Mendham Township	Karen Fornaro	Absent
Millburn	Jason Gabloff	Absent
Montville	Victor Canning	Absent
Morris Plains	June Uhrin	Absent
Mount Olive	Claudia Tomasello	Present
Mountain Lakes	Mitchell Stern	Present
North Caldwell	Kevin O'Sullivan	Absent
Pompton Lakes	Kevin Boyle	Absent
Randolph	Darren Maloney	Absent

Ringwood	Scott Heck	Absent
Riverdale	Paul Carelli	Absent
Rockaway Borough	Patricia Bussow	Present
Rockaway Twp.	Lisa Palmieri	Present
South Orange Village	Adam Loehner	Present
Sparta	Bill Close	Absent
Washington Twp	Andrew Coppola	Absent
West Caldwell	Nikole Baltycki	Present
West Milford	Catherine Shanahan	Present

2020 FUND COMMISSIONER ALTERNATES:

Denville	Steven Ward	Absent
Stanhope	Dana Mooney	Absent
Wharton	Bill Hamilton	Absent
Mount Arlington	Kayleen Knight	Absent
East Hanover	Kenneth Huelbig	Present
Andover	Toni Grisaffi	Absent
Bloomingtondale	Sherry Gallagher	Absent
Boonton Town	Cynthia Oravits	Absent
Butler	James Kozimor	Absent
Chatham	Debra King	Absent
Chatham Borough	David Hollberg	Absent
Chester	Denean Probosco	Absent
Dover	John Schmidt	Present
Florham Park	Cindy Phillips	Absent
Hanover	Mark Roddy	Absent
Hawthorne	Jennifer Scully	Absent
Lincoln Park	Dina Valente-Stoel	Absent
Mendham Borough	Jeff Cooper	Absent
Mendham Township	Debra Bonanno	Absent
Millburn	Alex McDonald	Absent
Montville	June Hercek	Absent
Morris Plains	Jason Kohn	Absent
Mount Olive	Andrew Tatarenko	Absent
Mountain Lakes	Marcy Gianattasio	Absent
North Caldwell	Tami Michelotti	Absent
Rockaway Borough	Patricia Reiche	Absent
Rockaway Twp.	Patricia Seger	Absent
Sparta	Michele Landtau	Present
Washington Twp	Roger Read	Present
West Caldwell	William Wallace	Absent

ELECTION OF OFFICERS AND FIVE-MEMBER EXECUTIVE COMMITTEE

Regulations governing Joint Insurance Funds require that an Executive Committee be elected once membership exceeds seven municipalities. In the absence of Committee Chairman Commissioner Tempesta, Commissioner Dunleavy gave the report of the Nominating Committee and recommended the following slate for 2020 Officers and Executive Committee:

Brian McNeilly, Chairman
Carolyn Rinaldi, Secretary
Michael Guarino
Ralph Blakeslee
Adam Brewer
Jonathan Rheinhardt
Joseph Tempesta

Borough of Stanhope
Borough of Mt. Arlington
Township of Denville
Borough of Netcong
Township of Rockaway
Borough of Wharton
Township of East Hanover

MOTION TO NOMINATE 2020 CHAIRMAN, SECRETARY AND FIVE MEMBER EXECUTIVE COMMITTEE AS PRESENTED:

Motion: Commissioner Dunleavy
Second: Commissioner Blakeslee

MOTION TO CLOSE NOMINATIONS AND ELECT THE SLATE AS PROPOSED:

Motion: Commissioner Brewer
Second: Commissioner Stern
Vote: 29 Ayes, 0 Nays, 1 Abstains
(Commissioner Schmidt (Alt.))

Executive Director turned the meeting over to Chairman McNeilly, who continued the meeting by asking the Fund Attorney to administer the Oath of Office to Fund Commissioners.

With Chairman McNeilly's permission, Executive Director began a review of the 2020 Reorganization Resolutions, which were included in the agenda packet distributed to commissioners.

RESOLUTION 1-20 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 said Morris JIF has staggered its multi-year contracts with the fund professionals, so all contracts do not come up for RFQ in the same year. This year the Rules and Contracts Committee issued competitive contract solicitations for five contracts that were in their third and final year. Rules & Contracts Committee had recommended four of the five contracts to the incumbent at this time. The exception is J.A. Montgomery (JAM) in which the committee wanted to negotiate the contract terms for year 2 and 3; however, it is not permissible to negotiate the fee with competitive contract solicitations. Committee met to consider recommending fees as submitted: 4% for 2020, 3% for 2022 and 3% for 2023. Since J.A. Montgomery explained the increase was driven by the additional of law enforcement

loss control, committee is scheduling a combined meeting with the Safety Committee to review these services before making a recommendation to the board. Resolution calls for continuing loss control a month to month basis.

Fund Attorney noted an update to Resolution 10-20, Peter King should have been listed as a Tier 2 attorney on the Defense Panel.

Executive Director said another update to Resolution 1-20 is for item XIV; Russo & Associates are now on a three year contract. They were previously adjusted to a two year contract only to move their contract renewal year to reduce the number of contracts that simultaneously became due.

RESOLUTION 2-20 ESTABLISHING A FISCAL MANAGEMENT PLAN – Resolution presented designating Signatories, Official Depositories, assessment due dates and penalties as well as approving a Cash Management Plan. Commission Reinhardt agreed to continue as a signatory. The only update to the Cash Management plan is item 2, on page 6. All permissible investments are no longer listed, instead the regulations are referenced.

RESOLUTION 3-20 ESTABLISHING PUBLIC MEETING PROCEDURES - Resolution presented establishing 2020 Meeting Dates as the second Wednesday of every month, except November, at 12:00 noon in the Hanover Township Municipal Building (including January of 2021). Due to Veterans Day, Executive Director proposed holding the November meeting on Tuesday, November 10th. Commissioner Guarino and Chairman McNeilly motioned to accept for consent agenda. The official designated newspaper of the fund is The Daily Record. The Executive Director's office will advertise the meeting schedule for the executive and claims review committee.

RESOLUTION 4-20 ESTABLISHING FUND RECORDS PROGRAM - Resolution presented establishing a formal records retention program for Fund year 2020.

Executive Director said Resolutions 5-20 through 8-20 are new this year. The JIFs are applying what has been learned by the MEL from contracting with a QPA to their purchasing practices. Resolutions 5-20 through 8-20 authorize the insurance policies purchased by the Fund.

RESOLUTION 5-20 CONTRACT WITH QBE SPECIALTY INSURANCE COMPANY FOR PRIMARY PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY– Includes land use.

RESOLUTION 6-20 SERVICES CONTRACT WITH QBE SPECIALTY INSURANCE COMPANY FOR OPTIONAL VOLUNTEER DIRECTOR'S AND OFFICER'S LIABILITY COVERAGE.

RESOLUTION 7-20 SERVICES CONTRACT WITH INDIAN HARBOR INSURANCE COMPANY FOR PRIMARY CYBER SECURITY LIABILITY COVERAGE – Primary cyber coverage

RESOLUTION 8-20 SERVICES CONTRACT WITH BEAZLEY INSURANCE COMPANY, INC FOR EXCESS CYBER SECURITY LIABILITY COVERAGE– excess cyber coverage.

RESOLUTION 9-20 ESTABLISHING THE 2020 PLAN OF RISK MANAGEMENT– changes proposed and adopted last year have been added to the resolution, specifically definitions of sexual molestation, and the establishment of a procedure to hold the dividend of former members in abeyance to relieve the fund from having to go back to the member to ask for additional assessments related to sexual molestation claims. The other update is found on page 18, stating the member deductible for primary cyber has increased to \$25,000. The Underwriting Manager issued a bulletin in December outlining this change. JIF-wide, there have been over \$3,000,000 claims paid in two years, and premiums paid were only \$1,000,000. The rate also increased by 25%, however this is one of the smaller policies the fund

carries. The MEL will still participate to reimburse the majority of the deductible for members who are in compliance with the cyber program. Once compliance is approved, members need to continue to maintain compliance as changes to their systems and users are incurred.

RESOLUTION 10-20 ESTABLISHING A LEGAL DEFENSE PANEL FOR THE YEAR 2020.

Chairman McNeilly asked for a motion to adopt Resolution 1-20.

MOTION TO ADOPT RESOLUTION 1-20 APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

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

Resolutions 2-20, 3-20, 4-20, 5-20, 6-20, 7-20, 8-20 and 10-20, 11-20, 12-20 and 13-20 will be included in the consent motion.

Chairman McNeilly asked for a motion to adopt Resolution 9-20

MOTION TO ADOPT RESOLUTION 9-20 ESTABLISHING THE 2020 PLAN OF RISK MANAGEMENT

Motion: Commissioner Stern
Second: Commissioner Dunleavy
Roll Call Vote: unanimous

MONTHLY COMMITTEE REPORTS:

Committee Reports:

Membership, Marketing & Coverage Committee, John Dunleavy, Chair, Bloomingdale Borough – Committee Chairman Dunleavy welcomed Riverdale as a new member. He noted the changes in the crime policy and cyber liability discussed last month. There are 24 members that show they are not in compliance with the cyber program, and their deductible is now \$25,000. If they were in compliance, the MEL would reimburse up to either \$5,000 or \$2,500 of the deductible, depending on the tier of compliance. Losses associated can be substantial and disruptive. Commissioner Dunleavy encouraged members to become compliant and stay compliant.

Finance Committee, Jon Rheinhardt, Chair, Wharton Borough – no report.

Safety Committee, Carolyn Rinaldi, Chair, Mount Arlington Borough – Committee Chairwoman Rinaldi said quarterly reports are due next week. The 2020 Safety Incentive Program will be released soon.

Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough – Executive Director said the fund contracted for a one year contract for cyber training with D2. At the last meeting the Rules/Contracts committee meeting, the Committee recommended to continue cyber training, so a resolution is included in the consent agenda to authorize the committee to go out for competitive contract solicitation for cyber awareness training services.

Legal Review Committee, William Close, Chair, Sparta Township —Fund Attorney reported that the committee met last week to review and evaluate the panel attorneys, which resulted in the resolution presented today for approval. Committee will meet for a panel breakfast in the first quarter of 2020. In response to Commissioner Guarino, Fund Attorney said there was a recommendation to give a \$5 increase in hourly fees for the panel attorneys. Executive Director said the rate hasn't been increased in many years. Fund Attorney said the panel attorneys are giving up higher rates to work with the JIF, although the JIF is a steady client.

Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough – The committee met on January 7th at PERMA's office, in Parsippany and recommended approval of payment authority requests for 11 workers' compensation claims totaling \$792,207.26; 2 property claims totaling \$30,080.15 and 3 liability claims totaling \$388,726.90.

EXECUTIVE DIRECTOR/ADMINISTRATOR REPORT:

Committee Appointments – A brief description of the Fund's standing committees is included in the agenda. Chairman will review and make appointments for 2020.

New Member: Riverdale - The Borough of Riverdale accepted the Fund's offer of membership becoming the 45th member of the Morris County Municipal Joint Insurance Fund on January 1, 2020. Some professional services are impacted when a new member is added; therefore the budget was revised and is included in the agenda.

2020 1st Installment Billings – The 2020 1st installment billings were mailed out last month and are due by January 15th. There is a grace period until February 1st, however any payments made after the grace period will have penalties that go back to January 15th.

RCF, EJIF and MEL Reorganizational meetings - The RCF, EJIF and the MEL held their 2020 reorganizational meetings on Monday, January 6, 2020 at the Forsgate Country Club. A copy of Commissioner Rheinhardt's report for each meeting was distributed. Executive Director said the Sexual Molestation Task Force met, they will likely also be reviewing the handling of any firefighter's' cancer claims. Ten fund Commissioners attended, and Joe Giorgio agreed to serve as the Morris representative on the committee.

D2 Cybersecurity-Status Report - The monthly status report for December from the cyber security provider is included in the agenda. The report recaps member participation and training to date.

Power of Collaboration: The latest in the series of "Power of Collaboration" ads that will appear in the League of Municipalities magazine is included in the agenda. The first highlights the savings to MEL members and taxpayers since its inception (January Ad) and the second highlights the program to address the protection and safe treatment of minors (February Ad).

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.

Due Diligence Reports: Reports are included in the agenda. Statutory surplus at the end of November stands at \$4.7m. Month to month, the claim activity continues to move up and down, however looking at the whole picture across multiple years will give a better understanding of the overall surplus rather than by Fund year alone. At the end of next month, fund year 2015 will be transferred to the closed year accounts resulting in an increase of \$400,000 to the Closed years account. Looking at the Loss Ratio report, the 3rd and 4th columns show we are at or slightly above the actuarial target, with a lot of reserves and IBNR in the incurred figures. Lost Time Accident Frequency report shows through November the fund is at 1.32; compared to last year at 1.08 it is higher, but still very good.

The POL/EPL compliance report reflects member’s deductible with QBE. The MEL entered into a contract with a law firm to conduct a complete review of the MEL’s Model Personnel Manual and Employee Handbook. Documents are updated every 2 years, but a complete review has not been performed since 2003. The MEL hopes to have it ready by the beginning of the second quarter, and then members will have the rest of the year to update their personnel manuals and get managers / supervisors and police training requirements completed.

Reminder that to process RMC fees the fund will need a copy of the executed agreements.

Executive Director’s Report Made Part of Minutes.

TREASURER:

The following January 2020 bills list was included for approval on the consent motion as Resolution 13-20.

January 2020	
2019	\$1,434,055.07
2020	\$1,549,612.04
Total	\$2,983,667.11

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF NOVEMBER 2019:

CLOSED	(\$1,750.00)
2015	\$52,040.91
2016	\$323,794.92
2017	\$90,354.44
2018	\$69,392.86
2019	\$575,014.09
TOTAL	\$1,108,847.22

Assessment bills were mailed to members and are due by January 15th, please remember to mail them to the lockbox, and not to her home address.

Treasurer’s Report Made Part of Minutes.

ATTORNEY:

Fund Attorney introduced his team and their areas of experience. He continued by highlighting some of the successes of 2019, giving credit to the attorneys that worked on the cases. Fund Attorney added he also gives a lot of credit to the Legal Committee, the Claims Committee, and the Claims Administrators for their oversight, and clear and effective discussions and recommendations.

UNDERWRITING MANAGER:

Underwriting Manager emphasized members should be aware of the increase in cyber deductible, and the offer from the MEL to cover the majority of the deductible if members become compliant with the Cyber program.

Underwriting Manager said overall market for property insurance over the past 3 years has been hardening, and they are now seeing this trend trickle into the excess liability market. Despite this, the JIF system continues to work. With adherence to risk control, collaboration, and loss prevention, the funds make his job easier, and he gives kudos to all for their efforts. He is looking forward to a good year in 2020.

In response to Commissioner Hoffman, Underwriting Manager said the MEL is offering to incent Cyber security compliance. There are two Tiers of compliance defined. If a member is approved at Tier 1, the MEL will reimburse \$20,000 of their \$25,000 deductible. If a member is approved for both Tier 1 and Tier 2, the MEL will reimburse \$22,500 of the \$25,000.

Commissioner Rheinhardt said the risk threat is very high, yet on page 57 of the agenda, eight (8) towns still have not submitted cyber risk plans. Chairman McNeilly said the delta between the premium and potential loss is much greater, and he hopes that more members will react. Executive Director said for the D2 Cybersecurity Training - Participating Towns report (page 32), the program start time was staggered so some may be enrolled but have not yet finished training.

Commissioner Rheinhardt asked if the fund could reach out to the members that have not shown any movement in cyber security. Commissioner Hoffman responded saying that when his town was called out, they responded and he thinks others will as well. Executive Director said Chatham Township still shows 0% trained so she will follow up with D2 to ensure the number is accurate.

Underwriting manager’s report made part of minutes

CERTIFICATES OF INSURANCE: Monthly insurance certificates report for the November – December timeframe was not available for distribution.

SAFETY DIRECTOR: Safety Director noted there are updates to the NJ Domestic Violence Policy bulletin; training is now available through the state and you can find more information in the referenced website. The Federal CDL clearing house went live on January 6th but the site crashed. They hope to have the site up again by the end of the week. Make sure you register your CDL drivers.

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 Williams
Second: Commissioner Mayers
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Mayers
Second: Commissioner Stern
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT, RESOLUTION 2-20 ESTABLISHING A FISCAL MANAGEMENT PLAN, RESOLUTION 3-20 ESTABLISHING PUBLIC MEETING PROCEDURES, RESOLUTION 4-20 ESTABLISHING FUND RECORDS PROGRAM, RESOLUTION 5-20 CONTRACT WITH QBE SPECIALTY INSURANCE COMPANY FOR PRIMARY PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY, RESOLUTION 6-20 SERVICES CONTRACT WITH QBE SPECIALTY INSURANCE COMPANY FOR OPTIONAL VOLUNTEER DIRECTOR'S AND OFFICER'S LIABILITY COVERAGE, RESOLUTION 7-20 SERVICES CONTRACT WITH INDIAN HARBOR INSURANCE COMPANY FOR PRIMARY CYBER SECURITY LIABILITY COVERAGE, RESOLUTION 8-20 SERVICES CONTRACT WITH BEAZLEY INSURANCE COMPANY, INC FOR EXCESS CYBER SECURITY LIABILITY COVERAGE, RESOLUTION 10-20 ESTABLISHING A LEGAL DEFENSE PANEL FOR THE YEAR 2020, RESOLUTION NO. 11-20 INFORMAL MEDIATION PROCESS FOR DISPUTES BY MEMBERS AGAINST THE FUND, RESOLUTION 12-20 AUTHORIZING THE HIRING OF A VENDOR TO PROVIDE CYBER SECURITY TRAINING THROUGH THE COMPETITIVE CONTRACTING PROCESS, RESOLUTION 13-20 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 Williams
Second: Commissioner Stern
Roll call Vote: 29 Ayes, 1 Nay, 1 Abstain
(Commissioner Schmidt (Alt.): Nay Resolution 3-20,
and Abstain Resolution 10-20)

Chairman McNeilly welcomed the following newly appointed Commissioners to the fund and said he hopes to see them regularly at the meetings:

John Schmidt, Dover
Doug Cabana, Boonton Township
Paul Carelli, Riverdale

OLD BUSINESS:

Commissioner Guarino thanked all the professionals in the room that have guided him during his tenure as Chairman; it was a great learning experience and they helped make it easier. He continued by thanking the Committee Chairs for their work. Chairman McNeilly said it was a pleasure working with him over the past couple years, and presented Commissioner Guarino with an engraved desk clock, recognizing his service as Chairman to the Morris JIF from December 2017 through December 2019.

NEW BUSINESS:

Chairman McNeilly thanked the commissioners for the opportunity to serve as the Chair for the fund. He is entering his 31st year of public service, and to be amongst a body of peers is very special and refreshing. Looking forward, he appreciates everyone's continued participation in the fund. The average attendance is around 25, and the fund has 45 members. He asked for a volunteer to replace his role as chair on the Claims Committee, noting that the position requires a commitment to a monthly in-person meeting, held at PERMA's office in Parsippany. Chairman McNeilly said he would also look to add Vice-Chairs to the committees, so there is a backup to the chair position when needed.

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Williams

Second: Commissioner Guarino

Vote: Unanimous

Meeting Adjourned: 12:52 PM
Sandy Cantwell, Assisting Secretary
For Carolyn Rinaldi, Secretary
Date prepared: January 16, 2020

RESOLUTION NO. 1-20

**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 2020 Fund Year.

WHEREAS, the Board of Fund Commissioners of the Morris County Municipal Joint Insurance Fund resolve to appoint the Fund Professionals to staggered one, two and three year terms and in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

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**, as **agent for process of services**. \$1,007,868.56 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$352,435.61 has been appropriated in the Administration Line Item of the 2020 budget. Fund year 2020 is the third of a three-year term.
- II. Fred Semrau, Esquire of Dorsey & Semrau** is hereby appointed as **General Counsel and Litigation Management**. \$76,510.00 is the estimated dollars that will be expended in connection with **General Counsel** contract over its three-year term. The annual amount of \$25,000.00 has been appropriated in the Attorney Line Item of the 2020 budget. \$604,984.01, is the estimated dollars that will be expended for **Litigation Management** in connection with this contract over its three-year term. The annual amount of \$197,681.35 has been appropriated in the Litigation Management Line Item of the 2020 budget. Fund year 2020 is the first of a three year term for Litigation Management and the first of a three year term as General Counsel.
- III. Grace Brennan** is hereby appointed as **Fund Treasurer**. \$75,821.41 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$25,775.91 has been appropriated in the Treasurer Line Item of the 2020 budget. Fund year 2020 is the third of a three-year term.

- IV. Wilmington Trust as the Asset Manager** - .05% of the market value of the FUND's invested assets on a month to month basis until a successor is duly appointed.
- 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%.
- VI. Francis Jones, of Nisivoccia LLP** is hereby appointed as **Fund Auditor**. \$61,506.64 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$20,097.58 has been appropriated in the Auditor Line Item of the 2020 budget. Fund year 2020 is the first year of a three year term.
- VII. Qual-Lynx** is hereby appointed as the **Workers Compensation Claims Service Organization** to adjust all claims for current and prior Fund Years. \$856,828.13 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$286,469.80 has been appropriated in the Worker's Compensation Line Item of the 2020 budget. Fund year 2020 is the second of a three-year term.
- VIII. Lenape Claims Management, Inc.** is hereby appointed as the **Liability Claims Service Organization** to adjust all claims for current and prior Fund Years. \$739,110.32 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$247,027.78 has been appropriated in the Claims Adjustment line item of the 2020 budget. Fund year 2020 is the second of a three-year term.
- IX. First Managed Care Option** is hereby appointed as the **Managed Care Provider**. \$878,019.09 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$293,528.85 has been appropriated in the Managed Care line item of the 2020 budget. Fund year 2020 is the second of a three-year term.
- X. The Actuarial Advantage** is hereby appointed as **Actuary**. \$129,527.86 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$42,323.83 has been appropriated in the Actuary line item of the 2020 budget. Fund year 2020 is the first year of a three-year term.
- XI. JA Montgomery Risk Control** is hereby appointed to provide **Loss Control Services on a month-to-month basis** at \$2,105 per month. Fund year 2020 is the first year of a three-year term.
- XII. 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. \$129,899.49 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$42,729.47 has been appropriated in the **CDL Drug Testing Line Item** of the 2020 budget. Fund year 2020 is the first year of a three year term.

XIII. Conner Strong & Buckelew is hereby appointed **Underwriting Manager**. \$36,033.46 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$12,249.78 has been appropriated in the Underwriting line item of the 2020 budget. Fund year 2020 is the third year of a three year term.

XIV. Russo & Associates LLC is appointed **Payroll Auditor**. \$65,016.90 is the estimated dollars that will be expended in connection with this contract over its ~~two~~-**three**-year term. The annual amount of ~~€~~ at a fee of \$472.10 per payroll audit totaling \$21,244.50 has been appropriated in the Premium Auditor line item of the 2020 budget. Fund year 2020 is the first year of a three year term.

XV. The Rodgers Group is appointed as **Police Accreditation Maintenance Provider**. The annual contract amount of \$12,000 has been appropriated in the Police Accreditation line item of the 2020 budget.

NOW, THEREFORE BE IT FURTHER RESOLVED, which will be entered into, a copy of which are or will be on file in the Fund office, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07504.

Adopted by the Governing Body this 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 2-20

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

ESTABLISHING A FISCAL MANAGEMENT PLAN

FOR THE 2020 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 2020 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.

Brian McNeilly	CHAIR
Carolyn Rinaldi	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:

Dave Ruber, Qual Lynx
Alice Lihou, Qual Lynx
Janet Buggle, Qual Lynx
Grace Brennan, Fund Treasurer

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

Lauren Jensen, 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 2020 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.
- VIII.** In accordance with the MEL's Retrospective Rating Program, the FUND does hereby transfer the aggregate excess contingency line item collected with 2020 Fund assessments to the Aggregate Loss Fund Contingency Account.

Adopted by the Governing Body this 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
2020 CASH MANAGEMENT AND INVESTMENT POLICY**

1.) **Cash Management and Investment Objectives**

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

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

2.) **Permissible Investments**

Investments shall be limited to investments authorized under N.J.S.A. 40A:5-1.1 Joint Insurance Funds and Chapter 38, Joint Insurance Funds, Subchapter 1. Investments 5:38-1.1, 5:38-1.2 and 5:38-1.3 of the New Jersey Administrative Code.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories include but are not limited to:

Investors Bank

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

4.) **Authority for Investment Management**

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

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

In executing investments, asset managers shall identify the investment that is the most advantageous to the fund, unless otherwise directed by the FUND. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

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

6.) **Safekeeping**

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

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

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

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

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

9.) **Audit**

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

10.) **Cash Flow Projections**

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

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-16.

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

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

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

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

RESOLUTION NO. 3-20

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

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2020, 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 except November at 12 noon including January 13, 2021. The November meeting will be held on November 10, 2020.
- II. Each Public Comments session is limited to thirty (30) minutes; any one person may address the Chairperson for a maximum of five (5) minutes; once a particular topic has been addressed by a member of the public, subsequent comments on that same topic by other people is limited to a maximum of two (2) minutes; citizens who have spoken once during the session will not be recognized a second time; and speakers are required to state their names and addresses.
- III. 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.
- IV. 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 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 4-20

**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 2020 fund year.

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

- I.** Carolyn Rinaldi, 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 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 5-20

RESOLUTION OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH QBE SPECIALTY INSURANCE COMPANY FOR PRIMARY PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY

WHEREAS, there is a need for public officials/employment practices coverage for the Morris County Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to QBE Specialty Insurance Company for primary public officials/employment practices liability coverage in the amount of \$2,180,506.00 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, QBE Specialty Insurance Company will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that QBE Specialty Insurance Company has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit QBE Specialty Insurance Company from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$2,180,506.00 inclusive of commission from:

Line Items: POL/EPL Premium and Land Use Liability

NOW, THEREFORE, BE IT RESOLVED, that the Morris County Municipal Joint Insurance Fund authorizes the Executive Director to enter into a contract with QBE Specialty Insurance Company for the 2020 budget year for primary public officials/employment practices liability coverage in the amount of not to exceed \$2,180,506.00 inclusive of commission.

Adopted by the Governing Body this 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 6-20

**RESOLUTION OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH QBE
SPECIALTY INSURANCE COMPANY FOR OPTIONAL VOLUNTEER DIRECTOR'S AND
OFFICER'S LIABILITY COVERAGE**

WHEREAS, there is a need for optional volunteer director's and officer's liability coverage for the Morris County Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to QBE Specialty Insurance Company for optional volunteer director's and officer's liability coverage in the amount of \$ 15,466 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, QBE Specialty Insurance Company will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that QBE Specialty Insurance Company has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit QBE Specialty Insurance Company from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$ 15,466 inclusive of commissions from:

Line Items: Volunteer Director's and Officer's Liability

NOW, THEREFORE, BE IT RESOLVED, that the Morris County Municipal Joint Insurance Fund authorizes the Executive Director to enter into a contract with QBE Specialty Insurance Company for the 2020 budget year for optional volunteer director's and officer's liability coverage in the amount of not to exceed \$ 15,466 inclusive of commissions.

Adopted by the Governing Body this 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 7-20

**RESOLUTION OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH
INDIAN HARBOR INSURANCE COMPANY FOR PRIMARY CYBER SECURITY LIABILITY
COVERAGE**

WHEREAS, there is a need for primary cyber security liability coverage for the Morris County Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to Indian Harbor Insurance Company for primary cyber security liability coverage in the amount of \$95,956.88 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, Indian Harbor Insurance Company will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that Indian Harbor Insurance Company has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit Indian Harbor Insurance Company from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$95,956.88 inclusive of commission from:

Line Items: Cyber Security Liability

NOW, THEREFORE, BE IT RESOLVED, that the Morris County Municipal Joint Insurance Fund authorizes the Executive Director to enter into a contract with Indian Harbor Insurance Company for the 2020 budget year for primary cyber security liability coverage in the amount of not to exceed \$95,956.88 inclusive of commission.

Adopted by the Governing Body this 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 8-20

RESOLUTION OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH BEAZLEY INSURANCE COMPANY, INC FOR EXCESS CYBER SECURITY LIABILITY COVERAGE

WHEREAS, there is a need for excess cyber security liability coverage for the Morris County Municipal Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

WHEREAS, the Underwriting Manager is recommending award to Beazley Insurance Company, Inc for excess cyber security liability coverage in the amount of \$27,000 inclusive of commission; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

WHEREAS, Beazley Insurance Company, Inc will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that Beazley Insurance Company, Inc has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit Beazley Insurance Company, Inc from making any reportable contributions through the term of the contract, and

WHEREAS, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$27,000 inclusive of commission from:

Line Items: Cyber Security Liability

NOW, THEREFORE, BE IT RESOLVED, that the Morris County Joint Insurance Fund authorizes the Executive Director to enter into a contract with Beazley Insurance Company, Inc for the 2020 budget year for primary cyber security liability coverage in the amount of not to exceed \$27,000 inclusive of commission.

Adopted by the Governing Body this 8th day of January 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 9-20

Morris County Municipal Joint Insurance Fund

(hereinafter the "Fund" or the "MOR JIF")

ESTABLISHING THE 2020 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's Commissioners that the 2020 Plan of Risk Management shall be:

Definitions:

"Commissioners" mean: The Board of Fund Commissioners or the Executive Committee thereof as appropriate

"Member" means: A local unit of government that has joined the Fund

"Sexual Abuse" means: An action brought pursuant to Section 1 of P.L. 1992, c.109 (C.2A:61B-1), paragraph (1) of subsection c. of section 1 of P.L.1959 (C.2A:53A-7) or section 1 of P.L.2005, c.264 (C.2A:53A-7.4)

Section I – Coverage

Insurance Coverages

The following coverages are provided to the Fund's members, effective January 1, 2020:

- Workers' Compensation
- Liability (including optional excess)
- Public Officials Liability / Employment Practices Liability (including optional excess)
- Optional Volunteer Directors & Officers Liability
- Crime
- Non-Owned Aircraft Liability
- Environmental Impairment Liability
- Cyber
- Property & Equipment Breakdown (effective December 31, 2019)
- Emergency Service Volunteer Automobile Physical Damage

Limits of Coverage

Unless otherwise stated, all limits shown apply less any local member unit's SIRs/deductibles . All references to the "MEL" stand for the "Municipal Excess Liability Joint Insurance Fund". **Please note, the following is a general discussion of the coverages and limits provided via the Fund; however, the actual terms and conditions are defined in the policy documents and all issues shall be decided on such. Additional coverages, limits and conditions may apply. Please also note, deductibles may differ for individual members; please refer to your policy(ies) for full details.**

1. Workers' Compensation

- a. Workers' Compensation: \$300,000
- b. Employer's Liability: \$300,000
- c. USL&H, Harbor Marine/Jones Act, Incidental Foreign Workers' Compensation, Communicable Disease: Included
- d. MEL Excess Limit: Statutory
- e. Employer's Liability Excess Limit: \$6,700,000

2. Liability (includes General, Automobile, Employee Benefits and Law Enforcement Liability)

- a. Fund Limit: \$300,000
 - MEL Excess Limit: \$4,700,000
 - The \$3,000,000 layer excess of \$2,000,000 is subject to a \$3,000,000 per local member unit annual aggregate (Automobile Liability is not aggregated)
 - Sublimits: The following sublimits are part of, and not in addition to, the limits above:

- Good Samaritan Liability: Included
- Quasi Municipal Organization Liability: Included (if approved)
- Fungus or Spores: \$1,000,000
- Disinfectants Release Hazard Coverage: \$1,000,000
- Dam and Reservoir: \$5,000,000
 - a. \$5,000,000 per occurrence for any member entity owned dams defined as Class III or IV in New Jersey Administrative Code, Title 7, Department of Environmental Protection, Chapter 20, 7:20-1.8;
 - b. Included for premises owned, occupied or controlled by the member entity on which a dam or reservoir is located, or from the operations conducted on such premises;
 - c. \$2,000,000 per occurrence for any member entity owned dam defined as Class I or II in New Jersey Administrative Code, Title 7, Department of Environmental Protection, Chapter 20, 7:20-1.8; and
 - d. \$2,000,000 per occurrence for any Class III or IV member entity owned dam involved with a Class I or II member entity owned dam.
- Sanitary/Storm Water System Sewerage Backup and/or Sanitary System Sewerage Backup, Escape or Release: \$3,000,000 Per Occurrence and \$4,000,000 Annual Aggregate for all member entities
- Subsidence: \$3,000,000 Per Occurrence and \$4,000,000 Annual Aggregate for all member entities
- Quasi Entities Coverage: \$5,000,000
- Skateboard Facilities: \$5,000,000 Per Occurrence (where approved)
- Riot, Civil Commotion or Mob Action: \$5,000,000 Per Occurrence
- Failure to Supply Utility: \$5,000,000 Per Occurrence
- Garagekeepers Liability: \$2,000,000 Per Occurrence
- New Jersey Personal Injury Protection (NJ PIP): \$250,000
- New Jersey Uninsured/Underinsured Motorist (NJ UM/UIM): \$15,000 / \$30,000 / \$5,000

3. **Optional Excess Liability Limit**

The MEL offers Optional Excess Liability Limits excess of the MEL Excess Limit.

- a. The following limits are the Optional Excess Limits:
 - i. \$2,000,000 (equals \$7,000,000 total);
 - ii. \$5,000,000 (equals \$10,000,000 total);
 - iii. \$10,000,000 (equals \$15,000,000 total); and
 - iv. \$15,000,000 (equals \$20,000,000 total);

The Fund purchases Optional JIF Shared Aggregate Excess Liability Limits excess of \$20,000,000 from the MEL. This coverage is only available to members of the Fund who purchase all \$20,000,000 available to them from the Optional Excess Liability Limits.

- \$10,000,000 aggregate (equals \$30,000,000 total)

4. **Public Officials Liability / Employment Practices Liability**

Each local member unit is 100% commercially insured with QBE Specialty Insurance Company for \$2,000,000 in the aggregate per member on a claims made basis for each Fund year.

- Deductibles and Coinsurance:
 - \$20,000 is the standard deductible per claim and 20% of the first \$250,000 of the loss is the standard coinsurance, although other deductibles and coinsurances may apply.
 - Local member units may qualify based on certain criteria to have options to purchase a lower deductible and/or coinsurance contribution.
 - Members with adverse loss experience may be subject to higher deductibles and/or coinsurance.

5. **Optional Excess Public Officials Liability / Employment Practices Liability**

The MEL offers Optional Excess Public Officials Liability / Employment Practices Liability limits excess of the local member units' primary \$2,000,000 Public Officials Liability / Employment Practices Liability policies with QBE Specialty Insurance Company as follows:

- a. \$1,000,000 (equals \$3,000,000 total);
- b. \$2,000,000 (equals \$4,000,000 total);
- c. \$3,000,000 (equals \$5,000,000 total);
- d. \$4,000,000 (equals \$6,000,000 total); and
- e. \$8,000,000 (equals \$10,000,000 total).

6. Optional Volunteer Directors & Officers Liability

Fire companies and Emergency Service Units have the option of purchasing optional Volunteer Directors & Officers Liability coverage. The coverage is 100% commercially insured with QBE Specialty Insurance Company and applies to the non-firematic/emergency activities of such entity per the following options:

Option	Limit of Liability	Deductible
1	\$1,000,000	\$1,000
2	\$1,000,000	\$2,000
3	\$1,000,000	\$5,000
4	\$2,000,000	\$1,000
5	\$2,000,000	\$2,000
6	\$2,000,000	\$5,000

7. Crime

- a. The Fund provides Crime coverage with a limit of \$50,000 for: Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, and Computer Fraud with Funds Transfer Fraud
- b. The member deductible is \$1,250
- c. MEL Crime
 - i. MEL Crime Excess: \$950,000 excess of the Fund Crime limit
 - ii. MEL Crime Statutory Position:
 1. The MEL provides primary 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. The MEL can provide MEL Crime Statutory Position limits, based on underwriting and via endorsement, above \$1,000,000, matching the member's auditor's recommendation, but no more than \$2,000,000. Such additional limit is available upon request and approval by the MEL.
 2. The deductible is \$1,000
 - iii. MEL Crime Excess Public Officials:
 1. The MEL provides excess employee dishonesty and faithful performance coverage for those employed positions which are required by law to be individually bonded and where they have not applied or have not been approved for coverage under the MELJIF Statutory Position Program at a limit of \$1,000,000
 2. The deductible is the greater of the underlying bond/policy in place or the statutory limit required

8. Non-Owned Aircraft Liability

- \$5,000,000; and
- Medical Expense for each passenger: \$5,000
- The coverage is 100% commercially insured with Endurance

9. Environmental Impairment Liability

- a. Environmental Impairment Liability is provided to the Fund's local member units by the New Jersey Environmental Risk Management Fund (EJIF). Please refer to the EJIF's Plan of Risk Management.

10. Cyber

The Fund is 100% commercially insured for Cyber insurance with Indian Harbor Insurance Company (primary insurer) and Beazley (excess insurer) for the following limits:

- Limits:
 - Fund Annual Aggregate: \$16,000,000
 - Third Party, Per Claim: \$10,000,000
 - First Party, Per Claim: \$6,000,000
- Retention, Per Claim: **\$25,000**

11. Property & Equipment Breakdown

- The Fund provides a \$100,000 limit per occurrence (Property & Time Element combined)
- The MEL provides a \$400,000 limit excess of the Fund's limit
- The MEL purchases additional excess property limits, as follows: \$125,000,000, including certain sublimits, including, but not limited, to:
 - Aggregate, Earth Movement: \$100,000,000
 - Aggregate, Flood (includes Storm Surge): \$100,000,000
 - a. Per Location, Special Flood Hazard Area (SFHA): \$52,500,000
 - Named Storm: Included
 - Vehicles: \$15,000,000
- Unmanned Aircraft Systems: \$100,000
- Member deductibles:
 - All Other: \$1,250
 - Automobile Physical Damage: \$1,250
 - Equipment Breakdown: \$5,000
 - SFHA Flood :
 - a. Building: \$500,000
 - b. Contents: \$500,000
 - c. Time Element: \$500,000
 - Named Storm (Covered Property in Atlantic, Ocean, Monmouth and Burlington counties east of the Garden State Parkway, and any covered property in Cape May County):
 - a. Property Damage: 1% of TIV at location, per occurrence
 - b. Time Element: 1% of 12 months gross earnings at location, per occurrence
 - c. Minimum, per location: \$500,000
 - d. Maximum, per occurrence: \$1,000,000

12. Emergency Service Volunteer Automobile Physical Damage

- The Fund provides Automobile Physical Damage Reimbursement Coverage to all Emergency Service Volunteers of Fund members, including police auxiliary, firefighters, members of the first aid or rescue squads, and CERT teams for collision and comprehensive damages to their personal vehicles, which arise out of and in the course of the volunteer's emergency service duties which have been authorized prior to any such occurrence by a senior officer.

The maximum reimbursement to the volunteer will be \$2,500; however, if the volunteer has Personal Automobile Physical Damage coverage, the JIF will pay 100% of the volunteer's collision or comprehensive deductible, but no more than \$2,500.

Amount of Risk to be Retained by the Fund

Unless otherwise stated, all limits shown apply less any local member unit's SIRs/deductibles.

1. **Workers' Compensation:** \$300,000

2. **Liability:** \$300,000
 - a. NJ Uninsured/Underinsured Motorist: \$15,000 / \$30,000 / \$5,000
 - b. NJ Personal Injury Protection: \$250,000
 - i.
3. **Optional Excess Liability Limit:** \$0
4. **Public Officials Liability / Employment Practices Liability:** \$0
5. **Optional Excess Public Officials Liability / Employment Practices Liability:** \$0
6. **Optional Volunteer Directors & Officers Liability:** \$0
7. **Crime:** \$50,000
 - a. MEL Crime Excess: None
 - b. MEL Crime Statutory Position: None
 - c. MEL Crime Excess Public Officials: None
8. **Non-Owned Aircraft Liability:** \$0
9. **Environmental Impairment Liability :** \$0
10. **Cyber:** \$0
11. **Property:** \$100,000
 - a. Equipment Breakdown: \$0
 - b. SFHA Flood: \$0
 - c. Named Storm (Covered Property in Atlantic, Ocean, Monmouth and Burlington counties east of the Garden State Parkway, and any covered property in Cape May County): \$0
 - d. Unmanned Aircraft Systems (UAS):\$100,000
12. **Emergency Service Volunteer Automobile Physical Damage** \$2,500

Commercial Insurance / Reinsurance Purchased

The insurance/reinsurance listed below may contain sublimits, retentions and deductibles in addition to such already stated.

1. **Non-Owned Aircraft Liability:** The Fund purchases this coverage through the MEL from Endurance
2. **Excess Property & Equipment Breakdown:** The Fund purchases this coverage from the MEL
3. **Excess Liability:** The Fund purchases this coverage from the MEL
4. **Excess Workers' Compensation:** The Fund purchases this coverage from the MEL
5. **Excess Crime:** The Fund purchases this coverage from the MEL
6. **Public Officials Liability / Employment Practices Liability:** The Fund purchases this coverage from QBE Specialty Insurance Company
7. **Optional Volunteer Directors & Officers Liability:** The Fund purchases this coverage from QBE Specialty Insurance Company
8. **Cyber:** The Fund purchases this coverage from Indian Harbor Insurance Company and Beazley
9. Environmental Impairment Liability: EJIF
10. Emergency Service Volunteer Automobile Physical Damage : None

Section II – Conditions

The Amount of Unpaid Claims to be Established

1. 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.
2. Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Commissioners 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.

The Method of Assessing Contributions to be Paid by Each Member of the Fund

1. 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 member 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.
2. The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Commissioners 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 Commissioners. The total amount of each member's annual assessment is certified by majority vote of the Commissioners at least one (1) month prior to the beginning of the next fiscal year.
3. 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.
4. 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.
5. The Commissioners may by majority vote levy upon the participating members 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 members by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.
6. 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 Commissioners.
7. Sexual Abuse Liability Account: The Commissioners may establish a sexual abuse liability account. Reserves, IBNR, expenses, assets, assessments and other assets for this account shall be accounted for separately. After the end of the year before the Fund has finalized its year end accounting, the Commissioners may levy a supplementary assessment if the sexual abuse claims account is negative on a statutory basis.
8. At the discretion of the Commissioners, any supplemental assessments may be payable in equal installments for up to ten years. Deferred assessments shall become due and immediately payable if a member leaves the Fund.

Procedures Governing Loss Adjustment and Legal Expenses

1. The Fund engages a claims service company to handle all claims, except for the JIF's POL/EPL and Volunteer D&O, which are handled by Summit Risk Services representing 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 liability, and Safety National for workers' compensation). Every three years, the MEL's internal auditors also conduct an audit.
2. Each member is provided with a claims reporting procedure and appropriate forms.

3. 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.
4. To provide for quality defense and control costs, the Fund has established an approved defense attorney panel with firms which specialize in governmental claims. The performance of the defense attorneys is overseen by the Fund attorney, as well as the various firms which audit the claims adjusters.

Procedures for the Closure of Fund Years, including the Maintenance of All Relevant Accounting Records

1. The Fund utilizes the Municipal Excess Liability Residual Claims Fund (RCF) to facilitate the closure of Fund years.
2. 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.
3. Each year, the Commissioners will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of Banking and 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.
4. In the event a member leaves the Fund, the Commissioners 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. The dividend of any member that is no longer a member of the Fund and that member's share of the closed fund year account shall be held in escrow until the later of the tolling of the statute of limitations for all potential claims incurred during the membership period or the closure of all incurred claims by the Fund during the period of membership. A former member may apply to the Commissioners for a return of that member's remaining share of the closed Fund year account no sooner than when five (5) years have passed since the last Fund year in which the member participated has been closed. The Commissioners will decide on the former member's request after evaluating the likelihood of any additional assessments from the RCF.
5. All dividends from the RCF will be deposited in the closed Fund year account on a member by member basis.
6. The Fund will retain all records in accordance with the Fund's record retention program.

Assumptions and Methodology Used for the Calculation of Appropriate Reserve Requirements to be Established and Administered in Accordance with Sound Actuarial Principles

1. 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.
2. The following is an overview of the two actuarial methods used to project the ultimate losses.
 - a. 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.
 - b. 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.

The Maximum Amount a Certifying and Approving Officer May Approve Pursuant to N.J.A.C. 11:15-2.22

1. \$10,000 for General and automobile liability
2. \$10,000 for workers compensation
3. 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.
4. Defense Panel Attorneys are also 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.
5. \$50,000 Emergency Court House Authority upon the joint authorization of the Fund Attorney and Executive Director. Whenever this procedure is used, the claim shall be reported to the Commissioners at their next meeting

ADOPTED: *this 8th day of January, 2020 by the Commissioners:*

Morris County Municipal JOINT INSURANCE FUND

RESOLUTION 10-20

RESOLUTION OF THE COMMISSIONERS OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND ESTABLISHING A LEGAL DEFENSE PANEL FOR THE YEAR 2020

WHEREAS, the Municipal Excess Liability Joint Insurance Fund (hereinafter “the Fund”) finds it necessary and appropriate to obtain certain professional services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.), to review the Fund’s procurement procedures; and

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.

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., requires that the resolution authorizing the award of a contract for professional services without competitive bidding, and the contract itself, be available for public inspection.

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 2020 at the rates herein specified:

Worker’s Compensation

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 \$140 per hour.

Kathleen A. Hart., Esq. of the firm of Weiner Group for worker’s compensation defense at the rate of \$140 per hour

Joseph V. Biancamano, Esq of the firm Biancamano & DiStefano for worker’s compensation defense at the rate of \$140 per hour

Christopher Wood, Esq of the firm Murphy McKeon for worker’s compensation defense at the rate of \$140 per hour

General Liability

TIER ONE

William Johnson, Esq. at a rate of \$165.00 per hour.

Eric Harrison, Esq. at a rate of \$165.00 per hour.

Robert J. Greenbaum, Esq. at a rate of \$165.00 per hour.

Peter King, Esq. at a rate of \$165.00 per hour

TIER TWO

Brian Mason, Esq. (Police Claims) at a rate of \$165.00 per hour.
Matthew Giacobbe, Esq. at a rate of \$165.00 per hour
David Pennella, Esq. at the rate of \$165 per hour
Carl A. Perrone, Esq. at the rate of \$165 per hour
Donald S. Dinsmore, Esq at the rate of \$165 per hour

TIER THREE

Mark J. Semeraro, Esq. (Passaic County) at the rate of \$165 per hour
Pending (Essex County) at the rate of \$165 per hour
Thomas Ryan, Esq (Sussex County) at the rate of \$165 per hour

FUND ATTORNEY:

Dorsey & Semrau, at the rate of \$165.00 per hour

CONFLICT COUNSEL

Russell R. Huntington, Esq. at the rate of \$165.00 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 8th day of January, 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION NO. 11-20

**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 8th day of January, 2020.

Morris County Municipal Joint Insurance Fund

RESOLUTION 12-20

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
RESOLUTION AUTHORIZING THE HIRING
A VENDOR TO PROVIDE CYBER SECURITY TRAINING THROUGH THE
COMPETITIVE CONTRACTING PROCESS**

WHEREAS, the Morris County Municipal Joint Insurance Fund (Hereinafter the “Fund”) has a need for the procurement of proprietary software for the learning management system for the efficient operation of the Fund; and

WHEREAS, the Fund under the authority of (N.J.S.A. 11:15-2.4) is subject to the auspices of the New Jersey Local Publics Contract Law for its procurement at (N.J.S.A.40A:11-1); and

WHEREAS, such desired services are currently available to be provided through the competitive contracting process under the New Jersey Local Publics Contract Law, (N.J.S.A. 40A:11-4.1(a)).; and

WHEREAS, the Fund desires to evaluate such service offerings from Vendors within the procedures as set forth in the New Jersey Local Publics Contract Law (N.J.S.A.40A:11-4.1 et. Seq., and N.J.A.C. 5:34-4 et. Seq.); and

WHEREAS, the competitive contracting process satisfies the fair and open requirement as established under (N.J.S.A. 19:44A-20.4 et. Seq.), and

WHEREAS, the Fund desires to enter into a contract that will satisfy the needs of the Fund; and

WHEREAS, as per statute the process will be administered by the Fund Administrator (N.J.S.A 40A:11-4.5(d));

NOW, THEREFORE, BE IT RESOLVED by the Board of Fund Commissioners of the Morris County Municipal Joint Insurance Fund resolve to authorize the Fund Administrator to procure the proprietary software for the learning management system through the competitive contacting process in accord with (N.J.S.A. 40A:11-4.1 et. Seq.,

Adopted by the Governing Body this 8th day of January, 2020.

Morris County Municipal Joint Insurance Fund

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 13-20

JANUARY 2020

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 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001883			
001883	MUNICIPAL EXCESS LIABILITY JIF	FPB - 4T QTR 2019	5,877.00
			5,877.00
001884			
001884	FIRST MCO	MANAGED CARE SERVICES FEE 12/19	23,757.57
			23,757.57
001885			
001885	MUNICIPAL EXCESS LIABILITY JIF	PROPERTY - 4TH QTR 2019	402,397.00
001885	MUNICIPAL EXCESS LIABILITY JIF	EPL CREDIT 12/19	-27,650.00
001885	MUNICIPAL EXCESS LIABILITY JIF	MEL - 4TH QTR 2019	980,057.15
			1,354,804.15
001886			
001886	PERMA RISK MANAGEMENT SERVICES	POSTAGE 12/19	386.75
			386.75
001887			
001887	THE ACTUARIAL ADVANTAGE	NEW MEMBER - MORRISTOWN&RIVERDALE	1,000.00
			1,000.00
001888			
001888	THE RODGERS GROUP, LLC	POL ACCRED MAIN PROG 4/4	3,000.00
			3,000.00
001889			
001889	MUNICIPAL EXCESS LIABILITY JIF	MSI - 4TH QTR 2019	24,114.25
			24,114.25
001890			
001890	ALLSTATE INFORMATION MANAGEMNT	ACCT#417 - ARC & STOR - 11.30.19	86.50
001890	ALLSTATE INFORMATION MANAGEMNT	ACCT#417 - ARC & STOR - 10.31.19	86.50
			173.00
001891			
001891	VITALES DELI	MEETING 11/19	745.35
			745.35
001892			
001892	APPLIEDINFO PARTNERS, INC.	CYBERSECURITY AWARE TRAINING 11/19	8,904.00
			8,904.00

001893			
001893	LONG HILL TOWNSHIP	RMC FEE 2ND 2019 INSTALL - LONG HILL TWP	11,293.00
			11,293.00

Total Payments FY 2019 1,434,055.07

FUND YEAR 2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001894			
001894	MUNICIPAL EXCESS LIABILITY JIF	FPB - 1ST QTR 2020	5,172.50
			5,172.50
001895			
001895	MUNICIPAL EXCESS LIABILITY JIF	PROPERTY - 1ST QTR 2020	380,589.25
001895	MUNICIPAL EXCESS LIABILITY JIF	MEL - 4TH QTR 2020	817,958.00
			1,198,547.25
001896			
001896	NJ MUNICIPAL ENVIRONMENTAL	EJIF 1ST INSTALLMENT 2020	247,655.00
			247,655.00
001897			
001897	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT 1/20	16,473.45
			16,473.45
001898			
001898	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEES 1/20	20,585.64
			20,585.64
001899			
001899	PERMA RISK MANAGEMENT SERVICES	ADMIN FEE 1/20	29,369.63
			29,369.63
001900			
001900	FRED SEMRAU, ESQUIRE	LEGAL COUNSEL 1/20	2,083.33
			2,083.33
001901			
001901	GRACE BRENNAN	TREASURER FEE 1/20	2,147.99
			2,147.99
001902			
001902	MUNICIPAL EXCESS LIABILITY JIF	MSI - 1ST QTR 2020	26,381.25
			26,381.25
001903			
001903	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 1/20	1,021.00
			1,021.00
001904			
001904	NEWTECH SERVICES INC.	WEB MAINT & DR 1/20	175.00
			175.00
		Total Payments FY 2020	1,549,612.04
		TOTAL PAYMENTS ALL FUND YEARS	\$2,983,667.11