

**NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND
May 12, 2021
Via Zoom teleconference
10:00 AM**

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

Salute to American Flag

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairperson		
Robert DiVincent	Weehawken Housing Authority	Present
Secretary		
Sherry Sims	Boonton Housing Authority	Present
Board of Commissioners		
John Mahon	Bayonne Housing Authority	Present
Joseph Billy	Summit Housing Authority	Present
John Clarke	New Brunswick Housing Authority	Present
Douglas Dzema	Perth Amboy Housing Authority	Present
Kathleen DiTomasso	Woodbridge Housing Authority	Present

ALTERNATE EXECUTIVE COMMITTEE MEMBERS:

Larry Stratton	South Amboy Housing Authority	Present
Grace Dekker	Berkeley Housing Authority	Absent
Susan Thomas	Middletown Housing Authority	Present
Eric Chubenko	Carteret Housing Authority	Absent
Anthony Feorenzo	Hackensack Housing Authority	Present
Pamela Mitchell	Passaic Housing Authority	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director /Administrator	Perma Risk Management Services	Steve Sacco	Present
Attorney	DeCotiis, Fitzpatrick Cole & Gibling, LLP	Frank Borin	Present
Underwriting Mgr	Conner Strong & Buckelew	Edward Cooney	Present
Co-Treasurers	Execu-Tech, Inc.	William Snyder Louis Riccio	Present Present
Claims Service	Qual-Lynx	Claudia Acosta	Present
Safety Director	J.A. Montgomery Risk Control	Brian Maitland	Present
Auditor	Homlan Frenia Allison	Robert Allison	Absent
Actuary	Actuarial Advantage	Kyle Mrotek	Absent
Managed Care	Qual-Care	Lisa Gallo	Absent
Marketing	Warren Risk Marketing, LLC	Jack Warren	Present

ALSO PRESENT

Suzanne Bridge, RMC
Jennifer Conicella, PERMA
Joseph Hrubash, PERMA

Jack Zisa, RMC
Thomas McGuire, Phillipsburg HA
Donna Setzer, Qual-Lynx
Dominick Cinelli, RMC
Gus, Gosweiler, RMC
Deborah Hurley, Edison HA
Patti Fahy, RMC
Jonathon Tavares, Conner Strong & Buckelew
Tanya VanOrder, Madison HA
Gerald Sanzari, North Bergen HA
Jasmine Brascom, RMC
Kathy Young, RMC
Samantha Silvers, Millville HA
Joy-Ann Lambert, Camden HA
Tracy Lopez, Perma

Salute to American Flag

At the request of Chairman DiVincent, Executive Director proceeded with the meeting.

APPROVAL OF MINUTES: April 14, 2021 Open Minutes

MOTION TO APPROVE THE OPEN MINUTES AS REFERENCED ABOVE

MOTION:	Commissioner Clarke
SECOND:	Commissioner Mahon
VOTE:	Unanimous

Correspondence

Executive Director referred to the MEL Helpline correspondence which outlined consulting services from three law offices available to assist members in employment related issues. This is a service provided by the MEL and its use is encouraged for Executive Director's of member authorities. Executive Director also referred to a letter provided by Ms. Madeline Cook, ED of sponsorship agency NJAHRA thanking Edward Cooney, Tracy Lopez and the Fund for providing a virtual Cyber & Technology Controls training for members of the association. Commissioner Mahon also thanked the presenters for the training.

Underwriting Manager

Underwriting Manager reminded member that the MEL's Cyber Task Force released version two of the Cyber Risk Management Program. Underwriting Manager referred to the one page snapshot of changes to the program which included minimal changes to Tiers 1 & 2; of note, members that were in compliance for Tiers 1 & 2 will remain in compliance until year end however as of January 1, 2022 members will need to recertify inclusive of Tier 3. Those that are not in compliance will need to comply with all aspects of the newly released Version2 of the program. One of the major changes to the new program is the added Tier 3 which members can obtain a \$0 deductible for cyber claims (currently \$25,000); once a member has complied with the program it is important to note – at the time of a cyber loss you must be in compliance with each tier of the program in order to be eligible for reimbursement; a re-imbursement application is available for submission.

EXECUTIVE DIRECTORS REPORT

Pro Forma Financial Reports

Executive Director reviewed the monthly Fund monitoring reports which included the February Financial Fast-Track, March Expected Loss Ratio Analysis, Claim Activity Report, Lost Time Accident Frequency Report, All JIFs Lost Time Accident Frequency. The status listing of the EPL/POL program compliance and Regulatory Check List was also reviewed. Executive Director referred to the financial fast track which outlined an increased in surplus for the month in the amount of \$55,470, \$117,245 year to date resulting in a statutory surplus of \$3,589,742. The 2017 and 2018 years continue as a deficit, however there is enough surplus within the closed year to extinguish those deficits. Executive Director referred to the Loss Ratio Analysis report which outlines coverage that has exceeded budgeted amounts, particularly the property lines adding that within the last month the Fund has incurred additional property claims which will add to the valuation of this report.

MEL JIF Update

Executive Director said as with last month we have requested Mr. Hrubash, Executive Director of the MEL to participate in this meeting to provide members an update of events within the MEL.

Mr. Hrubash said in response the issuance of an RFP by the MEL for vendors providing background checks, a total of five responses was received; the listing will be made available to members to select the vendor of their choice. This was an added service as a result to inquiries from members and out of concern of protecting children.

Mr. Hrubash added that a Sub-Committee of the MEL will be scheduled to review responses to the RFP for excess property claims administration as a result of the MEL not being completely satisfied with the current excess property claims administrator for a number of reasons.

Mr. Hrubash reminded members of the EPL/POL rewrite as we have reported on since last year noting that should anyone need any assistance or have any questions they should contact the Fund. The compliance deadline has been extended from June 1, 2021 to November 1, 2021.

Addressing the financial aspect of the MEL, Mr. Hrubash said in preparation of the 2020 MEL Audit, the MEL is strengthening its financials with an approach that will be conservative in consideration of issues such as Covid19 Claims, recent changes within the workers compensation pension offset and firefighters cancer presumption which is not an issue in the NJPHA JIF, however it is an issue statewide. Mr. Hrubash added that the MEL is beginning to receive claims relating to sexual molestation due to the extension of the statute of limitations and also noted the hardening market which are all contributing factors to the financials of MEL. Mr. Hrubash said the Underwriting Manager is currently under negotiations with Safety National, the excess workers compensation carrier, to honor an endorsement within the 2020 policy as one occurrence which would affect one retention in lieu of the retention of each local JIF as it relates to Covid19 Claims; to date, the negotiations have not been finalized and the MEL is taking precautionary steps book additional funding to cover some of the items previously mentioned.

Mr. Hrubash referred to the Financial Fast Track which outlines a surplus trigger from the RCF in the amount of \$127,000 for the NJPHA JIF, the MEL's surplus trigger will also be affected this year resulting in an additional assessment payable over a 10 year period. The additional assessments are taken from closed year accounts and not payable individually by member. Executive Director added that the Fund is a member of the MEL and the RCF, once the surplus is below a certain threshold, a "trigger or flag" is activated creating an additional assessment which is distributed pro-rata by each Funds' share was for a given year. Executive Director said the

driving factor of the trigger are the Covid19 Claims in addition to the previously discussed items which are very costly.

MEL, MR HIF & NJCE Educational Seminar

Executive Director said the 10th annual seminar will be conducted virtually on 2 half day sessions: Friday, May 14th and Friday, May 21 from 9 am to 12 noon. The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and Municipal Reinsurance Health Insurance Fund (MR HIF) members as well as personnel who work for service companies that have been engaged by MEL member JIFs and MR HIF member HIFs. Registration must be completed to attend.

Cyber Task Force

As a reminder, the MEL's Cyber Task Force has issued version 2 of the MEL's Cyber Risk Management Program. Previously approved Tier 1 and Tier 2 members will be grandfathered for the remainder of 2021, however members must make updates to those Tiers inclusive of Tier 3 by January 1, 2022 to remain in compliance.

Administration

2021 Financial Disclosures

Ms. Lopez said the Division of Local Government Services issued a notice on April 26, 2021 outlining instructions for online filings for JIF Commissioners, as well as, any other municipal related positions that require filing. The deadline to file was April 30, 2021 however, the Local Finance Board has advised that they would extend the enforcement action against non-filers until June 30, 2021. An email was distributed from the Fund office on April 27th to all appointed Fund Commissioners and respective professionals.

2021 Assessment

Ms. Lopez said statement of accounts were emailed to members with a balance due on the 2021 annual assessment. The due date is June 30, 2021. Members were notified of the change in the lockbox address for Investors Bank; payments should be sent to the following address as noted on the statement of account:

**NJ Public Housing Authority JIF
P.O. Box 11487
Newark, NJ 07101**

Employment Practices Compliance Program

Members were encourage to visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program; deadline for updates and training have been extended from **June 1, 2021 to November 1, 2021**. Please use the following link to view an outline of the MEL program and its model documents:

<https://njmel.org/insurance/public-officials/risk-management-program/>

This year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar: "Protecting Children From Abuse – Managers/Supervisors". This course for Managers includes an Employment Practices component. Enclosed you will find a copy of a notice distributed to members from J.A. Montgomery on classes scheduled through September.

Risk Management Consultant Agreements

Ms. Lopez said all risk management consultants must submit a copy of the executed Risk Management Consultant Agreement to the Fund office for the 2021 Fund year. Once the agreement is received, the risk manager may submit the signed voucher to the Fund office for processing of fees. All risk management consultant appointments will be filed with the State.

Treasurer Report

Mr. Snyder referred to the financial reports as of March 2021 inclusive of the Summary of Cash Transactions, Summary of Cash and Investments Instruments and the Claims Certification and Reconciliation reports. Fund Treasurer advised that the fund transfers from TD Bank to Investors Bank are in process as reported in April.

Mr. Riccio said to date \$6.5M of the \$11.4M of the 2021 assessments has been collected; there is only one authority that sent the payment however it was sent to the wrong address and returned; a check has been re-issued and sent. As a reminder, the second installment is due on June 30th and as indicated by Ms. Lopez, all payments should now go to the new lock box address as provided; an updated of the final payments will be provided during the July meeting.

With nothing further, the May 2021– Bill List Resolution #22-21:

FUND YEAR	AMOUNT
2020 Year	\$ 5,016.00
2021	\$ 135,811.18
Total	\$ 140,827.18

MOTION TO APPROVE RESOLUTION #22-21 MAY 2021 BILL LIST AND THE TREASURERS REPORT AS DISTRIBUTED.

MOTION: Chairman DiVincent
SECOND: Commissioner Clarke
VOTE: Unanimous

Marketing

Marketing Director said he and the Fund Attorney had discussions surrounding interested non-profit entities that do not fit the criteria for membership in the Fund due to a for-profit partnership within the structure of the entity; this created discussions of the possibility of creating another Fund to accommodate entities that fall into this category and could also accommodate some of our present members. Marketing Director said in speaking with several authorities this is an interest worth pursuing.

Attorney

Fund Attorney said with respects to the non-profit discussions, we are currently looking into the issue of the entities which is somewhat of a complicated matter with respects to state legal requirements in addition to tax exempt status that need to be considered which is a much larger conversation. As a result of the interest is in either joining the Fund or finding another way to insure the non-profit entities, Fund Attorney added that conversations are underway with Christiana Foglio, founder and CEO of Community Investment Strategies, Inc. and oversees the development of multi-family housing, developments and affordable housing.

In response to Commissioner Clarke comments and his support in the efforts of a program for non-profits, Fund Attorney said Ms. Foglio had initially reached out to him as a result of the insurance market for non-profits and believes that there are several entities interested in being considered in the Fund or a Fund created just for non-profits.

Executive Director said a sub-committee of the Fund did have discussions on creating the non-profit Fund which included the topic of an actuarial study. The actuary was contacted and has indicated the study would have a cost of approximately \$8,000; the Board can either delay the decision of the study and convene the sub-committee for a recommendation to the Board at the June meeting or approve the expenditure now to move forward. Chairman DiVincent noted that due to the current interest; the study should move forward.

MOTION TO APPROVE THE EXPENDITURE OF \$8,000 FOR THE ACTUARIAL STUDY FOR THE POSSIBLE CREATION OF A FUND FOR NON-PROFIT ENTITIES.

MOTION:	Commissioner Clarke
SECOND:	Chairman DiVincent
VOTE:	Unanimous

Safety Director

Safety Director referred the listing of Loss Control surveys and noted that there are five Security Surveys scheduled for the month of May which will be shown on the next month's report. Safety Director noted since the implementation of the Right to Know program, their report now includes the number of hours associated with the services provided to date and will be tracked moving forward. Safety Director continued with a review of MSI Safety Director's bulletins and messages recently released and MSI Now & MSI DVDs utilized.

and they continue to promote the usage of the training tools made available as visits to authorities continue. Safety Director added that the safety and regulatory awareness classes will be added to the MSI Live schedule moving forward with the attempt to provide two times a month depending on the attendance. In addition, the sensibility training provided in prior years is currently being revamped to condense the information and time span as it used to be an almost five hour training and lastly a course for executive directors, providing information on regulatory requirements that should be met is currently underway and should be released shortly. Safety Director said an updated status report of the Right to Know program will be made available in the future agendas.

Managed Care

Managed Care provider referred to the managed care report for the month of April resulting in a total of 40 bills processed, total charges of \$133,672.42 were repriced for \$41,713.35 resulting in a total savings of \$91,959.07 or 69%. The claims pierced the network at a rate of 90%.

Claims Administration

Due to technical difficulties of the Claims Administrator, Executive Director said the Claims Committee met May 11, 2021 and reviewed a total of (7) claims; on behalf of the recommendation of the Claims Committee they respectfully asked for payment authority of claims presented.

MOTION TO ACCEPT THE RECOMMENDATION OF THE CLAIMS COMMITTEE AND APPROVE THE PARS AS PRESENTED BY THE CLAIMS ADMINISTRATOR

FILE	COVG
2021234415	WC
2018122444	WC
2021228294	WC
2021229362	Prop
2021222792	Prop
2021235384	Prop
2021219316	Prop

MOTION: Commissioner Clarke
SECOND: Commissioner Dzema
VOTE: Unanimous

Old Business

Commissioner Clarke took this opportunity to thank Paul Shives, Brian Maitland, Ellie Moss and staff of J.A. Montgomery for their services on the Right to Know Program adding the information was submitted to the state and accepted and it was a relatively painless process due to the services provided.

New Business

None

Public Comment

None

Executive Session

None.

MOTION TO ADJOURN THE MEETING

MOTION: Commissioner Dzema
SECOND: Commissioner Clarke
ALL IN FAVOR: Unanimous

Meeting adjourned at: 10:30 AM

**NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 22-21

MAY 2021

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

BE IT RESOLVED that the New Jersey Public Housing Auth. 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 2020

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
009327	RELIANCE INSURANCE GROUP	SOUTH AMBOY HA - 1ST RMC 2020	5,016.00
		Total Payments FY 2020	5,016.00

FUND YEAR 2021

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
009328	QUAL-LYNX	MANAGED CARE 5/21	6,487.33
			6,487.33
009329	DECOTIIS, FITZPATRICK, COLE & GIBLIN LLP	LEGAL SERVICES 4/21	3,678.73
			3,678.73
009330	QUAL-LYNX	CLAIM ADJ SERVICES 5/21	17,694.75
			17,694.75
009331	PERMA	EXEC DIRECTOR 5/21	28,116.42
			28,116.42
009332	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 5/21	1,570.00
			1,570.00
009333	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 5/21	3,208.08
			3,208.08
009334	NJ ASSOC OF HOUSING & REDEVELO	1ST QTR SPONSOR FEE 2021	10,046.36
			10,046.36
009335	ASBURY PARK PRESS	ACCT:ASB-117561 - AD - 4.3.21	42.20
			42.20
009336	EXECU TECH, INC	WEBSITE MAINT 5/21	200.00
			200.00
009337	NJ ADVANCE MEDIA	ACCT#XNJPU0555207 - AD - 4.5.21	23.25
			23.25
009338	WARREN RISK MARKETING, LLC	MARKETING FEE 5/21	3,032.83
			3,032.83
009339	J.A. MONTGOMERY RISK CONTROL	SAFETY TRAINING 5/21	2,975.00
009339	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 5/21	8,089.17
009339	J.A. MONTGOMERY RISK CONTROL	RIGHT TO KNOW 4/21	11,690.00
			22,754.17
009340	ALLSTATE INFORMATION MANAGEMNT	ACCT#862 - ARC & STOR - 3.31.21	53.06
			53.06
009341	BROWN & BROWN METRO, LLC	BRIDGEVIEW MANR HOUS - 1ST RMC 2021	4,788.00
009341	BROWN & BROWN METRO, LLC	BAYONNE HA - 1ST RMC 2021	34,116.00
			38,904.00
		Total Payments FY 2021	135,811.18
		TOTAL PAYMENTS ALL FUND YEARS	\$140,827.18