

MORRIS ESSEX INSURANCE GROUP

LUNCHEON MEETING

THURSDAY, OCTOBER 11, 2018

12:00 NOON

CAFFE NA VONA

(973-627-1606)

(DIRECTIONS ON LINE)

WWW.CAFFENAVONA.COM

The New Jersey Open Public Meetings Act was enacted to ensure the right of the public to have advance notice and to attend the meetings of public bodies at which any business affecting their interest is discussed or acted upon. In accordance with the provisions of the act, the Morris Essex Insurance Group approved this meeting date at its organization meeting of June, 2018.

RSVP IF YOU CANNOT ATTEND

MORRIS ESSEX INSURANCE GROUP

THURSDAY, OCTOBER 11, 2018

AGENDA

- I. Roll Call

- II. Approval of the June 14, 2018 Minutes
 - *MOTION TO APPROVE THE MINUTES OF JUNE 14, 2018*
MOVED:
SECOND:
VOTE:

- III. Treasurer's Report
 - A. Approval of the Treasurer's Report and Bills List
 - *MOTION TO APPROVE TREASURER'S REPORT FOR JUNE, JULY AUGUST, AND SEPTEMBER 2018 AND BILLS LIST*
MOVED:
SECOND:
VOTE:

- IV. Executive Director's Report
 - A. Workers Compensation, Paid and Reserved
 - B. Payroll Audit: 2017-2018 - MEIG Payroll Template (will be sent electronically)
**** Payroll Information Due on or before December 1, 2018**
 - C. Meeting Dates:
 - December 12, 2018
 - March 20, 2019
 - June 13, 2019
 - D. Cyber Liability and \$30 Million Excess is offered to all Fund Members

MORRIS ESSEX INSURANCE GROUP

THURSDAY, OCTOBER 11, 2018

V. Presentations/Inservco Claim Services:

- Monica Lynch, Kinematic Consultants, Functional Capacity Exams
- Nate Reber, Prime Source, WC Surveillance
- Distribute and Review Annual Claims Binder

VI. Professional Reports

A. Willis

1. Review of All Lines
2. Distribute Policy Books

B. First MCO

1. Status Report

C. Attorney Report/John Tort, Esq.

VII. Safety Report

A. Mike Halik, Chair

B. Mike Berta, Safety Consultant

- Safety Committee will be scheduling a meeting in October

VIII. OLD Business

- Membership Renewals 2019

2016-2019

West Morris Reg.

Hanover Twsp.

Verona

Mine Hill

Roseland

Morris Co. School of Tech.

2018-2021

Washington Twp

Dover

Mt. Lakes

Mt. Arlington BOE

Ed Services of Morris Co

2017-2020

Madison

West Essex Reg.

Glen Ridge

Mendham Twp.

N. Caldwell

Long Hill

IX. New Business

- Vendor Presentations

X. Meeting Adjourned

**MORRIS ESSEX INSURANCE GROUP
MINUTES
BOARD OF TRUSTEES MEETING
JUNE 14, 2018**

The June 14, 2018 Board of Trustees meeting of the Morris Essex Insurance Group was called to order 12:00 Noon, by the Chairperson, Liz George, at Café NaVona in Rockaway, NJ.

ROLL CALL OF TRUSTEES:

CHAIRPERSON

Liz George	WASHINGTON TWSP	PRESENT
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VICE CHAIR

Vanessa Wolsky	HANOVER TWSP	PRESENT
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SECRETARY

Cheryl Nardino	VERONA	PRESENT
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Susan Young	MCS of TECHNOLOGY	PRESENT
Doug Pechanec	WEST MORRIS REG	PRESENT
Catarina Bilotta	ED SERVICES OF MO CO	PRESENT
Michael Halik	NORTH CALDWELL	PRESENT

Alternate

Catherine Jenisch	DOVER BOARD	ABSENT
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MEMBERS

JULIE KOT	ROSELAND BOARD	ABSENT
PETER CAPRIO	GLEN RIDGE BOARD	ABSENT
MELISSA KIDA	WEST ESSEX REGIONAL	PRESENT
CAROLINA RODRIGUEZ	MINE HILL BOARD	PRESENT
THOMAS KRYGER	MENDHAM TWSP	ABSENT
TONYA FLOWERS	MT. ARLINGTON BOARD	ABSENT
DANIEL BORGIO	MT. LAKES BOARD	ABSENT
GARY LANE	MADISON BOARD	ABSENT
JOSEPH BELLINO	LONG HILL BOARD	PRESENT

FUND PROFESSIONALS PRESENT
EXECUTIVE DIRECTOR

Deb Ginetto

TREASURER

Jon Rheinhardt

INSERVCO

**Nancy Fowlkes
Kim Schweikert
Kathy Rizzo**

SAFETY

Michael Berta

FIRST MCO

Kelly Royce

WILLIS

John Moore

AUDITOR

Bud Jones

ATTORNEY

John Tort

OTHERS PRESENT

None

MOTION TO APPROVE THE MINUTES OF THE March 15, 2018

**MOVED: Michael Halik
SECOND: Sue Young
VOTE: UNANIMOUS**

**MOTION TO APPROVE THE TREASURER'S REPORT FOR MARCH 1, 2018
THROUGH May 31, 2018 AND THE BILLS LIST**

**MOVED: Doug Pechanec
SECOND: Catarina Bilotta
VOTE: UNANIMOUS**

MOTION TO ADJOURN SINE DIE MEETING:

**MOVED: Catarina Bilotta
SECOND: Michael Halik
VOTE: Unanimous**

**SINE DIE MEETING ADJOURNED -CHAIRS VACATED. Liz George
ASKED Executive Director TO CONDUCT THE MEETING.**

ROLL CALL OF THE MEMBERS:

Doug Pechanec	WEST MORRIS REGIONAL	PRESENT
Liz George	WASHINGTON TWSP	PRESENT
Vanessa Wolsky	HANOVER TWSP	PRESENT
Susan Young	MCS of TECHNOLOGY	PRESENT
Joseph Bellino	LONG HILL TOWNSHIP	PRESENT
Cheryl Nardino	VERONA BOARD	PRESENT
Catarina Bilotta	ED SERVICES OF MO CO	PRESENT
Cathy Jenisch	DOVER BOARD	ABSENT
Julie Kot	ROSELAND BOARD	ABSENT
Peter Caprio	GLEN RIDGE BOARD	ABSENT
Melissa Kida	WEST ESSEX REGIONAL	PRESENT
Carolina Rodriguez	MINE HILL BOARD	PRESENT
Thomas Kryger	MENDHAM TWSP	ABSENT
Tonya Flowers	MT. ARLINGTON BOARD	ABSENT
Daniel Borgo	MT. LAKES BOARD	ABSENT
Michael Halik	NORTH CALDWELL BOARD	PRESENT
Gary Lane	MADISON BOARD	ABSENT

It was determined that there was a quorum of membership and the Reorganization Meeting would take place.

**MOTION TO ACCEPT THE FOLLOWING NOMINATIONS OF TRUSTEES
AND (1) ALTERNATES FOR JULY 1, 2018 THROUGH JUNE 30, 2019**

Doug Pechanec	WEST MORRIS REGIONAL			
Liz George	WASHINGTON TWSP			
Vanessa Wolsky	HANOVER TWSP			
Susan Young	MCS of TECHNOLOGY			
Michael Halik	NORTH CALDWELL			
Cheryl Nardino	VERONA BOARD			
Catarina Bilotta	ED SERVICES OF MO CO			
Cathy Jenisch Alternate	DOVER			
MOVED:	Susan Young			
SECOND:	Mike Halik			
VOTE:	10 Yeas	0 Nays	0 Abstention	

MOTION TO NOMINATE OFFICERS: CHAIRPERSON, Vanessa Wolsky, VICE CHAIRPERSON, Cheryl Nardino and SECRETARY, Michael Halik, for a 2 year term, July 1, 2018-June 30, 2020

MOVED: Doug Pechanec
SECOND: Catarina Bilotta
VOTE: 7 Yeas 0 Nays 0 Abstention

MOTION TO APPROVE THE APPOINTMENT OF THE PROFESSIONALS FOR FUND YEAR 2018 - 2019 AS per RESOLUTION IN THE AGENDA.

Executive Director - Burton Agency Inc
Actuary - O'Neil Consulting Services
Auditor - Nisivoccia & Company
Safety - Aero Environmental, Michael Berta
Claims Administrator – Inservco
Treasurer – Jon Rheinhardt
Defense Attorney - John Tort, Esq.
First MCO
Safe Schools
Chilton Occupational Center

MOVED: Doug Pechanec
SECOND: Catarina Bilotta
VOTE: Unanimous

MOTION WAS MADE TO ACCEPT THE 2018-2019 WC ASSESSMENTS/BUDGET and INSURED ASSESSMENT

MOVED: Mike Halik
SECOND: Doug Pechanec
VOTE: Unanimous

MOTION WAS MADE TO ADOPT THE MEETING DATES, 2018 CASH MANAGEMENT & INVESTMENT POLICY, as Amended to include Investors Savings Bank, THE 2018 FISCAL MANAGEMENT PLAN, 2018 RISK MANAGEMENT PLAN AND ADOPT THE 2018 WORKER'S COMPENSATION COVERAGE POLICY

MOVED: Catarina Bilotta
SECOND: Mike Halik
VOTE: Unanimous

EXECUTIVE DIRECTOR'S REPORT

Executive Director reported on the Paid and Reserved Claims in the Agenda. For the 2018 year as of May 2018. Once again the Members received surplus checks distributed by the Treasurer during the June meeting.

Summary of 2018 WC and Insured is attached and made part of the Minutes.

WILLIS/John Moore

John Moore reviewed the Insured Program. Package, Umbrella Policy was renewed with American Alternative, School Board Legal with XL all other companies remained same. He reminded All Line BOE to make sure that School Board Legal, Employment Practices, and IEP incidents that could potentially become a claim be reported to Darwin before end of June.

FIRST MCO

Quarterly reports were reviewed by Kelly Royce of 1st MCO.

SAFETY COMMITTEE REPORT

Safety Meeting to be scheduled

OLD BUSINESS

None

NEW BUSINESS

Doug Pechanec suggested that Professionals look at securing a group rate for Cyber Audits for the Fund

John Moore will reach out to various markets including the one Doug used to see if that is feasible.

MOTION TO ADJOURN MEETING

MOTION:	Doug Pechanec
SECOND:	Catarina Bilotta
VOTE:	UNANIMOUS

MEETING ADJOURNED: 1:30 PM

Vanessa Wolsky
Chairperson

Date

MEIG

2018 INSURED AND WC

To: BUSINESS ADMINISTRATOR
From: Debra Ginetto, Executive Director
MEIG
Date: June 14, 2018
Re: 2018 – 2019 WC /Insured

2018-2019 WC

WC Bureau Rates for 2018:

PROFESSIONAL RATES:	2017	2018	
	\$1.62	\$1.54	- 5%
NON-PROFESSIONAL RATES:	\$11.80	\$10.61	-11%

Current maximum weekly benefit is \$896 and for 2018 it is \$903. The loss experience used to calculate the 2018 experience modifications were years: 2014, 2015, 2016

Overall Increase for Fund is 2% Last year's budget was \$2,617,467 and this year it is \$2,669,814
\$51,402 toward self-funded account to help with costs if have claim over \$500,000 retention.

Upfront Discount is 25% for 2018.

Fund Mod went from .622 to .658

BUDGET: Excess WC

We have renewed the Excess WC at a \$500,000 self-insured retention. That means on every WC claim submitted to the Fund we are responsible for the first \$500,000. No increase on Excess WC

2018 – 2019 INSURED

Insured overall increase without coverage changes is 3.5%

No increase on Cyber Policies

Significant exposure changes for several BOE. Additional Vehicles, added CAP for Long Hill and Verona BOE, few small ADA changes.

REPORT OF THE TREASURER OF THE BOARD OF DIRECTORS
MORRIS ESSEX INSURANCE GROUP
FOR THE PERIOD: June 1, 2018 through September 30, 2018

Cash Report					
		Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Operating Funds:					
Valley Bank (Investment)	(5266)	11,574,623.22	2,483,097.17	2,722,699.03	11,335,021.36
New Jersey Cash Management	(5171)	71,451.52	444.24		71,895.76
Subtotal		11,646,074.74	2,483,541.41	2,722,699.03	11,406,917.12
Imprest Accounts:					
Valley Bank (Operating Clearing)			2,409,265.33	2,409,265.33	-
Valley Bank (Claims)			313,433.70	313,433.70	-
Total All Accounts		\$ 11,646,074.74	\$ 5,206,240.44	\$ 5,445,398.06	\$ 11,406,917.12

Prepared and Submitted by:

Jon Rheinhardt, Treasurer

Date

MORRIS ESSEX INSURANCE GROUP

BILL LIST

From: **June 1, 2018**

To: **September 30, 2018**

CLAIM CHECKS:		<u>Check #</u>	<u>Amount</u>
6/14/2018	Inservco Processed Claims	2988 - 3050	41,921.20
6/26/2018	Inservco Processed Claims	3051 - 3107	111,310.94
7/10/2018	Inservco Processed Claims	3108 - 3162	18,485.06
7/25/2018	Inservco Processed Claims	3163 - 3241	22,310.66
8/8/2018	Inservco Processed Claims	3242 - 3307	74,765.43
8/20/2018	Inservco Processed Claims	3308 - 3372	22,079.54
9/4/2018	Inservco Processed Claims	3373 - 3421	18,791.98
9/20/2018	Inservco Processed Claims	3422 - 3445	3,768.89
	Subtotal (Claims)		<u>313,433.70</u>

OPERATING CHECKS:

6/6/2018	Aero Environmental	1100	11,939.28
6/6/2018	Atlantic Health System	1101	780.00
6/6/2018	DocuSafe	1102	23.57
6/6/2018	FMCO	1103	20,646.16
6/6/2018	Inservco	1104	16,727.00
6/6/2018	Jon Rheinhardt	1105	4,264.25
6/6/2018	Dover	1106	16,599.00
6/6/2018	Hanover	1107	10,014.00
6/6/2018	Long Hill	1108	1,051.00
6/6/2018	Mine Hill	1109	9,590.00
6/6/2018	Morris Couny ESC	1110	6,894.00
6/6/2018	Mt Arlington	1111	1,588.00
6/6/2018	Roseland	1112	4,814.00
6/6/2018	Verona	1113	214.00
6/6/2018	Washinton Twp	1114	682.00
6/13/2018	Dover	1115	84,528.00
6/13/2018	Glen Ridge	1116	55,697.00
6/13/2018	Hanover	1117	67,137.00
6/13/2018	Long Hill	1118	47,665.00
6/13/2018	Madison	1119	63,387.00
6/13/2018	MC Vo Tech	1120	36,003.00
6/13/2018	Mendham Twp	1121	43,413.00
6/13/2018	Mine Hill	1122	10,739.00
6/13/2018	Morris Couny ESC	1123	64,815.00
6/13/2018	Mountain Lakes	1124	64,392.00
6/13/2018	Mt Arlington	1125	32,702.00
6/13/2018	North Caldwell	1126	22,351.00
6/13/2018	Roseland	1127	15,985.00
6/13/2018	Verona	1128	103,492.00
6/13/2018	Washinton Twp	1129	87,127.00
6/13/2018	West Essex	1130	58,956.00
6/13/2018	West Morris Regional	1131	127,111.00

MORRIS ESSEX INSURANCE GROUP

BILL LIST

From: **June 1, 2018**

To: **September 30, 2018**

6/14/2018	Aero Environmental	1132	5,969.64
6/14/2018	FMCO	1133	10,323.08
8/15/2018	Mendham Twp	1134	41,077.00
8/17/2018	Atlantic Health System	1135	1,040.00
8/17/2018	FMCO	1136	21,059.08
8/17/2018	Inservco	1137	16,727.00
8/17/2018	Jon Rheinhardt	1138	2,682.00
8/17/2018	Polaris Galaxy	1139	3,407.00
8/17/2018	Scenario Learning	1140	10,500.00
8/17/2018	Willis of New Jersey	1141	1,205,154.27
	Subtotal (Operating)		<u>2,409,265.33</u>
	Grand Total all Payments		<u><u>2,722,699.03</u></u>

MEIG

PAID & RESERVED TO DATE

August 31, 2018

DATE	PAID	RESERVE	RECOVERY	TOTAL	LOSS FUND	POTENTIAL RETURN	OPEN CLAIMS	CLOSED CLAIMS	TOTAL CLAIMS
*7/1/18-2019	\$ 304	\$ 23,565		\$ 23,869	\$ 2,044,574	\$ 2,020,705	9	3	12
7/1/17-2018	\$ 499,282	\$ 176,709		\$ 675,991	\$ 1,996,538	\$ 1,320,547	26	167	193
7/1/16-2017	\$ 582,333	\$ 321,253		\$ 903,586	\$ 1,981,757	\$ 1,078,171	5	174	179
7/1/15-2016	\$ 512,092	\$ 159,613		\$ 671,705	\$ 2,061,739	\$ 1,390,034	6	174	180
7/1/14-2015	\$ 538,011	\$ 313,978		\$ 851,989	\$ 2,019,278	\$ 1,167,289	4	167	171
7/1/13-2014	\$ 740,825	\$ 39,627	\$ (5,194)	\$ 775,258	\$ 2,025,807	\$ 1,250,549	2	210	212
7/1/12-2013	\$ 569,807	\$ 85,976		\$ 655,783	\$ 2,030,242	\$ 1,374,459	3	231	234
7/1/11-2012	\$ 579,789	\$ 53,440		\$ 633,229	\$ 1,941,767	\$ 1,308,538	2	227	229
			TOTAL 2016-2011	\$ 4,491,550	\$ 12,060,590	\$ 7,569,040			
				63% Potential Return					

*Total Claims 2017-17 \$20,876