

**NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND
October 20, 2023
Perth Amboy HA – Birchwood Building -Community Room
10:30 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	Edgewater Housing Finance Urban Renewal Corp.	Present
Secretary		
Sherry Sims	Boonton Housing Authority	Present
Board of Commissioners		
John Mahon	Bayonne Housing Authority	Present
Joseph Billy	Freehold Housing Authority	Present
John Clarke	Princeton 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	Absent
Eric Chubenko	Carteret Housing Authority	Present
Anthony Feorenzo	Hackensack Housing Authority	Present
Joseph Capano	Cliffside Park Housing Authority	Absent

APPOINTED OFFICIALS PRESENT:

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

ALSO PRESENT

Ezio Altamura, RMC
Ken Pinnock, Jersey City HA
Dom Cinelli, RMC
Patti Fahy, RMC
Spiro Molfetas, RMC
Zach Edelman, RMC
Ramon Paulino, Old Bridge HA
Steven Krolian, Perma
Tracy Lopez, Perma

Salute to American Flag

APPROVAL OF MINUTES: September 25, 2023 Open Minutes

MOTION TO APPROVE THE OPEN MINUTES AS REFERENCED ABOVE

MOTION:	Commissioner Clarke
SECOND:	Commissioner Sims
VOTE:	Unanimous

Correspondence
None

Underwriting Manager

In the absence of Underwriting Manager, Ms. Lopez referred to the Cyber Compliance status report and the listing of certificate of insurance as previously issued. Ms. Lopez also advised of the roll out of the services being provided by D2 beginning with the email distributed requesting who the point of contact (POC) will be for services; the update of all staff emails, will need to be uploaded to their portal and systems will need to be whitelisted thereby allowing D2 to access systems and begin phishing and training services. In response to Commissioner Ditomasso, Executive Director said compliance will be tracked by the Underwriting Manager however training and phishing can be tracked by each member POC. Executive Director encouraged members to take advantage of the services as they're proven to increase awareness.

Financial Reports

Executive Director said the Finance Committee met on October 16th for review of the 2024 proposed budget options; their recommendation is enclosed within the agenda. Executive Director said there are 19 JIFs within the MEL system, 50% of the funds are experiencing budget increases ranging from 16%-18%; driven by property, the proposed budget falls in line with other local joint insurance funds at an increase of 15.40%. Executive Director referred to letter provided to the newly appointed Commissioner of the Department of Banking and Insurance which is encouraged to be shared with your Board of Commissioners when questioned as to why insurance premiums have increased. Executive Director referred to highlighted items within the letter as follows:

- **Workers' Compensation:** Employee accidents are the largest item in local property casualty insurance budgets. New Jersey now has the highest workers' compensation premium rates in the country based on data from the Bureau of Labor Statistics.

Reopened Cases: Costs have escalated because New Jersey judges are now reopening cases up to four and five times while in the past they rarely reopened a case more than once. This change has resulted in the need to substantially increase IBNR reserves for fund years going back as long as two decades.

Accidental Disability Claims: IBNR reserves are being substantially increased because of a 2021 Department of Labor decision that directed workers' compensation to pay many accidental disability claims that heretofore were paid by the pension plans.

Firefighters Presumption: Another recent law created a presumption that firefighters diagnosed with cancer are eligible for workers' compensation. (note - the affect is global, direct exposure is not that of the NJPHA JIF)

COVID: The same law also made COVID compensable. New Jersey's workers' compensation cost per employee for COVID is the second highest in the country.

- **Liability:** Premiums have increased because of the erosion of Title 59 in New Jersey's courts. Judges are now reluctant to grant summary judgement dismissing even frivolous claims because of the 2021 New Jersey Supreme Court decision in Gonzalez v. Jersey City. The recent amendment in the sexual molestation statute of limitations also increased Title 59 liability costs. In some cases, towns are being sued based on allegations going back to the 1970s.
- **Property:** Premiums are increasing rapidly because the world-wide frequency of large natural disasters has almost tripled since 2000. Here in New Jersey, the state was hit with Irene in 2011, Sandy in 2012 and Ida in 2021. Property insurance premiums are also indexed to replacement values that have jumped because of supply chain issues and the labor shortage.
- **Cyber Liability:** Premiums have more than doubled in recent years. Organizations without strong cyber risk controls are finding it difficult to purchase any coverage.

In addition to premium increase, these factors also resulted in a 50% drop of the MEL System's collective surplus from \$220 million (at 2020-year end) to \$110 million (at 2022-year end). We expect the surplus to drop further at the 2023-year end. Many non-MEL JIFs are already negative and have gone back to their members for supplementary assessments. Some MEL affiliated JIFs will also adopt supplemental assessments before closing their 2022 books.

Executive Director referred to the proposed 2024 budget beginning with the loss funding which is promulgated by the Fund actuary providing rates by line of coverage at levels of low-mid-high to pay for claims; to be conservative, the budget before you utilizes the mid-range rates and results in an increase of 5.95% with workers compensation at \$2.6M and property at \$1.6M. Executive Director said the NJPHA JIF has significantly hit MEL levels (once a claims exceeds the fund retention, the MEL level is in place) in the 5-6 years affecting financials; as discussed during the Finance Committee meeting the NJPHA JIF risks are 24 hours a day/365 days a year because our risk are tenants that live in buildings, wherein a municipality operates from 9-5 for the majority of their

departments. Executive Director added that should a member market their property program you will find that most carriers are unwilling to write the exposure; if found, it is very costly.

Executive Director continued review of the budget referring to the premium line items of which the property is increased by 44.25%, although increased there are other member joint insurance fund experiencing higher property premiums. The Fund is decreasing the Cyber JIF premium by -7.48% ; as argued, the exposure is not as great as a municipality. The EPL/POL average for the MEL is 9% however there is a reduction for the NJPHA JIF of 3.79%. Executive Director referred to the professional fees which outlines an increase of 2% which results in a total budget of \$16,006,118 an increase of \$2,135,665 or 15.40%.

In response to Executive Director, Chairman DiVincent commended Executive Director and the Finance Committee for the undertaking of providing the proposed budget. Commissioner Clarke agreed with Chairman stating that it is very challenging to budget within the current environment however we feel the budget is competitive and reflects what we can reasonably estimate at this time; we are in uncharted waters with market as it is today. Executive Director said the proposed budget is inclusive of trended property values until the full property appraisal is complete.

Chairman DiVincent asked if there were any further comments regarding the 2024 budget as introduced; hearing none,

MOTION TO INTRODUCE THE 2024 BUDGET IN THE AMOUNT OF \$16,006,118.00 AND SCHEDULE A PUBLIC HEARING ON TUESDAY, NOVEMBER 14, 2023 AT 3:00 PM AT THE TROPICANA HOTEL/CASINO – TAMBORA ROOM IN THE QUARTER, ATLANTIC CITY, NJ.

MOTION:	Chairman DiVincent
SECOND:	Commissioner Clarke
VOTE:	Unanimous

Residual Claims Fund (RCF)

Executive Director said the public hearing for the RCF 2024 budget is scheduled for October 18, 2023 at the Forsgate Country Club. The report of the meeting will be included in the next agenda. In preparation of the 2024 year, the Fund should nominate its 2024 representative and alternate to the RCF. Currently, Commissioner Sims is the RCF representative, and Commissioner Clarke is the alternate representative.

MOTION TO NOMINATE COMMISSIONER SIMS TO SERVE AS THE FUND'S REPRESENTATIVE TO THE RCF AND COMMISSIONER CLARKE TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE RCF.

MOTION:	Chairman DiVincent
SECOND:	Commissioner Billy
VOTE:	Unanimous

MEL JIF

Executive Director said the MEL's 2024 budget introduction is scheduled for October 18, 2023 at the Forsgate Country Club in Jamesburg NJ. The report of the meeting will be included in the next agenda. In preparation of the 2024 year, the Fund should nominate its 2024

representative and alternate to the RCF. Currently, Commissioner Clarke is the MEL representative, and Chairman DiVincent is the alternate representative.

MOTION TO NOMINATE COMMISSIONER CLARKE TO SERVE AS THE FUND'S REPRESENTATIVE TO THE MEL AND CHAIRMAN DIVINCENT TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE MEL.

MOTION: Commissioner Billy
SECOND: Commissioner Mahon
VOTE: Unanimous

Cyber JIF

Executive Director said the Cyber JIF met yesterday via audio/Zoom; the report of that meeting will be included in the November agenda. Enclosed is a copy of the email issued to Fund Commissioners and Risk Management Consultants outlining next steps for Training/Phishing and External Scanning. D2 has since issued another email to gather Point of Contact information.

The Fund should nominate its 2024 representative and alternate to the Cyber JIF. Currently, Commissioner Clarke is the Cyber JIF representative, and a vacancy for the alternate position is open for consideration.

MOTION TO NOMINATE COMMISSIONER CLARKE TO SERVE AS THE FUND'S REPRESENTATIVE TO THE CYBER JIF.

MOTION: Chairman DiVincent
SECOND: Commissioner Billy
VOTE: Unanimous

At this time, there were no volunteers for the alternative representative to the Cyber JIF.

Department of Banking & Insurance (DOBI)

Executive Director referenced this letter earlier in his report and encouraged members to review. In response to Fund Attorney, Executive Director said as referenced in the letter there was a community within the MEL system that suffered financial loss due to their bad actors infiltrating their computer systems, suffering a loss of \$6.3M in addition to a member authority that followed email direction to forward funding to a new account, by a bad actor. Executive Director emphasized to members that caution must be taken when an email is received, we must question everything.

ADMINISTRATION

Power of Collaboration

Ms. Lopez referred to the latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine. The ad highlights how the MEL Safety Institute (MSI) provides training that meets the needs and work schedules of MEL/JIF members. Training for 2023 are on target to exceed last year's record of 70,000. Thus, resulting in lost-time accident rates for MEL/JIF members being the lowest among municipal employees – a direct benefit measured in reduced workers'.

Fund Commissioner Appointment / Resolutions

Ms. Lopez said the Fund will issue a notice to all members requesting that they appoint a Fund Commissioner to the Fund for the 2024 Fund year prior to the January 10, 2024 reorganization meeting of the Fund.

Treasurers Report

Fund Treasurer referred to the report as distributed reviewing the September Summary of cash transactions, certification and reconciliation of claim payments and summary of cash and investment instruments.

Fund Treasurer also reviewed the bill list;

October Bill List – Resolution #26-23

FUND YEAR	AMOUNT
2023 Year	\$ 183,110.47
Total	\$ 183,110.47

MOTION TO APPROVE RESOLUTION #26-23 OCTOBER 2023 BILL LIST AND THE TREASURERS REPORT AS DISTRIBUTED.

MOTION:	Commissioner Ditomasso
SECOND:	Commissioner Sims
VOTE:	Unanimous

Marketing

In the absence of Marketing Director, Executive Director referred to his report as distributed.

Attorney

Fund Attorney referred to the agenda report as distributed and advised of a matter requiring a closed session to be handled during the end of the meeting releasing parties other than Fund Commissioners/Risk Management Consultants should they wish to leave the premises.

Safety Director

Safety Director referred to the agenda report as distributed noting the loss control and security loss control surveys completed during the month of September, meeting attended, Safety Director Bulletins and Messages as distributed to members via the MSI Newsletter in addition to the number of videos streamed by members through MSI Live. Safety Director also advised of the training schedule now available through year end. Safety Director confirmed the remaining two opportunities to complete the Managers and Supervisors training are October 24, 2023 at 6:30 PM and December 4, 2023 at 9:00 AM, all other training dates have been filled. In response to Commissioner Ditomasso, a second email was issued with correct registration links.

Managed Care

Managed Care provider referred to the monthly report for September which outlined a total of 116 bills received with charges of \$494,734.61 repriced for \$76,439.60 delivering a total savings of \$418,295.01 or 85%. The claims pierced the network at a rate of 97%.

Managed Care provider referred to additional information which outlined the top ten claimants by charges advising of case with lumbar spine injury originally charged \$429,020, however once managed care rates were applied, the total charge was reduced by \$398,087 or 89% to \$46,183.

Claims Administration

Claims Administrator noted that the Claims Committee met this morning reviewing a total of six claims. If there are no questions relating to the claims, on behalf of the Claims Committee recommendation, we respectfully ask for payment authority of claims presented.

**MOTION TO ACCEPT THE RECOMMENDATION OF THE CLAIMS COMMITTEE
AND APPROVE PAYMENT OF THE PARS AS PRESENTED BY THE CLAIMS
ADMINISTRATOR FOR THE MONTH OF OCTOBER.**

FILE	COVG
2023281975	WC
2023300816	WC
2024311744	WC
2021230883	GL
2022256693	GL
2024309388	Prop

MOTION: Commissioner Chubenko
SECOND: Commissioner Ditomasso
VOTE: Unanimous

Old Business

None

New Business

Public Comment

In response to commissioner Stratton, Fund Attorney advised of notice currently being reviewed as received from our Safety Director with respects to lithium batteries and the use of e-bikes.

Executive Session

Yes

**MOTION TO ENTER INTO EXECUTIVE SESSION CONTRACTUAL/MEMBERSHIP
MATTER**

MOTION: Commissioner Billy
SECOND: Commissioner Mahon
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION

MOVED: Commissioner Billy
SECOND: Commissioner Mahon
VOTE: Unanimous

**MOTION TO AUTHORIZE 30-DAY NOTICE OF TERMINATION TO
PLAINFIELD HOUSING AUTHORITY EFFECTIVE OCTOBER 25, 2023.**

MOTION: Chairman DiVincent
SECOND: Commissioner Billy
VOTE: Unanimous

MOTION TO ADJOURN

MOTION: Commissioner Clarke
SECOND: Chairman DiVincent
VOTE: Unanimous

Meeting adjourned at: 11:25 AM

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

Resolution No. 26-23

OCTOBER 2023

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.

<u>FUND YEAR 2023</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<u>CheckNumber</u>			
010002	QUAL-LYNX	MANAGED CARE 10/23	6,749.42
			6,749.42
010003	DECOTHS, FITZPATRICK, COLE & GIBLIN, LLP	ATTORNEY FEES 9/1/23-9/30/23	4,063.00
			4,063.00
010004	QUAL-LYNX	CLAIM ADJ. SERVICES 10/23	19,361.50
			19,361.50
010005	PERMA	POSTAGE 09/23	102.72
010005	PERMA	EXECUTIVE DIRECTOR FEE 10/23	30,895.50
			30,998.22
010006	CONNER STRONG & BUCKELEW	UNDERWRITING MGMT FEE 10/23	1,633.00
			1,633.00
010007	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES 10/23	3,337.66
			3,337.66
010008	NEW JERSEY ASSOC. OF HOUSING & REDEVELOPMENT AUTH.	SPONSOR FEE - 4TH QTR 2023	10,046.36
			10,046.36
010009	ASBURY PARK PRESS	ACCT #ASB-117561 9/30/23 PUBLIC NOTICE	9.68
010009	ASBURY PARK PRESS	ACCT #ASB-117561 9/20/23 PUBLIC NOTICE	6.16
			15.84
010010	EXECU-TECH, INC.	TREASURER FEE - 4TH QTR 2023	20,692.50
			20,692.50
010011	EXECU-TECH, INC.	WEBSITE MAINTENANCE 10/23	200.00
			200.00
010012	NJ ADVANCE MEDIA	ACCT #XNJPU0555207 10/03/23 OCT MEET	20.64
010012	NJ ADVANCE MEDIA	ACCT #XNJPU0555207 9/20/23 TIME CHANGE	12.90
			33.54
010013	WARREN RISK MARKETING, LLC	MARKETING DIRECTOR FEE 10/23	3,155.33
			3,155.33
010014	J.A. MONTGOMERY CONSULTING	SAFETY TRAINING 10/23	3,144.33
010014	J.A. MONTGOMERY CONSULTING	SAFETY DIRECTOR/ LOSS CONTROL 10/23	8,839.25
010014	J.A. MONTGOMERY CONSULTING	RIGHT TO KNOW INV SERVICE 10/23	10,603.75
			22,587.33
010015	ALAMO INSURANCE GROUP, INC	RMC- 2023 NORTH BERGEN HA	22,570.00
			22,570.00
010016	NJ NAHRO	3RD QTR SERVICES 2023	10,046.36
010016	NJ NAHRO	2ND QTR 2023 SERVICES	10,046.36
			20,092.72
010017	ACCESS	DEPT 862 INV 10480709 9/30/23 FOR OCT	74.05
			74.05
010018	ACRISURE, LLC dba REGIONAL RISK MANAGERS	RMC FEE 2023- BERGEN COUNTY HA 10/23	17,500.00
			17,500.00
		Total Payments FY 2023	183,110.47
		TOTAL PAYMENTS ALL FUND YEARS	183,110.47