



New Jersey Schools Insurance Group

6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
(609) 386-6060 • FAX (609) 386-8877
www.njsig.org

Board of Trustees Meeting of October 24, 2017 Board of Trustees Meeting Minutes of September 20, 2017

New Jersey Schools Insurance Group's (NJSIG) Board of Trustees Meeting of September 20, 2017 at NJSIG's Marlboro office.

ATTENDEES

Trustees: Thomas F. Connors, Irene Le Febvre, Joseph Meloche, Gerald North, Christopher Russo, Steven Robinson, and Dana Sullivan.

Participants: David Rapuano, Esquire representing *Archer & Greiner*, Stacy Mina representing *Willis Towers Watson*; Dave Ritch representing *Willis Re*; Jay Lynch, Sub-fund Administrator representing *MOCSSIF*; and John Csatlós, Sub-fund Liaison representing *ERIC West*.

NJSIG

Staff: William Mayo, *Executive Director*; Michele Carosi, *Comptroller*; Jill Deitch, *Chief Legal Officer*; Stephen Tucker, *Assistant General Counsel*; Kelly Machu, *Underwriting/Client Relations Manager*; Anthony Ruggeri, *Claims Manager*; Jeffrey Cook, *Information Systems Manager*; and Renee Johnson-Payne, *Executive Assistant*.

ITEM #1 CALL TO ORDER

With a quorum present, the meeting was called to order at 3:31 p.m. In accordance with the Sunshine Law, due notice of all pending meetings was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on September 6, 2017. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Thomas F. Connors, Ph.D.	√	Gerald North	√
James J. Jencarelli, Jr.	A	Steven K. Robinson	√
Irene Le Febvre	√	Christopher Russo, Ed. D	√
Joseph Meloche	√	Dana Sullivan	√



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ITEM #3 EXECUTIVE SESSION

EXECUTIVE SESSION

EXECUTIVE SESSION RESOLUTION

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

- 3A. Litigation;
- 3B. Matters involving attorney client privilege;

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 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 executive session.

Action Taken: M (Connors) | S (Robinson | C (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to close open session at 3:33p.m. and move meeting into executive session.

Action Taken: M (Meloche) | S (Robinson | C (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to move meeting to open session at 5:19p.m. and close executive session.



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ITEM #9 ACTION ITEM:

A. Willis Towers Watson – Reserve Study

Stacy Mina, Towers Watson, conducted a presentation and discussion relative to estimating liabilities, allocated loss adjustment liabilities and unallocated loss adjustment liabilities as of 6/30/17 and potential implications for the 2017/2018 program year.

She explained how and why the 65% confidence level of estimated ultimate unpaid loss is \$210,135,000 and unallocated loss adjustment liabilities is \$8,800,000 in the reserve study of June 30, 2017 dated September 6, 2017.

Action Taken: M (Connors) | S (Robinson) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to approve the reserve study as presented in the WTW's draft and presentation at the September 20, 2017 meeting and adopt the 65% confidence level estimates of ultimate unpaid loss and ALAE liability and the ULAE liability from the WTW reserve study of June 30, 2017. The 65% confidence level estimates are \$210,135,000 for the unpaid loss and ALAE liability and \$8,800,000 for the ULAE liability.

ITEM #11 ACTION ITEMS

A. Safety Grant

Action Taken: M (Robinson) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to approve a \$8.5 million safety grant to be expensed from the 2016/2017 fund year for future safety grant awards to be distributed to the NJSIG members of record in the respective future years as follows: \$4 million safety grant distributed after 07/01/2018 to NJSIG 2016/2017 members of record as of 7/01/2018; \$1.5 million distributed after 07/01/2019 to NJSIG 2017/2018 members of record as of 07/01/2019; \$1.5 million distributed after 07/01/2020 to NJSIG 2018/2019 members of record as of 07/01/2020; and \$1.5 million distributed after



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07/01/2021 to NJSIG 2019/2020 members of record as of 07/01/2021.

B. Resolution Appointing Designated Representative to AGRiP

Action Taken: M (Sullivan) | S (Connors) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) WHEREAS NEW JERSEY SCHOOLS INSURANCE GROUP desires membership in the ASSOCIATION OF GOVERNMENTAL RISK POOLS; and WHEREAS, the organizational By-Laws of the ASSOCIATION OF GOVERNMENTAL RISK POOLS requires the governing Board of a Regular Member to appoint a Designated Representative who shall vote on matters on behalf of the Regular Member;

NOW, THEREFORE, BE IT RESOLVED by the governing board of the New Jersey Schools Insurance Group that it appoints Stephen Tucker, Esquire, Assistant General Counsel to be NJSIG's designated representative to the Association of Governmental Risk Pools.

C. Contracting

1. Office Supplies

Action Taken: M (Connors) | S (Robinson) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to authorize NJSIG to participate in State of New Jersey, cooperative purchasing contract number 15-x-23609, index number T0052, for the procurement of office supplies through W.B. Mason Company, Incorporated.

2. School employee and official training services

Action Taken: M (Russo) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to award a contract for school employee and official training services to Scenario Learning, LLC and Educational Development Software, LLC based on the results of the committee's evaluation.



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3. Workers' compensation managed care services

Action Taken: M (Russo) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to award a contract for workers' compensation managed care services to QualCare, Inc. based on the results of the committee's evaluation.

4. Tax Audit

Action Taken: M (Connors) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to award a contract for tax auditing servicing to Nisivoccia, LLP for a duration of twelve months for an amount not to exceed \$25,000.

C. Checking Accounts and New Claims

Action Taken: M (Russo) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, 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 6/1/2017 to 8/31/2017 as shown in the online (Microscribe) version of the meeting package.

D. Wilmington Trust Resolutions

Action Taken: M (Russo) | S (Robinson) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to adopt the two Wilmington Trust resolutions that designate the officers of NJSIG that are authorized to transact on behalf of NJSIG and affirming that the Executive Director has the authority to conduct transactions.

ITEM #4 TRUSTEE NOMINATION:

3A. NJSBA Southern Board Member – Anthony Grafton

Action Taken: M (Connors) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Russo, Sullivan)



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to approve the NJSBA appointment of Anthony Grafton as the southern board member representative for the term 9/20/17 to 6/30/20.

ITEM #5 ACCEPTANCES OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF JUNE 21, 2017.

Action Taken: M (Connors) | S (Robinson) | Abstention (Grafton, Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, North, Robinson, Sullivan) to accept the June 21, 2017 Public Session Board of Trustees Meeting Minutes.

ITEM #6 PUBLIC PARTICIPATION

There was no public participation.

ITEM #7 SUB-FUND LIAISONS – Reports/Comments

Jay Lynch, MOCSSIF Sub-fund Administrator, reported MOCSSIF set their meeting schedule for 2017/2018. The first meeting is scheduled for December, the next meeting is planned for March. MOCSSIF along with ERIC North is planning the annual joint training meeting for May.

John Csatlos, ERIC West Sub-fund Liaison, thanked the Board for the safety grant awards. He also reported the training at the ERIC West meeting was very informative.

ITEM #8 REPORTS

A. Executive Director's Report

William Mayo, Executive Director, introduced an initiative to have each manager provide a very brief presentation of their departments', current projects and challenges.

B. Comptroller

Comptroller, Michele Carosi, reported the financial auditors will be attending the October meeting to present the 6/30/17 financial audit.



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C. Client Relations and Underwriting Report

Kelly Machu, Client Relations and Underwriting Manager, had nothing to add to her written report, but offered to answer questions.

D. Claims Report

Tony Ruggeri, Claim Manager, reported on the favorable claim audit results.

E. Information Technology

Jeff Cook, Information Technology Manager, reported on the implementation of the new claims system.

ITEM #10 DISCUSSION ITEMS

A. Risk Based Capital/Surplus Study Guideline as of 6/30/17

Comptroller, Michele Carosi, explained the details of risk-based capital and total adjusted capital how it was derived and its uses.

ITEM #12 NEW BUSINESS

There was no new business.

Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, North, Robinson, Sullivan) to adjourn meeting at 5:50 p.m.

William Mayo

William M. Mayo, CPCU, ARM
Executive Director