



New Jersey Schools Insurance Group
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Board of Trustees Meeting of June 17, 2020
Board of Trustees Meeting Minutes of May 20, 2020

New Jersey Schools Insurance Group's (NJSIG) Board of Trustees Meeting of May 20, 2020 at NJSIG's Mount Laurel office.

ATTENDEES

Trustees: Stephanie Brown, Ed. D., Thomas F. Connors, Ph.D., Irene Le Febvre, Joseph Meloche, Ed. D., Steven Robinson, Chris Russo, Ed. D. and Dana Sullivan

Participants: David Rapuano, Esquire of *Archer* and Phil Williams of *Willis Re*

NJSIG

Staff: Jill Deitch, *Executive Director*, Michele Carosi, *Chief Financial Officer*, Jeff Cook, *Information Systems Manager*, Debra Rice, *Client Relations/ Safety and Risk Control Manager*, Claire King, *Underwriting Manager*, Sherwin Archibald, *Claims Manager*, Stephen Tucker, *General Counsel*, Beth Ferlicchi, *Assistant General Counsel*, and Renee Johnson-Payne, *Executive Assistant*

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 4:03 p.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 February 27, 2020. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Stephanie Brown, Ed.D.	√	Irene LeFebvre	√	Christopher Russo, Ed,D	√
Thomas F. Connors, Ph.D.	√	Joseph Meloche, Ed.D.	√	Josephine Sharp	A
James J. Jencarelli, Jr.	A	Steven Robinson	√	Dana Sullivan	√

ITEM #3 ACCEPTANCE OF THE PUBLIC SESSION AND EXECUTIVE SESSION MINUTES OF MARCH 9, 2020.

Action Taken: M (Meloche)\ S (Connors)\ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Robinson, Russo, Sullivan) to accept the March 9, 2020 public session and executive session Board of Trustees meeting minutes.

ITEM #4 PUBLIC PARTICIPATION

There was no public participation.

ITEM #5 SUB-FUND LIAISONS – Reports/Comments

There were no sub-fund liaisons.

ITEM #6 REPORTS:

A. Executive Director:

Jill Deitch, Executive Director provided an overview of her report and an update on the status of NJSIG. NJSIG has moved almost the entirety of its operations to remote working, due to a series of Executive Orders issued by the Governor in response to the SAR-CoV-2/COVID-19 pandemic. A few employees report to the office twice a week in order to ensure continuity of operations and payments to members, claimants, and vendors. The transition was seamless with no interruption of service to the members. A record is kept of which employees are in the office at what times, in the event the information is needed for contact tracing. She complimented the efforts of the staff.

Jill Deitch discussed the most recent memorandum to the staff regarding NJSIG’s response to the COVID-19 situation. The memorandum outlines the pertinent portions of the Executive Orders and explains the internal

procedures put in place to respond to the pandemic, in turns of workplace safety, leave time procedures, and working remotely. NJSIG will continue to follow the guidance issued by the Governor's office on when and how the staff will begin to return to the office safely.

Jill Deitch highlighted a series of member communications addressing how NJSIG and its partners will address the SARS-CoV-2/COVID-19 situation.

Due to COVID-19, the NJSBA's new board member orientation was rescheduled to the end of August 2020.

The reinsurance rates have been finalized with rates being more favorable than anticipated. Since the rates were determined, the Underwriting department began distributing quotes for new and existing members.

Jill Deitch and Michele Carosi, Chief Financial Officer met with the finance committee on May 6, 2020 to discuss NJSIG's 2020-2021 budget.

NJSIG members and brokers have voiced concerns about commercial carriers returning premiums because of COVID-19. NJSIG recognizes the significant changes in the schools' operations during this time and wants to do its part to ease the financial burden facing its membership.

Lastly Jill Deitch discussed NJSIG's surplus. Our surplus pays all claims made and is a buffer in the event of unanticipated adverse claims. If we had insufficient funds to pay for claims made we would be required to assess the districts. Our main goal is to keep our coverage offerings as cost-effective as possible. The last actuarial study to determine the reasonableness of the surplus was in 2016. Jill Deitch requested quotes from several actuaries to determine what the cost would be to perform a surplus study.

A question was posed about whether or not the surplus could be used to offset the premiums for the members. A discussion ensued and the result was that a special committee of the Trustee business administrators would meet with the Executive Director, General Counsel, Chief Financial Officer, and Underwriting Manager to address this issue in more detail.

B. Chief Financial Officer:

Michele Carosi, Chief Financial Officer, provided an overview of her report and an update on the status of her department. She updated the Trustees on the 2020-2021 budget preparation, and the 2019 grant allocations analysis. She also reported that some of her staff are considered essential, and they report to the office 1-2 times each week to deposit checks and make certain all required payments are made.

C. Client Relations and Safety and Risk Control Manager:

Debra Rice, Client Relations and Safety and Risk Control Manager, provided an overview of her report and an update on the status of her department. She reported as of May 20, 2020 291 applications have been received. Her department's transition to working remotely was very smooth. The team has been very busy. They put together a full curriculum for next year's trainings, and they contacted every Business Administrator in the membership.

D. Underwriting Manager:

Claire King, Underwriting Manager, provided an overview of her report and an update on the status of her department. She reported that the renewal process is running smoothly, with her staff working 10-12 hour days. The Underwriting, IT and Accounting Departments worked together to automate paper processes that are working very well.

E. Information Technology Manager:

Jeff Cook, Information Systems Manager, provided an overview of his report and an update on the status of his department. He complimented his staff on getting everyone online and working remotely with very little issue.

F. Claims Manager:

Sherwin Archibald, Claims Manager, provided an overview of his report and an update on the status of his department. He reported a significant decrease in new claims in automobile liability and workers' compensation, when comparing 2019 to 2020; however, there was not a significant decrease in property claims. He also detailed a workers' compensation favorable outcome.

ITEM #7 DISCUSSION ITEMS

A. Actuarial study of surplus

Jill Deitch addressed the actuarial study of surplus in her Executive Director report.

B. Return of member contribution in light of COVID-19

Jill Deitch addressed the possible return of member contributions in light of the COVID-19 situation in her Executive Director report.

C. Sponsorship: NJSBA Virtual Conference Oct. 20-22, 2020

Debra Rice announced the New Jersey Schools Association Workshop 2020 will be virtual this year. NJSIG plans to continue our sponsorship of the workshop at a cost of \$15,000 with a savings of approximately \$45,000 by going virtual. The Trustees were in support of continued sponsorship of the workshop.

D. Incident reporting initiative

Debra Rice discussed NJSIG's incident reporting system and the results of her department's efforts to provide value to the membership.

Lauren Schilling, Communications Specialist, presented a new incident reporting initiative developed by NJSIG employees. The solution is an emergency contact 11"x17" poster that can be customized and printed by each member through Microsoft Publisher.

E: Trustee Nominations

Prior to the June meeting, Jill Deitch will advise the Trustees of whose terms are expiring. Trustee terms and renewal will be included as part of the June 2020 Board package.

ITEM #8 ACTION ITEMS:

A. 2020-2021 Budget – First Reading

Jill Deitch described her philosophy of the budget. Michele Carosi will invite Wilmington Trust to the September meeting.

Action Taken: M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Robinson, Russo, Sullivan) to approve the 2020-2021 Budget as presented for a first reading.

B. 2020-2021 Plan of Risk Management – First Reading

Action Taken: M (Robinson) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Robinson, Russo, Sullivan) to approve the 2020-2021 Plan of Risk Management as presented for a first reading.

C. 2020-2021 Meeting Dates – First Reading

Steven Robinson, Trustee requested the June 17, 2020 meeting time be move to 10:00 am. All Trustees were in agreement with the time change on June 17, 2020. Also proposed moving the October meeting date from October 19, 2020 to October 14, 2020.

Action Taken: M (Russo) \ S (Robinson) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Robinson, Russo, Sullivan) to approve the 2020/2021 Meeting Dates for a first reading with the October meeting date changed to October 14, 2020.

D. Checking Accounts & New Claims Ratification

Action Taken: M (Le Febvre) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Robinson, Russo, Sullivan) to approve and ratify the checks and new claims which have been issued from accounts XXXXXXXX210 (operating account) and XXXXXXXX229 (claim account) for the period of 5/1/2020 to 5/30/2020 as shown in the online (Microscribe) version of the meeting package.

E. Educational Assistance Plan Policy – First Reading

Michele Carosi detailed the extensive changes made to the tuition reimbursement policy. The policy was updated to be in compliance with the Internal Revenue Code Section 127. She solicited questions and/or recommendations.

Action Taken: M (Sullivan) \ S (Russo) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Robinson, Russo, Sullivan) to approve the Educational Assistance Plan policy as presented for a first reading.

F. Contracting:

1. School employee training services

Action Taken: M (Russo) \ S (Brown) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Robinson, Russo, Sullivan) to award the contract for school employee and official training services to Scenario Learning, LLC d/b/a Vector Solutions based on the results of the committee's evaluation.

2. Temporary and direct hire services

Action Taken: M (Russo) \ S (Le Febvre) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe, Sullivan) to designate a Primary, Secondary and Tertiary award to the vendors identified in the accompanying resolution.

3. Independent medical examination services

Action Taken: M (Meloche) \ S (Connors) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe Sullivan) to award the contract for independent medical examination services to ExamWorks Group, Inc. and IMX Medical Management Services, Inc. based on the results of the procurement process, and these service providers' demonstrated service to NJSIG.

4. Excess and reinsurance for the 2020-2021 policy year

Action Taken: M (Russo) \ S (Connors) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe Sullivan) to award contracts for excess and reinsurance for the 2020-2021 policy year to the insurance entities identified in the accompanying resolution.

ITEM #9 NEW BUSINESS

There was no new business.

ITEM #10 EXECUTIVE SESSION

Action Taken: M (Sullivan) \ S (Le Febvre) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe, Sullivan) to go into executive session to discuss matters of Attorney Client Privilege. 5:04 pm.

Jill Deitch

Jill Deitch, Esq.
Executive Director