



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 25, 2016 Board of Trustees Meeting Minutes of September 21, 2016

New Jersey Schools Insurance Group's Board of Trustees Meeting of September 21, 2016 at the Group's Mount Laurel office.

ATTENDEES

Trustees: Thomas F. Connors, Irene Le Febvre, Steven Robinson, Christopher Russo, Tyler Seville, and Dana Sullivan

Participants: Frank Domin, Jr., Sub Fund Liaison representing BACCEIC, David Rapuano, Esquire representing Archer & Greiner, Dave Ritch representing Willis Re, Stacy Mina and Ann Conway representing Willis Towers Watson.

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Staff: William Mayo, Executive Director; Michele Carosi, Comptroller; Jeffrey Cook, Information Technology Manager; Jill Deitch, Chief Legal Officer; Anthony Jones, Loss Control Manager; Kelly Machu, Client Relations and Underwriting Manager; Anthony Ruggeri, Claims Manager; Chai Respes, Human Resource Manager; and Renee Johnson-Payne, Executive Assistant.

ITEM #1 CALL TO ORDER

With a quorum present, the meeting was called to order at 4:10 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 August 11, 2016. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Thomas F. Connors, Ph.D.	ç	Christopher Russo, Ed. D	ç
James J. Jencarelli, Jr.	A	Tyler Seville	ç
Irene Le Febvre	ç	Dana Sullivan	ç
Steven K. Robinson	ç		

ITEM #3 TRUSTEE NOMINATION:

3A. NJASA Southern – Dr. Joseph Meloche

Action Taken: *M (Robinson) | S (Seville) | Carried (Affirmative Votes = Connors, Le Febvre, Robinson, Russo, Seville, Sullivan) to approve the NJASA nomination of Dr. Joseph Meloche as the southern Superintendent representative for the term 9/21/16 to 6/30/19.*



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William Mayo, Executive Director and Irene Le Febvre, Chairperson, welcomed Dr. Joseph Meloche to the Board of Trustees.

ITEM #4 ACCEPTANCES OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF JUNE 15, 2016.

Action Taken: M (Seville) | S (Robinson) | Abstentions (Sullivan, Meloche) | Carried (Affirmative Votes Connors, Le Febvre, Robinson, Russo, Seville) to accept the June 15, 2016 Public and Executive Session Board of Trustees Meeting Minutes.

ITEM #5 PUBLIC PARTICIPATION

Action Taken: M (Connors) | S (Russo) | Carried (Affirmative Votes Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to open the public session for public participation.

Action Taken: M (Connors) | S (Robinson) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to close the public session for public participation.

ITEM #6 SUB FUND LIAISONS – Reports/Comments

Frank Domin, Jr., BACCEIC Liaison reported on BACCEIC's pre-meeting agenda. He highlighted BACCEIC's goals and the importance of member participation.

ITEM #7 REPORTS

Executive Director, William Mayo, reported the Group has had a healthy renewal season in spite of the Group's staff spending thousands of hours over the last eighteen months working through countless audits. He recognized and commended all departments for their effort and professionalism this renewal season.

Michele Carosi, Comptroller, reported favorably on the preliminary 6/30/16 audit results. The preliminary net change in position is \$13.9 million before any safety grant declaration. The surplus is increased to \$71.2 million the positive results were primarily the result of overall favorable claims experience.

Kelly Machu, Client Relations and Underwriting Manager, reported thirteen new members joined the Group. They were off July 1st renewals.

Tony Ruggeri, Claims Manager, reported the claims have gone significantly in the last six months.



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Chai Respes, Human Resource Manager, reported he will be going out to the Tuckerton School District on September 29, 2016 to present with Jim Gabrieli, Loss Control Representative.

ITEM #8 ACTION ITEMS:

A. Willis Towers Watson – Reserve Study

Ms. Mina, Towers Watson, conducted a presentation and discussion relative to estimating liabilities, indicated loss and allocated loss adjustment liabilities as of 6/30/16 and potential implications for the 2016/2017 program year.

Ms. Mina explained how and why they calculated the 65% confidence level of central estimated ultimate liability amount of \$217,262 million in the reserve study of June 30, 2016 dated September 7, 2016.

Action Taken: M (Russo)\ S (Robinson)\ Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to approve the reserve study as presented in the September 7, 2016 draft and adopt the 65% confidence level estimate of ultimate liabilities from the WTW reserve study of June 30, 2016. The 65% confidence level estimate is \$217,262 million.

B. Sigma Consulting – Risk Base Capital

Action Taken: M (Russo)\ S (Robinson)\ Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to accept the 6/30/2016 Sigma Actuarial Consulting Group study. Each year-end, until a new surplus study is performed, NJSIG should adopt the methodology that the NJSIG member equity (surplus) target threshold should minimally meet the adapted RBC value (as determined by Sigma), including a yearly inflation factor (as measured by the Consumer Price Index and published by the Bureau of Labor Statistics), times the RBC ratio range of 2.15 – 3.36 (as determined by Sigma). The Group's adapted RBC is to be evaluated at a minimum of every five years by an independent firm.

ITEM #9 DISCUSSION ITEMS:

A. Trustee Committee Appointments

Irene Le Febvre, Chairperson, presented the Trustee Committee Appointments of the policy, finance, personnel, and claims committees.



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B. Banking, Custodial and Asset Management RFP Respondents

Action Taken: M (Sullivan) | S (Robinson) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to approve Investors Bank and Wilmington Trust for NJSIG's Banking, Custodial and Asset Management Services.

ITEM #10 ACTION ITEMS:

A. Safety Grant

Action Taken: M (Russo) | S (Robinson) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to approve \$3.0 million to be expended from the 2015/2016 fund year for future safety grant awards. This award is to be distributed after 7/1/2017 to NJSIG 2015/2016 members of record as of 7/1/2017.

B. 2016/2017 Meeting Dates

Action Taken: M (Connors) | S (Robinson) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to approve the updated 2016/2017 meeting dates schedule.

C. Checking Accounts & New Claims Ratification

Action Taken: M (Seville) | S (Connors) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to approve and ratify the checks and new claims which have been issued from accounts XXXX392 (operating account) and XXXX555 (claim account) for the period of 6/1/2016 to 8/31/2016.

ITEM #11 NEW BUSINESS

There was no new business.

ITEM #12 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

10/11/16



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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:

12A. Litigation;

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

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 (Robinson) | S (Seville) | C (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to make a motion to close open session at 5:10 p.m. and move meeting into executive session.

Action Taken: M (Robinson) | S (Connors) | C (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Russo, Seville, Sullivan) to adjourn meeting at 6:30 p.m.

William Mayo

William M. Mayo, CPCU, ARM
Executive Director