

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
 OPEN SESSION MINUTES
 MEETING – OCTOBER 27, 2020
 TELEPHONIC MEETING
 1:00 PM**

Meeting of 2020 Fund Commissioners called to order. Open Public Meetings notice read into record.

ROLL CALL OF 2020 FUND COMMISSIONERS:

Thomas Merchel, Chairman	Township of Moorestown	Present
Richard Brevogel, Secretary	Township of Willingboro	Absent
Susan Danson	Township of Maple Shade	Present
Robert Corrales	Township of Evesham	Present

SPECIAL FUND COMMISSIONERS:

Maryann Knell	Township of Moorestown	Present
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APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Bradford C. Stokes Rachel Chwastek Karen Read
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Treasurer	Tom Tontarski
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Attorney	Helmer, Conley & Kasselman William Kearns, Esquire
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Auditor	Bowman & Company
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Claims Service	Qual Lynx Kathy Kissane
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PERMA

Safety Director	J.A. Montgomery Risk Control Rob Garish Jon Czarnecki
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Managed Care Organization	QualCare Karen Beatty
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Underwriting Manager	Conner Strong & Buckelew Edward Cooney
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ALSO PRESENT:

Maureen Mitchell, Evesham Fire
 Michael Avalone, Conner Strong & Buckelew
 Ilene Laursen, Conner Strong & Buckelew
 Tom Fitzpatrick, Fairview Insurance Agency

APPROVAL OF MINUTES: September 22, 2020 - Open & Closed Minutes

MOTION TO APPROVE OPEN & CLOSED MINUTES OF SEPTEMBER 22, 2020

Moved: Commissioner Corrales
Second: Commissioner Danson
Vote: 2 Ayes, 0 Nays, 1 Abstention (Merchel)

CORRESPONDENCE: NONE.

EXECUTIVE DIRECTOR: The Executive Director hoped everyone is doing well and advised the primary focus of today's meeting is the 2021 Budget Introduction.

2021 Budget Introduction – The Executive Director advised Ms. Read sent a revised 2021 Budget out to the Commissioners this morning, it increased about \$100 due to a MEL adjustment from what was included in the agenda. The Executive Director advised the actuary numbers are fairly stable, liability even decreased. Last year, PMM funded row five, the Loss Fund Contingency for the new legislation regarding sexual molestation and the firefighter presumption laws. There were no activity in many JIFs, including PMM, so several JIFs are cutting back on that funding line, for 2021 PMM is going to fund 75% of that line item, and the actuary was very comfortable with that and it gives the JIF some savings in the budget. Overall, the loss funds were very positive, decreasing 2.08%. Reviewing the premiums, there was a slight decrease in Crime and the Environmental JIF budget decreased 1%, and their dividend increased more than \$13,000 from the prior year. MEL increased as the property market across the state is very volatile at this point, but overall loss funds at 0.05%.

Chairman Merchel then asked the Underwriting Manager what the cause was for the property market volatility.

The Underwriting Manager advised the property market has been hardening for a number of years. There are always surprises, this year there is COVID -19 payments that were not supposed to be covered in the property insurance, things like that. It's all being driven by initially, five years ago, all the all-natural catastrophe losses, and the severity and frequency of those have increasing drastically. That drives up the property market and reduces terms in coverage offered by the insurance companies. The other side of that is in the past five years, worldwide, there are old typical types of property losses occurring, that's fire, pipe breaks internally in buildings, causing massive water damage losses, costing a hundred million dollars each, so that's been affecting the industry. The Underwriting Manager advised the market is moving toward a corrected baseline, but there would be some pain along the way. The Underwriting Manager advised the JIF/MEL system had avoided large increases other insureds had for the past three or four years, so the JIF is still in a stronger position than those stand alone accounts.

The Executive Director then moved onto professional fees, advising 4% increase for claims, 3% for managed care and the rest coming in at a 2% increase. One deduction, the property appraisals are now completed, \$20,000 comes off the budget for 2021. Moving onto EPL/POL premiums, statewide there is a 2.25% average increase, PMM JIF's increase is 8.61%, driven primarily by one town, which is reflected in the assessments. PMM JIF's position is those with worse loss ratios pay their share on that line item. Cyber Liability's premium is doubling, and this is state wide as this coverage has certainly exploded this year. Overall, the PMM JIF 2021 Budget is \$3,946,549, a 0.83% increase over 2020. The Executive Director then reviewed the proposed assessments, and advised Willingboro will pay the brunt of the EPL/POL increase as they have the losses.

The Executive Director asked if anyone had any questions or comments. Hearing none, he then asked for a motion to introduce the 2021 Budget and schedule a public hearing on Tuesday, November 24, 2020 at 1:00PM.

MOTION TO INTRODUCE THE 2021 BUDGET AND SCHEDULE A PUBLIC HEARING ON TUESDAY, NOVEMBER 24, 2020 AT 1:00PM

Moved: Commissioner Danson
Second: Commissioner Corrales
Vote: 4 Ayes, 0 Nays

Closed Year Dividend - The Executive Director advised the Fund Office has reviewed the available dividend from closed year accounts and are recommending the release of \$100,000. In addition, an EJIF dividend in the amount of \$96,366 is already in the budget as a deduction in the premiums. Enclosed in the agenda was the breakdown of the distribution for the closed year dividend.

Included in the agenda was Resolution 20-23 authorizing the release of a dividend representing a total of \$100,000 from closed year accounts.

MOTION TO ADOPT RESOLUTION 20-23 AUTHORIZING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$100,000 FROM CLOSED YEAR ACCOUNTS, SUBJECT TO STATE APPROVAL

Moved: Commissioner Danson
Second: Commissioner Corrales
Vote: 4 Ayes, 0 Nays

RCF 2016 Fund Year Rollover – The RCF board adopted a resolution accepting the transfer of member JIF’s Fund Year 2016. Enclosed in the agenda was Resolution 20-24 authorizing the transfer of the PMM JIF’s 2016 claim liabilities to the RCF.

MOTION TO ADOPT RESOLUTION 20-24 AUTHORIZING THE TRANSFER OF FUND YEAR 2016 TO THE RCF

Moved: Commissioner Corrales
Second: Commissioner Danson
Vote: Unanimous

Professional Service Agreements – All of the Fund’s professional service agreements are up for renewal in 2021. The Fund has determined to procure the awarding of contracts through the Non-Fair and Open Process. The Fund Office has received letters and proper documentation from all professionals utilizing the Non-Fair & Open process.

The Fund Office recently accepted RFQ responses for the Fund’s defense panel utilizing the Fair & Open Process. The list of those attorneys who responded was included in the agenda. The Executive Director advised this would be included in a resolution in January.

The Fund Attorney advised the Fund gets good service from our current panel and we don’t have many cases to litigate, fortunately, so there isn’t a need to expand the panel.

2020 Fiscal Management Plan Amendment - The Fund Office has been notified that Ms. Janet Buggle has retired from Qual-Lynx. Ms. Buggle is an authorized signer on the Qual-Lynx claims accounts; therefore, she should be removed. Investors Bank has requested a revised Resolution to remove her as a signatory.

It was noted by Mr. Tontarski the Treasurer listed on the Resolution was incorrect so the motion is to pass the Resolution with the correction that Mr. Tontarski is the PMM JIF Treasurer.

**MOTION TO ADOPT RESOLUTION 20-25 AMENDING THE 2020 FISCAL
MANAGEMENT PLAN**

Moved:	Commissioner Danson
Second:	Commissioner Corrales
Vote:	Unanimous

Property Appraisals – HCA Asset Management has completed field work on the property appraisals. Once we have received the final reports, we will review and forward those reports to the members. HCA has offered to meet with each member via a zoom call or in person to discuss any questions you may have on valuation or any aspect of the reports. We would like to thank the members for accompanying HCA personnel to all of your facilities.

MEL Employment Practices Model Training: This year, the Municipal Excess Liability Joint Insurance Fund (MEL) prepared a new Model Personnel Manual and Employee Handbook that is more than simply updating existing model. Since the new model documents are notably different from prior models, Mr. Matt Giacobbe, who drafted the model policy and Mr. Fred Semrau, the MEL Fund Attorney, have agreed to participate in a webinar to review changes and answer questions. The target audience for this webinar is Municipal Attorneys and Administrators. Please see attached notice for more information and registration information. It will take place on October 29, 2020 and registration is necessary.

Residual Claims Fund; EJIF & MEL Meetings – The RCF, EJIF & MEL all met on October 21, 2020 via conference call. The RCF & EJIF adopted their 2021 budgets; they appeared in the agenda. The MEL adopted their 2021 budget and flat rate table at the June 3rd meeting. Meeting minutes will appear in next month’s agenda.

Statutory Bonds – Statutory Bonds must be re-underwritten every three years usually the same year the bondholder’s entity is renewing in the JIF. Applications were sent to the bonded individuals of member towns renewing January 1, 2021. Please make sure all bonded individuals submit their applications to the MEL Underwriting office as soon as possible.

The Executive Director advised Willingboro is the only member up, and he believes the paperwork I sin the pipeline.

Due Diligence Reports: 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 and the Monthly and Annual Regulatory Checklist. The Executive Director reported the Financial Fast Track, dated August 31, 2020 shows the fund’s surplus of \$3.6 million, with all years in the positive, with a nice gain over the prior month of \$85,000. The Fund’s Loss Ratio Analysis for September is better than the actuary’s projection of 37% as the actual is 22%. This time last year the fund was at 47%, so the fund is doing very well. That is reflected in the fund’s Loss Time Accident Frequency for September is 0.69, #1 best in the MEL JIFs and only five loss time accidents. This time last year the Fund had 10, so significantly better this year. The Executive Director reported PMM’s EPL Compliance stands at 100% and the checklist includes the filing for the audit.

The Executive Director asked if there were any questions and then concluded his report.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Mr. Kearns advised the Fund is starting to see their emergency responders coming down the virus, and if that happens in your town, you need to get those cases filed as workers compensation claims as quickly as possible. Currently the Fund has very few, but the members need to report them quickly.

TREASURER: Mr. Tontarski reviewed the treasurer’s report and bills list with the Fund. Mr. Tontarski also advised on November 1st the PMM JIF will officially be transferring funds, between \$3 and \$4 million, to the Bank of New York Mellon into the JCMI.

Payment of October 2020 Vouchers Resolution 20-26

Fund Year 2020	\$65,286.20
Total	\$65,286.20

MOTION TO APPROVE RESOLUTION 20-26 VOUCHER LIST FOR THE MONTH OF OCTOBER

Motion: Commissioner Danson
 Second: Commissioner Corrales
 Vote: 4 Ayes – 0 Nays

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of September 2020:

2020	24,202.81
2019	59,104.31
2018	7,331.33
2017	5,840.45
2016	4,901.57
Closed	0.00
TOTAL	101,380.47

Treasurer's Report Made Part of Minutes

SAFETY DIRECTOR:

REPORT: Jonathan Czarnecki reported the Safety Directors Report for September was included in the agenda. He advised the report did not include three regular loss control visits in October, at Willingboro, Moorestown and Evesham. Mr. Czarnecki reported once the reports are finalized that will conclude all the regular loss control visits for the year for the PMM JIF, excluding law enforcement. Also, included in the agenda were the safety director’s bulletins that were distributed, and please let him know if anyone is not receiving those. MSI Now, JA Montgomery’s streaming service, now includes about 170 videos available, ranging from five to thirty minutes. The November training schedule was also sent out, which offers many good courses. Mr. Czarnecki asked if there were any questions and then concluded his report.

Monthly Activity Report/Agenda Made Part of Minutes.

MANAGED CARE:

REPORT: Karen Beatty advised September's reports were included in the agenda and the Cumulative Savings Report was emailed out just prior to the meeting. Ms. Beatty reported there were 65 bills during the month of September totaling \$52,754.14, of that amount \$20,010.87 was paid for a savings of \$32,743.27 which is a 62% savings. Ms. Beatty advised the Fund is trending lower than last year, asked if there were any questions and concluded her report.

Monthly Activity Report Part of Minutes.

UNDERWRITING MANAGER:

REPORT: Edward Cooney expanded on his previous comments about the overall insurance market. He advised the market is in a really terrible place, to say the least, and probably the worst scene in over 30 years, which is exactly why the JIFs were formed back in the 80s. The MEL is very mature and well prepared for this type of market place and it's in the process right now of doing a couple of creative things to reduce or eliminate the overall budget impact and also to be set up for even stronger growth in the future. The Underwriting Office is currently working with the Executive Director and Risk Managers and should have some good results in the next two months for the Fund. Aside from that and the usual reports in agenda, the Underwriting Manger advised to let him know if anyone had any questions and then concluded his report.

CLAIMS ADMINISTRATOR:

REPORT: Kathy Kissane advised as of the middle of October, the PMM JIF had 43 COVID claims, fortunately half of which were record only and did not materialize in to anything so the members are doing a good job reporting claims and exposures as they become aware. The committee met prior to this meeting and asked for approval of the three PARS as recommended by the claims committee.

MOTION TO APPROVE CLAIM PAYMENTS AS DISCUSSED AND RECOMMENDED BY THE CLAIMS COMMITTEE:

Motion:	Commissioner Danson
Second:	Commissioner Merchel
Vote:	4 Ayes, 0 Nays

OLD BUSINESS: NONE

NEW BUSINESS: NONE

PUBLIC COMMENT: NONE

MOTION TO ADJOURN MEETING

Motion:	Commissioner Corrales
Second:	Commissioner Danson
Vote:	Unanimous

MEETING ADJOURNED: 1:26pm

NEXT REGULAR MEETING: November 24, 2020

Rachel Chwastek, Assisting Secretary for
RICHARD BREVOGEL, SECRETARY