



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

**Board of Trustees Meeting Minutes of October 20, 2021
(Ratified at the Board of Trustees Meeting on November 17, 2021)**

New Jersey Schools Insurance Group's Board of Trustees Meeting of October 20, 2021 took place at NJSIG's office, located at 6000 Midlantic Drive, Suite 300 North, Mount Laurel, New Jersey 08054, and by video teleconference.

ATTENDEES

Participants: David Rapuano, Esq. of *Archer*, Jay Lynch of *Alliant/Boynton*, Latonya Brennan of *Arthur J. Gallagher & Co.*, Alfred Kirk of *Conner Strong*, Jack Zisa of *Regional Risk Managers*, James Ridgway of *J Byrne Insurance Agency, Inc.*, Dennis Skalkowski of *Bowman and Company*, Jim Miles of *Bowman and Company*, Phil Williams of *Alliant*, Stacy Mina of *Willis Towers Watson*;

NJSIG Staff: Jill Deitch, Esq., *Executive Director*, Michele Carosi, *Chief Financial Officer*, Chris Cozine *Database Supervisor*, Claire King, *Underwriting Manager*, Debra Rice, *Safety and Risk Control and Client Relations*, Sherwin Archibald, *Claims Manager*, Stephen Tucker, Esq., *General Counsel*, Beth Ferlicchi, Esq., *Assistant General Counsel*, Renee Johnson-Payne, *Executive Assistant*, Lauren Schilling, *Marketing and Communication Specialist*, Ivy Davis, *Sr. Business Development Specialist*, Michael Weiner, *Medical Claims Supervisor*, Leslie McMahon, *Actuarial Analyst*, Anthony Fernandez, *Claims Examiner*, Joseph Semptimphelter, *Sr. Business Development Specialist*, Sameer Sarfraz, *Sr. Safety and Risk Control Rep.*, Joanne Gunter, *Sr. Safety and Risk Control Coordinator*, Jacquie Godfrey, *Safety and Risk Control Coordinator*;

ITEM #1 CALL TO ORDER

Pursuant to N.J.S.A. 10:4-10, with a quorum present, the meeting was called to order at approximately 10:00 a.m. In accordance with the Sunshine Law and N.J.S.A. 10:4-10, due notice of this meeting was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on July 28, 2021. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Stephanie Brown, Ed.D.	–	Present
Richard Casey	–	Present
Christopher Carrubba	–	Present
Irene Le Febvre	–	Present
Joseph Meloche, Ed.D.	–	Present
Steven K. Robinson	–	Present
Chris Russo, Ed.D.	–	Absent
Josephine Sharpe	–	Present
Dana Sullivan	–	Present

*10:09 a.m. Russo joined the meeting, but did not participate in any votes.

ITEM #3 ACCEPTANCE OF THE PUBLIC SESSION MINUTES OF SEPTEMBER 15, 2021.

Action Taken: M (Robinson)\ S (Sullivan)\ Carried (Affirmative Votes = Casey, Carrubba, Le Febvre, Meloche, Robinson, Sharpe, Sullivan) to accept the September 15, 2021 public session and closed (executive) session Board of Trustees meeting minutes.

ITEM #4 PUBLIC PARTICIPATION

There was no public participation.

ITEM #5 SUB-FUND LIAISONS – Reports/Comments

Jack Zisa of Regional Risk Managers representing NJEIF noted that the joint cyber security training initiative was a great success, and thanked Latonya Brennan for taking the lead in coordinating the training. Sullivan noted that the date of the training conflicted with a New Jersey Association of School Business Officials training event, and requested that in the future dates be coordinated for sub-fund meetings so as to avoid conflicts where possible.

Latonya Brennan of Arthur J. Gallagher & Co. representing ERIC North thanked everyone for their participation in the cyber training, and noted there is a recording available for anyone who was unable to attend.

Al Kirk from Connor Strong representing ERIC South and BACCEIC noted the success of the separate cyber training event conducting for the ERIC South and BACCEIC sub-funds. Kirk also noted that they will be trying out a new cyber security product with the sub-funds beginning in November from NetDiligence.

Jay Lynch from Alliant Insurance Services / Boynton representing MOCSSIF noted the success of the cyber training.

Jim Ridgway from J. Byrne Agency representing CAIP noted the difficulties in the cyber insurance market.

ITEM #6 REPORTS:

A. Executive Director's Report

Jill Deitch, Executive Director, provided an overview of her report and the agenda for the rest of the meeting.

B. Accounting/Finance Report

Michele Carosi, Chief Financial Officer, provided an overview of her report and an update on the status of the department

C. Client Relations and Safety and Risk Control Report

Deb Rice provided an overview of her report and an update on the status of the department.

D. Underwriting Report

Claire King, Underwriting Manager, provided an overview of her report and an update on the status of the department. Specifically noted we only have the cyber policy outstanding to be provided to members.

E. Claims Report

Sherwin Archibald, Claims Manager, provided an overview of his report and an update on the status of the department. Archibald also provided a general update on claims trends within the organization comparing year over year activity. Archibald noted the return to normal pre-COVID-19 claims levels.

F. Information Technology Report

Jeff Cook, Information Systems Manager, provided an overview of his report and an update on the status of the department.

ITEM #7 DISCUSSION ITEMS

A. Cyber coverage – SIR/pass-through coverage

Discussion item presented by Deitch and Stacy Mina of Willis Towers Watson. Deitch began presentation noting the basic options for the organization. Deitch noted an actuary is necessary to hold a self-insured retention for cyber liability risk. Willis Towers Watson provided a quote to perform this analysis, which was \$30,000 to \$50,000. Mina explained why this type of new analysis is difficult, explaining the volatility of the claims activity and why this makes prediction of future losses difficult. Williams from Alliant also presented on the current state of the cyber insurance market. Brennan noted that she believes many of her members are going to lose their primary cyber policy in the upcoming renewal, and would hope there is some offering with lower deductibles in 2021/2022. Le Febvre inquired as to whether any members had reached out. Deitch indicated no, no members have reached out. Le Febvre expressed interest in a survey of the members. Meloche, Sullivan, Casey all expressed interest in exploring this option.

B. NJSIG return to office

Discussion item presented by Deitch. Deitch noted NJSIG staff returned to the office a minimum of two days per week beginning September 13, 2021. Deitch noted that NJSIG is going to explore the creation of a remote work policy independent of the COVID-19 pandemic.

C. Refund of member contributions due to COVID-19

Discussion item presented by Deitch. Deitch summarized the current state of the 2020/2021 COVID-19 initial member refund project and noted that the approved annual audit report is the final component necessary to submit NJSIG's request to the Department of Banking and Insurance. Deitch noted she will keep the Board up to date on the process.

D. NJSIG internal operations policy modification process

Discussion item presented by Deitch. Deitch noted that in the future, she will present all possible internal operating procedure modifications to the personnel committee before presenting them to the full Board of Trustees.

ITEM #8 ACTION ITEMS:

A. Financial Audit 6/30/21 (NJSIG No. 1021-1)

Presentation of the written report of Bowman & Company by Carosi, Miles and Skalkowski.

Action Taken: M (Le Febvre)\ S (Meloche)\ Carried (Affirmative Votes = Brown, Casey, Carrubba, Le Febvre, Meloche, Robinson, Sharpe, Sullivan) to adopt the audit reported dated October 12, 2021 as presented. No opposition or abstentions.

B. Checking accounts and new claims ratification (NJSIG No. 1021-2)

Action Taken: M (Robinson)\ S (Casey)\ Carried (Affirmative Votes = Brown, Casey, Carrubba, Le Febvre, Meloche, Robinson, Sharpe, Sullivan) to ratify the claims account check register, operating account check register, and new claims report as presented. No opposition or abstentions.

ITEM #9 NEW BUSINESS

There was no new business.

ITEM #10 CLOSED (EXECUTIVE) SESSION

WHEREAS, N.J.S.A. 10:4-6 et. seq., (“the Open Public Meetings Act”), authorizes public entities to meet in closed (executive) session under certain circumstances; and

WHEREAS, the Open Public Meetings Act requires that the Group adopt a resolution at a public meeting to go into private session; now, therefore,

BE IT RESOLVED by the Board of Trustees of the New Jersey Schools Insurance Group that it is necessary to meet in closed (executive) session to discuss certain items involving:

- A. Litigation;
- B. Matters involving attorney client privilege; and/or
- C. Matters involving pending contract negotiation; and/or
- D. Matters involving terms and conditions of employment of current public employee

BE IT FURTHER RESOLVED that any discussion held by the Board of Trustees which need not remain confidential will be made public as soon as feasible. The minutes of the closed (executive) session will not be disclosed until the need for confidentiality no longer exists.

FURTHER RESOLVED that the Board of Trustees will return to open session to conduct business at the conclusion of the closed (executive) session.

Action Taken: M (Sullivan)\ S (Meloche)\ Carried (Affirmative Votes = Brown, Casey, Carrubba, Le Febvre, Meloche, Robinson, Sharpe, Sullivan) to enter closed (executive) session at approximately 10:59 a.m. No opposition or abstentions.

A. Claims

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

B. Addendum to Executive Director contract (NJSIG No. 1021-3)

[REDACTED]

Action Taken: M (unknown)\ S (unknown)\ Carried (Affirmative Votes = Brown, Casey, Carrubba, Le Febvre, Meloche, Robinson, Sharpe, Sullivan) to exit closed (executive) session at approximately 12:03 p.m. No opposition or abstentions.

ITEM #11 ADJOURN MEETING

Action Taken: M (unknown)\ S (unknown)\ Carried (Affirmative Votes = Brown, Casey, Carrubba, Le Febvre, Meloche, Robinson, Sharpe, Sullivan) to adjourn the meeting at approximately 12:03 p.m.