

**MORRIS ESSEX INSURANCE GROUP
MINUTES
BOARD OF TRUSTEES MEETING
December 5, 2013**

The December 5, 2013 Board of Trustees meeting of the Morris Essex Insurance Group was called to order 12:00 Noon, by the Chairperson, Catarina Bilotta, at Café Na Vona in Rockaway, NJ.

ROLL CALL OF TRUSTEES:

CHAIRPERSON, Catarina Bilotta	ESC of Morris CO	PRESENT
 VICE CHAIRPERSON Doug Pechanec	 WEST MORRIS REGIONAL	 PRESENT
 SECRETARY, Liz George	 WASHINTON TWSP	 PRESENT
 Michelle Mehan	 MCS of TECHNOLOGY	 PRESENT
Charles Grau	HANOVER TWSP	PRESENT
John Esposito	LONG HILL TOWNSHIP	PRESENT
Cheryl Nardino	VERONA BOARD	PRESENT

MEMBERS

CATHERINE JENISCH	DOVER BOARD	PRESENT
VINCENT OCCHINO	ROSELAND BOARD	ABSENT
PETER CAPRIO	GLEN RIDGE BOARD	ABSENT
PAM HINMAN	WEST ESSEX REGIONAL	PRESENT
MELISSA SIMMONS	MINE HILL BOARD	PRESENT
THOMAS KRYGER	MENDHAM TWSP	PRESENT
ROBIN TEDESCO	MT. ARLINGTON BOARD	PRESENT
DANIEL BORGIO	MT. LAKES BOARD	ABSENT
WARREN CEURVELS	MORRIS PLAINS BOARD	PRESENT
MICHAEL HALIK	NORTH CALDWELL BOARD	PRESENT
GARY LANE	MADISON BOARD	PRESENT

FUND PROFESSIONALS PRESENT
EXECUTIVE DIRECTOR

Robert Kanwisher
Debra Ginetto

TREASURER

Jon Rheinhardt

INSERVCO

Debbie Stout

SAFETY

Michael Berta

FIRST MCO

Thea A Isabella

Willis

John Redmond

Auditor

Bud Jones

OTHERS PRESENT

Angelo Vilardi, Superintendent, Morris ESC
Michael Donow

**MOTION TO APPROVE THE MINUTES OF THE October 10, 2013
BOARD OF TRUSTEES MEETING**

MOVED: Doug Pechanec
SECOND: Charles Grau
VOTE: UNANIMOUS

**MOTION TO APPROVE THE TREASURER'S REPORT AND BILLS LIST FOR
October through November, 2013**

MOVED: John Esposito
SECOND: Liz George
VOTE: UNANIMOUS

The Treasurer introduced Michael Huxley of Wilmington Trust to give a presentation on their Wealth Advisory Services. Wilmington Trust is part of M&T Bank through a merger in 2011 and by January of 2014, Hudson City will also be part of M&T Bank.

The members felt they needed more time to review and discuss the proposal to make sure the proposed trades were allowed by Public Entities and followed the MEIG Cash Management Plan. They also wanted to wait until the merger with Hudson City was complete so March 2014 became a possible target date.

A Committee was formed to study the proposal with authority given to the Executive Board to make a decision.

MOTION WAS MADE TO GRANT AUTHORITY TO THE EXECUTIVE BOARD TO MAKE A DECISION ONCE THEY WERE SATISFIED WITH THE PROPOSAL AND IT MET ALL REQUIREMENTS OF THE DEPARTMENT OF BANKING AND INSURANCE

**MOVED: Gary Lane
SECOND: Cheryl Nardino
VOTE: UNANIMOUS**

EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported on the Paid and Reserved Claims in the Agenda. Excluding 2013, last 5 years continue to look good. Total paid/reserve of \$3,960,596 against a Loss Fund Total of \$9,331,566 which is an average 42% potential return. Audit information due by end of December so the Fund can have their experience modifications calculated by February 2014. It was noted that out of state employees, their salaries should be added to the MEIG Payroll Form. Reminder that 2nd WC Installment is due by January 10, 2014. Recommendations for budgeting WC for 2014 was distributed at the meeting. A 6% starting point was recommended until the new experience mods are calculated.

All Funds are required by the DOBI to have a website. Jon Rheinhardt will begin developing this for MEIG. Information on Volunteers of the Board of Education was included in the Agenda.

NISIVOCCIA & COMPANY

Bud Jones reviewed the June 30, 2013 Audit and Management Recommendations. Both reports were sent out electronically to everyone.

- Motion to Approve the June 30, 2014 Audit and file with the Department of Banking and Insurance

**MOVED: Cheryl Nardino
SECOND: Sue Young
VOTE: UNANIMOUS**

FIRST MCO

Reports are emailed to each member before the meeting. Thea A Isabella of 1st MCO reviewed the 2nd Quarter Report.

SAFETY COMMITTEE REPORT

Liz reported that all boards should be working on signing up for the Safe Schools Program provided by the Fund. There are still quite a few Boards that have not signed up yet. Committee will be following up on Safe Schools participation.

OLD BUSINESS

None

NEW BUSINESS

The Executive Director presented information on a relatively new insurance, Cyber Liability and the importance of the coverage. Cyber type claims are excluded under a General Liability policy therefore creating a gap in coverage. This coverage is very specialized and not offered by most companies. Zurich Ins. Co. does not offer this coverage at the present time. There was a discussion on offering this coverage under a Master Policy with shared limits to not only those BOE that have All Lines but to anyone in the Fund that would like to participate. The more participants the better the premium for each BOE. Based on the interest of the members at this time, Cyber Liability will continue to be offered only to the All Lines members.

MOTION TO ADJOURN MEETING

MOTION:	John Esposito
SECOND:	Liz George
VOTE:	UNANIMOUS

MEETING ADJOURNED: 1:30 PM

Catarina Bilotta
Chairperson

Date

