



PUBLIC ENTITY JOINT INSURANCE FUND MEETING AGENDA
January 28nd, 2014
Hampton Inn, Woodbridge, NJ – at 10:00am – Please see board in Lobby
MEETING OF FUND COMMISSIONERS CALLED TO ORDER

▪ **OPEN PUBLIC MEETING ACT STATEMENT**

In accordance with the Open Public Meetings Act, notice of this meeting was provided by:

1. Sending sufficient notice to the Fund's designated newspapers, the Newark Star Ledger and The Times of Trenton
2. Filing advanced written notice of this meeting with each member municipality; and
3. Posting notice of this meeting on the Public Bulletin Board of all member municipalities.

▪ **PLEDGE OF ALLEGIANCE**

▪ **SWEARING IN OF FUND COMMISSIONERS**

- City of East Orange - Dr. Stephanie Bush-Baskette Esq., Phd.
- City of Passaic – Ricardo Fernandez
- City of Perth Amboy – Jillian Barrick
- City of Plainfield – Karen Dabney
- Town of West New York – Joseph DeMarco

▪ **ROLL CALL OF FUND COMMISSIONERS**

▪ **ELECTION OF CHAIRPERSON AND SECRETARY**

- Request for Nominations
- Election of Chairperson and Secretary
- Swearing in by Fund Attorney

▪ **MEETING OF BOARD OF FUND COMMISSIONERS CALLED TO ORDER**

▪ **ROLL CALL OF FUND COMMISSIONERS**

▪ **ADOPTION OF RESOLUTIONS**

- Resolution 01-14 – Certifying the Election of Chairperson and Secretary
- Resolution 02-14 - Establishing Meeting Procedures
- Resolution 03-14 – Establishing Fiscal Management Plan
- Resolution 04-14 – Establishing Fund Records Program
- Resolution 05-14 – Establishing 2014 Plan of Risk Management
- Resolution 06-14 – Approving Fund Service Providers
- Resolution 07-14 – Approving Certain Disbursements
- Resolution 08-14 – Approving New Members
- Resolution 09-14 – Approving Final 2014 Budget
- Resolution 10-14 – Appointing Agent for Service Process

REPORTS

- **EXECUTIVE DIRECTOR – NIP GROUP (Earl Miller)**
 - Financial Fast Track Report
 - Financial Disclosure Statements

- **SAFETY DIRECTOR – PMA GROUP (Anthony Ven Graitis, Vice President Risk Control)**
 - Introduction to Risk Control Team/Philosophy
 - Risk Control Survey
 - Management Responsibilities
 - Safety Meetings
 - Training

- **CLAIMS REPORT (Robert Persico, Vice President Claims)**
 - Working in a partnership with the PEJIF TPA's

- **TREASURER'S REPORT (Patrick DeBlasio)**

- **NEW BUSINESS**

- **ADJOURNMENT**

RESOLUTION NO. 01-14

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter referred to as the “Fund”)

**CERTIFYING THE ELECTION OF
CHAIRPERSON AND SECRETARY**

BE IT RESOLVED, by the Governing Body of the Fund that the following persons have been elected as Chairperson and Secretary:

Chairperson –
Secretary –

BE IT FURTHER RESOLVED that the Chairperson and Secretary shall serve for the year 2014 and until their successors shall be elected and qualified.

ADOPTED:

This day before the Governing Body,

<hr style="border: none; border-top: 1px solid black;"/>	<u>January 28th, 2014</u>
Chairman	Date

<hr style="border: none; border-top: 1px solid black;"/>	<u>January 28th, 2014</u>
Secretary	Date

RESOLUTION NO. 02-14

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter referred to as the “FUND”)

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2014, and

NOW, THEREFORE BE IT RESOLVED, by the Board of Fund Commissioners of the FUND that:

- I.** The Board of Fund Commissioners shall conduct Public Meetings at the **Hampton Inn, 370 Route 9 North Woodbridge, NJ 07095** and such other locations as may be necessary, to conduct the official business of the FUND on the fourth Tuesday of every month at 11:00 a.m. for the **2014 Fund Year** (unless noted otherwise).

- II.** The following are hereby designated the official newspaper(s) of the Fund:

Newark Star Ledger
The Times of Trenton

- III.** The FUND Attorney or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

ADOPTED: *this day by the Board of Fund Commissioners;*

Chairman

Date

January 28th, 2014

Secretary

Date

January 28th, 2014

RESOLUTION NO. 03-14

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter referred to as the “FUND”)

ESTABLISHING A FISCAL MANAGEMENT PLAN

FOR THE 2014 FUND YEAR

WHEREAS, THE FUND is duly constituted as a Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et seq.); and

WHEREAS, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et seq.); and

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Board of Fund Commissioners that:

- I. The following financial institution(s) are hereby declared as the FUND’s Official Depositories for 2014:

Bank of America

- II. All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Officially named Depository(ies) by check, which shall bear the signatures of two (2) of the following persons, duly authorized pursuant to this Resolution. In no event shall a check be issued wherein at least one signatory is not the Chairperson or Treasurer. In addition, upon approval of such disbursements by the Fund Commissioners, funds may be withdrawn for payment via electronic transfer.

_____, Chairperson

_____, Treasurer

_____, Executive Director

_____, CFO, NIP Management Services, LLC

- III. All funds for Claims payments in excess of any member’s self-insured retention shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of two (2) of the following persons, duly authorized pursuant to this Resolution.

Patrick DeBlasio, Treasurer
, Chairperson
, Commissioner

- IV. The Cash and Investment Policy attached herewith shall be adopted.
- V. Prime Advisors, Inc. shall be the FUND's asset manager and advisor.
- VI. The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment with a grace period for the first (1st) assessment installment paid to be February 15, and the second (2nd) assessment installment paid to be August 15.
- VII. Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director.

ADOPTED: *this day before the Board of Fund Commissioners:*

Chairman

Date

January 28th, 2014

Secretary

Date

January 28th, 2014

2014 CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The Public Entity Joint Insurance Fund (hereinafter referred to as the FUND) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local entity joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the FUND's economic surplus.

2.) Permissible Investments

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- c.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- d.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e.) Debt obligations of federal agencies or government corporations with maturities not greater than ten (10) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent with the Division's own

investment guidelines, and providing that the investment has a fixed rate of interest not dependent on any index or external factors.

- f.) Repurchase agreements of fully collateralized securities, subject to rules and conditions established by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than ten (10) years from date of purchase.

3.) Authorized Depositories

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories are as follows:

Bank of America

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) Authority for Investment Management

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) Preservation of Capital

Securities shall be purchased with the ability to hold until maturity.

6.) Safekeeping

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) Selection of Asset Managers, Custodial Banks and Operating Banks

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) Reporting

Asset managers will submit written statements describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) Audit

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) Cash Flow Projections

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) Cash Management

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banding fees and compensating balances shall be documented to the Executive Committee at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

RESOLUTION NO. 04-14

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter the “FUND”)

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS: The FUND must establish a formal record retention program for the 2014 Fund Year.

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Board of Fund Commissioners that:

I. _____, **Fund Secretary**, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at:

NIP Group, Inc.
900 Route 9 North, Suite 503
PO Box 39
Woodbridge, NJ 07095

II. Earl Miller, President for NIP Management Services, LLC is hereby designated as **Assistant Fund Secretary**.

III. The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.

IV. Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

ADOPTED: *this day by the Board of Fund Commissioners*

Chairman

January 28th, 2014
Date

Secretary

January 28th, 2014
Date

RESOLUTION NO. 05-14

Public Entity Joint Insurance Fund

(hereinafter the "Fund" or the "GSMJIF")

ESTABLISHING THE 2014 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's Board of Commissioners that the 2014 Plan of Risk Management shall be:

2014 RISK MANAGEMENT PLAN

1.) **The perils or liability to be insured against.**

The following coverages are provided to the Fund's members.

- Excess Workers' Compensation**
- Excess General Liability**
- Excess Auto Liability**
- Excess Public Officials Liability**
- Excess Employment Practices Liability**
- Property Coverage (including Auto Physical Damage),
Boiler & Machinery**
- Crime (with Position Bonds)**
- Excess Law Enforcement Liability**
- Pollution & Tank Liability (on an optional basis)**
- Annual Aggregate Insurance attaching at \$TBD**

2.) **The limits of coverage.**

a) **Workers' Compensation limits.**

The PEJIF covers excess claims to the following limits.

- Workers' Compensation - Statutory less various members' self-insured retentions (SIR's - See**

below). The minimum Fund retention shall be \$750,000.

- East Orange - \$750,000
- Passaic - \$750,000
- Perth Amboy - \$500,000
- Plainfield - \$150,000
- West New York - \$150,000

- Employer's Liability - \$8,000,000 less various members' SIR. The minimum Fund retention shall be \$750,000.
- USL&H – included in Workers' Compensation.
- Harbor Marine/Jones Act - included in Employer's Liability. The minimum Fund retention shall be \$750,000.

b) **General Liability** limits.

The PEJIF covers excess liability claims as follows:

- General Liability - \$15 million CSL.
- Police Professional Liability - included in the PEJIF's excess General Liability limits.
- Employee Benefits Liability - included in the PEJIF's excess General Liability limits.
- The minimum Fund retention for all General Liability & related coverages shall be \$500,000. The following members have self-insured retentions:
 - East Orange - \$250,000
 - Passaic - \$5,000
 - Perth Amboy - \$250,000
 - Plainfield - \$150,000
 - West New York - \$100,000

c) **Automobile Liability.**

- The PEJIF covers Automobile Liability and Property Damage claims in the PEJIF's excess General Liability limit.

- The minimum Fund retention for all Automobile Liability coverage shall be \$500,000. The following members have self-insured retentions:
 - East Orange - \$250,000
 - Passaic - \$5,000
 - Perth Amboy - \$250,000
 - Plainfield - \$150,000
 - West New York - \$100,000

d) **Public Officials Liability (POL)**

- The PEJIF covers \$15 million per occurrence and in the aggregate on a claims-made basis per member municipality for each Fund year.
- For each claim there is a \$10,000 deductible. The Member's SIR (if applicable) applies before the above deductible.
- The minimum Fund retention for Public Official's Liability shall be \$500,000. The following members have self-insured retentions:
 - East Orange - \$150,000
 - Perth Amboy - \$50,000
 - Plainfield - \$150,000
 - West New York - \$250,000/20% coinsurance

e) **Employment Practices Liability (EPL)**

- The PEJIF covers \$15 million per occurrence and in the aggregate on a claims-made basis per member municipality for each Fund year.
- For each claim within the PEJIF retention, there is a \$20,000 deductible, with a 20% coinsurance provision, capped at \$50,000. The Member's SIR (if applicable) applies before the above deductible and coinsurance.
- New members may be "grandfathered" into the program at their current deductible/coinsurance provision.
- The minimum Fund retention for Employment Practices Liability shall be \$500,000. The following members have self-insured retentions:

- East Orange - \$150,000
- Passaic - \$50,000
- Perth Amboy - \$50,000
- Plainfield - \$150,000
- West New York - \$150,000

f) **Property**

- The PEJIF has purchased property insurance with total limits of \$200,000,000 and boiler and machinery coverage at limits of \$100,000,000, subject to a member's deductible of \$1,000, except \$25,000 (or FEMA) deductible for Flood & Earthquake perils. The Fund retention is \$100,000. The following members have the property deductibles indicated below:
 - o Perth Amboy - \$50,000

g) **Automobile Physical Damage**

- The PEJIF retains the first \$100,000 of any automobile physical damage loss. The member deductible is \$1,000 for collision and \$1,000 for other-than-collision loss. Unless the member opts out, vehicles manufactured 15 or more years prior to current membership year, with an original cost new of less than \$50,000, are not covered for physical damage, unless specifically requested by the member. The following members have the automobile physical damage deductibles indicated below:
 - o Perth Amboy - \$50,000

h) **Crime**

The PEJIF has purchased Crime insurance with limits of \$1,000,000 for Employee Dishonesty & related perils, subject to a member's and Fund's deductible of \$10,000.

i) **Individual Position Bonds**

The PEJIF has extended its Crime insurance to include Position Bonds with limits of \$1,000,000. There is no deductible for this extension.

j) **Pollution & Tank Liability**

The PEJIF will provide on an optional basis outside of the Fund budget separate optional Pollution Liability insurance for participating members, with limits of \$10,000,000/ Pollution Incident & \$25,000,000 Policy Aggregate Limit, subject to a member's and Fund's deductible of \$25,000/Incident. Underground Tank Liability insurance has been purchased for participating members, with limits of \$1,000,000/ Incident & \$2,000,000 Incident Aggregate Limit/ \$3,000,000 Legal Defenses Aggregate Limit, and subject to a member's and Fund's deductible of \$10,000/Incident.

3.) **The amount of unpaid claims to be established.**

- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Fund expects the claims servicing company to set reserves at 85% accuracy. The Fund also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the Fund has adequate reserves to pay all claims and allocated loss adjusted expense liability.
- b.) Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Actuary, Attorney, Executive Committee and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Fund.

4.) **The method of assessing contributions to be paid by each member of the Fund.**

- a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Fund year by line of coverage and for each prior Fund year. The actuary includes all budget items in these computations. The annual assessment of each participating municipality is its pro rata share of the probable net cost of the upcoming Fund year for each line of coverage as computed by the actuary.

- b.) The calculation of pro rata shares is based on each municipality's experience modified manual premium for that line of coverage. The total amount of each member's annual assessment is certified by majority vote of the Fund's Executive Committee at least one (1) month prior to the beginning of the next fiscal year (usually at the PEJIF's budget hearing).
 - c.) The treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust fund account by Fund year for each type of coverage in which the member participates.
 - d.) If a local unit becomes a member of the Fund or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
 - e.) The Fund's Executive Committee may by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. All supplemental assessments are charged to the participating municipalities by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.
 - f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the chairman or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Fund's Executive Committee.
- 5.) **Procedures governing loss adjustment and legal expenses.**
- a.) The Fund engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the PEJIF's attorney's office, as well as the claims department



of the PEJIF's three major insurers/reinsurers. Every three years, the PEJIF's internal auditors also conduct an audit.

- b.) Each member local unit is provided with a claims reporting procedure and appropriate forms.
- c.) To provide for quality defense and control costs, the Fund has established an approved defense attorney panel with firms that specialize in Title 59 matters. Any member that carries a self-insured retention may appoint an approved defense attorney of its choice to the panel for purposes of defense of claims within that self-insured retention. The performance of the defense attorneys is overseen by the Fund Litigation Managers, as well as the various firms that audit the claims adjusters.

6.) **Coverage to be purchased from a commercial insurer, if any.**

Excess Workers' Compensation - The PEJIF purchased an excess specific Workers' Compensation policy from Safety National Casualty Insurance Co. and BRIT Insurance Services USA, Inc..

- Workers' Compensation - Statutory
- Employer's Liability - \$5,000,000
- USL&H - included in Workers' Compensation
- Harbor Marine/Jones Act- Incl. in Employer's Liability

- Premium - \$tbd

Excess Liability - The PEJIF has purchased excess General Liability, Automobile Liability, Law Enforcement Liability, Public Official's Liability coverage and Employment Practices Liability from BRIT Insurance Services USA, Inc. and Catlin Specialty Insurance Co.:

- Excess Liability - \$15 million excess \$500,000 retention
- Excess EPL/POL (Claims-Made) \$15 million excess \$500,000 retention,

- Premium - \$tbd

- Excess law Enforcement Liability - \$15 million excess of \$ 500,000
Premium - Included

- Excess Auto Liability - \$15 million excess of \$ 500,000
Premium - Included

Property - The PEJIF has purchased Property insurance (including Auto Physical Damage) (plus Boiler & Machinery coverage at a limit of \$100 million), from Travelers Insurance Company at a limit of \$200 million, representing the probable maximum loss exposure of the Fund members.

Premium - \$tbd (includes B&M)

Crime/ Position Bond - The PEJIF has purchased Crime/ Position Bond insurance from Zurich Insurance Company for \$tbd.

Pollution / Tank Liability – The PEJIF has purchased optional Pollution/ Tank Liability insurance for participating members from ACE Group for \$tbd

7.) Note: The PEJIF follows the policy form of its excess insurers in determining coverage for its retained layers (SIR's) noted in Section 2. In the event that the excess carrier(s) determines that no coverage exists for all or part of a claim made against or by a member of the PEJIF, the member shall be responsible for all or a portion of any uncovered claims expense, indemnity settlement or other costs associated with such claim within the PEJIF retention.

8.) **Procedures for the closure of Fund years, including the maintenance of all relevant accounting records.**

- a.) The Fund adopts a resolution closing the year and transfers all remaining assets to the closed Fund year account. This amount is allocated by member local units using the same procedure as is used to calculate a dividend. Each month, interest is credited to the closed Fund year account by member.
- b.) Each year, the Fund's Executive Committee will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of Insurance as appropriate. Further, in the event an open Fund year incurs a deficit, the Fund's Executive Committee will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member by member basis.
- c.) A member may apply to the Fund's Executive Committee for a return of that member's remaining share of the closed Fund

year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Fund's Executive Committee will decide on the former member's request after evaluating the likelihood of any additional assessments.

- d.) The Fund will retain all records in accordance with the Fund's record retention program.

9.) **Assumptions and Methodology used for the calculation of appropriate reserve requirements to be established and administered in accordance with sound actuarial principles.**

- a.) The general approach in estimating the loss reserves of the Fund is to project ultimate losses for each Fund year using paid and incurred loss data. At least two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "selected" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or funding requirement.
- b.) The following is an overview of the two actuarial methods used to project the ultimate losses.
 - Paid Loss Development Method** - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
 - Case Incurred Loss Development Method** - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

10.) **The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.**

- \$10,000, but up to \$25,000 with verbal or written approval from the affected municipality commissioner or alternate commissioner.
- \$25,000 Emergency Court House Authority upon the joint authorization of the Fund Attorney and Executive Director, but up to \$50,000 with verbal or written approval of a majority of the executive Committee.
- Any and all actions must be ratified by the entire Board of Fund Commissioners at the meeting immediately following the authorization.

11) **Special Assessments** - NJSA 11:15-2.16 provides for additional assessments "...to supplement the fund's claim or loss retention or administrative accounts to ensure payment of the fund's obligations..." Should the Fund levy a special assessment in accordance with such provision, each affected member shall have the option to pay the additional amount due in ten (10) equal annual installments, subject to adjustment each year based on actual incurred losses for the special assessment years. Should any member subject to such special assessment discontinue its membership in the PEJIF, the full balance of any remaining unpaid installments shall become immediately due and payable to the PEJIF.

13) The following Retrospective Rating Endorsement is hereby included in the Plan of Risk Management:



**PUBLIC ENTITY JOINT INSURANCE FUND
900 ROUTE 9 NORTH, SUITE 503
WOODBIDGE, NJ 07095
PROPERTY/CASUALTY POLICIES**

POLICY ENDORSEMENT - RETROSPECTIVE RATING PLAN – PAID/INCURRED LOSSES

MEMBER: _____

This ENDORSEMENT modifies such insurance as is afforded by the provisions of the Policies for the 20 fund year relating to the following:

- WORKERS’ COMPENSATION
- COMPREHENSIVE GENERAL, LAW ENFORCEMENT AND AUTO LIABILITY
- PROPERTY AND BOILER AND MACHINERY
- COMPREHENSIVE CRIME
- PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY

RETROSPECTIVE RATING PLAN ASSESSMENT STANDARD ELEMENTS

For the purposes of this ENDORSEMENT, the standard elements are explained here:

- A. STANDARD ASSESSMENT shall be the assessment we would charge during the rating plan period if you had not chosen a retrospective rating plan
- B. BASIC ASSESSMENT shall be less than STANDARD ASSESSMENT. It shall be STANDARD ASSESSMENT multiplied by the BASIC ASSESSMENT FACTOR. The BASIC ASSESSMENT FACTOR shall be the ratio of the following items to the STANDARD ASSESSMENT:
 - 1. Excess Insurance Costs
 - 2. General Expenses
 - 3. Risk Management Expenses
 - 4. Underwriting Expenses
 - 5. Administrative Fees

The actual BASIC ASSESSMENT FACTOR will be determined after the STANDARD ASSESSMENT is determined.

- C. LIMITED PAID/INCURRED LOSSES RETAINED BY THE FUND shall mean the FUND’S financial responsibility for claims paid by the member after due credit for any excess insurance or subrogation receivable. Specifically, it shall include 1) losses paid/incurred and reserved, plus 2) allocated loss adjustment expense (ALAE), and 3) this total then limited to the FUND’s retention.

RETROSPECTIVE RATING PLAN ASSESSMENT FORMULA

- A. RETROSPECTIVE RATING PLAN ASSESSMENT is the sum of BASIC ASSESSMENT and LIMITED PAID/INCURRED LOSSES RETAINED BY THE FUND.
- B. The retrospective rating plan assessment shall not be more than the MAXIMUM ASSESSMENT. The maximum assessment is determined by applying the maximum retrospective rating plan assessment factor, shown in the Schedule, to the STANDARD ASSESSMENT.

PROVISIONS

The provisions of the coverage form or policy to which this ENDORSEMENT is attached apply, unless modified by this ENDORSEMENT.

- A. In the fashion provided for in the Fund's by-laws, plan of risk management, cash management plan and policies and procedures, the MEMBER shall pay the FUND the STANDARD ASSESSMENT.
- B. As of a valuation date of Eighteen (18) months after the inception of the fund year, and every Twelve (12) months thereafter, the FUND shall compute the RETROSPECTIVE RATING PLAN ASSESSMENT, subject to the MAXIMUM ASSESSMENT.
- C. The final computation of the RETROSPECTIVE RATING PLAN ASSESSMENT shall be as of the valuation date when the FUND closes the fund year to which this ENDORSEMENT applies.
- D. Notwithstanding any subsection above, the MEMBER shall remain subject to FUND-wide dividends and additional assessments in accordance with the FUND's bylaws. These additional assessment or dividends, if any, shall be computed based on the MEMBER'S RETROSPECTIVE RATING PLAN ASSESSMENT, subject to the MAXIMUM ASSESSMENT.
- E. Upon computation of any RETROSPECTIVE RATING PLAN ASSESSMENT, the MEMBER shall owe the FUND or the FUND shall owe the MEMBER as the case may be, the difference between amount paid/incurred by the MEMBER to date and the MEMBER'S RETROSPECTIVE RATING PLAN ASSESSMENT, subject to the MAXIMUM ASSESSMENT.
- F. If the MEMBER owes the FUND an additional assessment under this ENDORSEMENT, this amount shall be payable to the FUND within 180 days after the FUND bills the MEMBER, or upon the MEMBER withdrawing from the FUND, whichever is earlier.
- G. If the FUND owes the MEMBER a return assessment under this ENDORSEMENT, this amount shall be payable to the MEMBER 180 days after the next meeting of the FUND's Board of Fund Commissioners, or Executive Committee thereof.
- H. This endorsement shall only be effective if approved by resolution of the MEMBER'S Governing Body.

Schedule

- A. Other policies subject to this Retrospective Rating Plan Endorsement
 - WORKERS' COMPENSATION
 - COMPREHENSIVE GENERAL AND AUTO LIABILITY
 - EXCESS LIABILITY
 - PROPERTY AND BOILER AND MACHINERY
 - COMPREHENSIVE CRIME
 - PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES

B. Maximum Retrospective Rating Plan Assessment Factor:_____

C. The standard maximum assessment is based on estimates of standard assessment. The actual maximum assessment will be calculated based on the actual standard assessment and the factor, shown in the Schedule, Item B :

The coverage provided under this ENDORSEMENT is subject to all of the terms and CONDITIONS of this policy. All other terms and CONDITIONS of this Policy remain unchanged.

Effective Date:

Adopted: *this day by the Board of Fund Commissioners*

Chairman

Date

Secretary

Date



THIS DOCUMENT IS INCORPORATED IN THE PEJIF PLAN OF RISK MANAGEMENT. PLEASE READ IT CAREFULLY.

MEMBER: _____

SELF-INSURED RETENTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE PART**
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**
- AUTOMOBILE LIABILITY COVERAGE PART**
- PROFESSIONAL LIABILITY COVERAGE PART**
- LAW ENFORCEMENT LIABILITY COVERAGE PART**

It is understood and agreed that such insurance as provided by this policy, specifically the Insuring Agreement and Supplementary Payments Provisions are modified and subject to the following provisions:

1. The total limit of liability of the Public Entity Joint Insurance Fund ("PEJIF") as stated in the Plan of Risk Management shall apply excess of the retained limit (herein called the Self-Insured Retention) as stated in the endorsement, and the Insured Member agrees to assume this retained limit:

occurrence	Self Insured Retention:	\$ _____	per
claim		\$ _____	per

2. The PEJIF's obligation under this policy applies only to the amount excess of the Self-Insured Retention. Your bankruptcy, insolvency, or inability to pay the Self- Insured Retention shall not increase our obligation under the policy.

The Insured Member shall have the obligation to provide, at its own expense, proper defense and investigation of any claim and to accept any reasonable offer of settlement within the Self-Insured Retention. The Insured Member's obligation to provide for its own defense is terminated upon the exhaustion of the Self-Insured Retention referenced above. In the event that there is any other insurance, whether or not collectible, applicable to an occurrence, claim or suit within the Self-Insured Retention, the Insured Member must make actual payment for the full Self-Insured Retention amount before the limits of insurance under this policy apply.

Compliance with this clause is a condition precedent for coverage under this policy. In the event of the failure of the Insured Member to comply with this clause, no loss, cost or expense shall be payable by the PEJIF.

3. In the event of a claim or claims arising which appear likely to exceed the Self-Insured Retention, no costs, other than adjusting expenses, shall be incurred by the Insured Member without the written consent of the PEJIF. Furthermore, the Insured Member's claims third party administrator shall invoice the PEJIF Administrator within 30 days of the date of payment of any claims cost incurred and paid above the Insured Member's Self-Insured Retention.
4. The PEJIF shall have the right, but not the duty, in all cases to assume charge of the investigation, defense and/or settlement of any claim and upon written request from the PEJIF the Insured Member shall pay directly any expense or loss incurred by the PEJIF in the investigation, defense and/or settlement of any claim or reimburse the PEJIF for any and all amounts paid by the PEJIF within the Self-Insured Retention.
5. Commercial General Liability - Insured Member's Duties in the Event of Occurrence, Claim or Suit:
 - a) The Insured Member shall report promptly to the PEJIF each claim or loss for which the estimated amount of net loss is 50% or more of the Self-Insured Retention listed above.
 - b) The Insured Member shall report all cases of serious injury which, notwithstanding consideration of liability or coverage might involve this insurance but not limited to the following:
 - 1) Spinal Cord injury - paraplegia, quadriplegia;
 - 2) Amputations - requiring a prosthesis;
 - 3) Brain damage affecting mentality or central nervous system such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - 4) Blindness;
 - 5) Burns - involving over 10% of body with third degree, or 30% of body with second degree;

- 6) Multiple fractures - involving more than one member or non-union;
- 7) Fracture of both heel bones (fractured bilateral or calcis);
- 8) Nerve Damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- 9) Massive internal injuries affecting body organs;
- 10) Injury to nerves at base of spinal canal (Cauda Equina) or any other back injury resulting from incontinence of bowel and/or bladder;
- 11) Fatalities;
- 12) Any other serious injury which, in the judgment of the Insured Member, might involve the PEJIF;
- 13) Sexual Assault / Molestation
- 14) All construction defect claims.

It is agreed that the above reporting requirements shall be a condition precedent to coverage. Notwithstanding the above provisions the responsibility to guarantee proper reporting remains that of the Insured Member. The failure of the Insured Member to comply with the reporting requirements may result in a denial of coverage under the policy.

- c) The Insured Member shall cooperate with the PEJIF and, upon the PEJIF's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured Member because of liability with respect to which insurance is afforded under the policy; and the Insured Member shall attend hearings and trials and assist in securing and giving evidence and obtaining witnesses.
6. The Insured Member shall at all times:
 - a) Give to the PEJIF, or their duly appointed representatives, such information, assistance, and signed statements as the PEJIF may require, and
 - b) Assist in the defense of any claim without charge to the PEJIF.
 7. The Insured Member shall indemnify and hold harmless the PEJIF from any and all loss and all costs, including but not limited to adjusting expense and attorneys fees incurred in the investigation,



defense and/or settlement of any claim incurred by the PEJIF included within the Self-Insured Retention.

The Insured Member shall further indemnify and hold the PEJIF harmless from any and all costs incurred by the PEJIF, including but not limited to the reasonable value of PEJIF employee services and attorney's fees incurred in the enforcement of this agreement.

PEJIF THIRD PARTY CLAIMS ADJUSTING ORGANIZATION
LOSS REPORTING GUIDELINES
FOR CLAIMS UNDER BRIT INSURANCE SERVICES USA, INC.
POLICIES INCEPTING MAY 1, 2009 AND LATER
EFFECTIVE OCTOBER 1ST 2011

As the MGA for the Underwriters at Lloyd's on the excess policy for the Named Assured, Brit Insurance Services USA Inc. are taking this opportunity to advise you, as the Assured's Third Party Claims Adjusting Organization (TPA), of the reporting criteria, format of reports and distribution list when advising losses to Underwriters. If the TPA has not received a copy of the policy they should contact PSI Program Managers urgently. Please provide this information to your account handlers.

MANNER OF REPORTING AND DISTRIBUTION OF REPORTS:

Whenever possible, reports should be sent via e-mail. Documents should be included as Word, Excel, or .pdf attachments. Pictures can be sent as .tif or .mpeg, but .pdf is preferred. **Please do not send documents (letters, suits, reports, etc.) in .tif or WordPerfect format.**

The adjuster should not send a hard copy of anything already sent by e-mail, unless specifically requested.

Please make sure that any document created from a template is saved with a name in non-template format. Otherwise, each time the document is opened the date changes to the date opened; and there is no way for Underwriters to reliably determine the date the document was created.

Initial reports should be identified as such in the subject line of the e-mail, and should be sent to each of the following:

Cindy.whiteaker@rpsins.com

PSI-Claims@rpsins.com for PSI

Subsequent reports should be sent directly to Cindy Whiteaker, with a copy sent to Philip.Vaughan-Fowler@rpsins.com

If documentation is too large to send via e-mail and needs to be sent via mail or courier, please contact Cindy for an address.

Sending claim reports to the wrong person or to any other addresses will result in delays.

Telephone numbers for voice contact are: Cindy Whiteaker 919-785-1336

If she is not available, please contact Philip on 866-832-572

INITIAL CASUALTY CLAIMS REPORTING:

*Per the Policy wording, loss reporting is **required** for any claims involving:-*

1. Catastrophic Losses (fatalities, amputation of major extremity, paraplegia/quadruplegia, severe burns, significant brain injuries)
2. Discrimination or Violation of Civil Rights.
3. Third Party claims, other than Auto Liability, involving Law Enforcement Activities.
4. Environmental impact/Toxic tort.
5. Any alleged Sexual/Physical Abuse.
6. Coverage questions.
7. (a) any claim whose value reaches 75% of the retention; and/or
(b) the cost of which is likely to result in payment by Underwriters under this Policy.
8. Any loss where there is a question as to whether there will be coverage under Underwriters' policy.

Losses should be reported within 30 days of when the loss meets the reporting criteria.

A captioned claim report completed by the handling adjuster, based upon the formats below and inclusive of all of the details indicated, must be sent. Reports should include copies of the following documents when available: incident and accident reports (both internal and official), suit papers, tort claim/statutory notice of claims, and/or EEOC (or similar state agency) complaints or notices.

Please do not send medical records or bills (unless specifically requested), blank discovery, or non-substantive pleadings.

Whenever possible, the report and supporting documents should be sent electronically, as more fully explained below.

INITIAL WORKERS COMPENSATION CLAIM REPORTING

*Loss Reporting is **required** for claims involving:-*

1. Fatalities.
2. Amputation of Major Extremity.
3. Paraplegia.

4. Quadriplegia.
5. Severe Burns.
6. Significant brain injuries.
7. (a) any claim whose value reaches 75% of the retention; and/or
(b) the cost of which is likely to result in payment by the Company under this Policy.
8. Where it is anticipated that the claimant will be determined to be permanently and totally disabled.

Losses should be reported within 30 days of when the loss meets the reporting criteria.

A captioned claim report completed by the handling adjuster, based upon the formats below and inclusive of all of the details indicated, must be sent. Reports should include copies of the following documents when available: claimant's state "First Report of Injury", incident and accident reports (both internal and official), suits, pertinent narrative medical reports.

Please do not send routine medical records or bills (unless specifically requested), blank discovery, nor non-substantive pleadings.

SUBSEQUENT CASUALTY/WORKERS COMPENSATION CLAIM REPORTING:

Subsequent formal reporting should be done via a captioned report completed by the handling adjuster, at appropriate intervals as conditions warrant (typically every 60 days). However, the TPA shall be responsible for reporting more frequently if the file is particularly active; and critical events should be reported as soon as practical, regardless of the "due date" of the next formal report.

Periodic formal reporting shall follow the same format (below) as the initial report, noting any updates. Reports should include copies of the following documents when available: incident and accident reports (both internal and official), suits, tort claim/statutory notice of claims, complaint notices, defense counsel's substantive reports.

Please do not send medical records or bills (unless specifically requested), blank discovery, or non-substantive pleadings.

Whenever possible, the report and supporting documents should be sent electronically, as more fully explained below.

ADJUSTER'S CAPTIONED CASUALTY/WORKERS COMPENSATION REPORT FORMAT:

1. Identify by type of report (include all that apply)
 - A. Initial
 - B. Coverage questions
 - C. Interim

- D. Authority request
 - Include what has been paid, status of the SIR, status of the aggregate if applicable.
 - E. Reimbursement request
 - Show payments by claimant/line of business, less SIR and less any amounts previously paid.
 - F. Closing/Final
2. Information to be included (A thru D should be in the reference section of the header):
- A. Insured - This is to include the name of the Named Assured, any “Member” entity and/or the department within the Named Assured/”Member”
 - B. Claimant(s) - This is to include the name of each claimant, age, involvement in the loss (i.e. if auto whether the operator, passenger, pedestrian, etc.)
 - C. Date of Loss - This is the date the event/accident actually occurred.

Date Claim was First Made to the Assured – Date that the Assured first received any type of notice that a claim was being made against them.

Date Claim was First Made to TPA - Date the TPA was first advised by the Insured of the loss.
 - D. Coverage - This is to include the correct policy number; effective dates; the line(s) of coverage applicable to the loss; the SIR applicable; and Underwriters’ excess limits. If applicable, information on any other excess coverage should also be provided.
 - E. Description of loss - To include full details of how the accident/event occurred, and what investigation has been completed to date.
 - F. Liability - To include adjuster's assessment of liability; any immunity law that may be applicable (including caps on damages); whether the negligence scheme in the applicable venue is pure or modified comparative negligence/fault, or strict contributory negligence; other parties that may be responsible or may contribute (including name of carrier/limits if known)
 - G. Injuries/Damages - Details on injury to each claimant, age, occupation, medical expense, wage information, MIB/CIB report information, disability if any, future treatment,
 - H. Litigation - If applicable include copy of complaint; name of defence counsel; who is being Defended; reputation of plaintiff counsel if known;

any comment on jurisdiction if known; defence counsel's initial/subsequent evaluation; defence counsel's litigation plan and budget

- I. Mediation Date/Arbitration Date/Trial Date - If case in suit advise of these dates as soon as they are learned.
- J. Pre-Mediation/Pre-Arbitration/Pre-Trial Evaluation – Include the *adjuster's* evaluation as well as defence counsel's evaluation, to include a discussion of the major issues; pluses and minuses of our defence; potential verdict, arbitration, or mediation settlement range; worst case scenario; best case scenario; adjuster's/defence counsel's recommendation; Assured's input/opinion. Ideally, this should be received no later than thirty five days before the scheduled mediation, arbitration, or trial date; even if there is the potential that the mediation, arbitration, or trial will not proceed on the date scheduled. It is Underwriters' expectation that both counsel and the adjuster should not be called to mediation, arbitration or trial without sufficient notice.
- K. Demand/Offer - Advise of demands/offers and if there are any time limits on the demands by the claimant. Include comments on whether the insured has been contacted for authority within the SIR and whether granted/denied (with explanation).
- L. Comments - This should include what needs to be done yet, time frame for completion and next date a report can be expected.
- M. Total Experience - Indicate Loss and Expense payments, remaining reserve, and Total Experience for each claimant.

INITIAL PROPERTY CLAIM REPORTING:

Loss reporting is required for claims involving:

- 1. Claims involving a coverage question.
- 2. (a) any claim whose value reaches 75% of the retention; and/or
(b) the cost of which is likely to result in payment by the Company under this Policy.

An Initial Advice/Loss Notice providing basic scope of loss and reserve information should be submitted within 10 working days whenever possible.

The Initial Advice/Loss Notice should include the following: Insured, risk location, policy number, deductible & SIR, date of loss, date loss reported, a brief description of the scope of the loss, and an initial reserve recommendation if possible.

The adjuster's initial captioned report should follow within 30 days.

The adjuster's initial captioned report should include the following:

Date of loss
Description of Peril resulting in direct physical loss to the Insured Property
Any other perils involved
Any coverage issues identified
Location(s)/Property (ies) Involved (as named in Schedule of Values) and Scheduled Value
Scope of damage by Insured Location, including any Coverage Extensions applicable
What has been done and what requires to be done
Salvage/Subro potential
Reports (fire, weather, expert, etc.), photos, diagrams
Date of next report (estimate)

The adjuster's subsequent captioned reports should follow every 60-90 days.

The adjuster's subsequent captioned report should include the following (where applicable):

What has been done since the last formal report
Verified and agreed repair estimate(s)
Discussion of salvage/subrogation activity
What requires to be done
Date of next report (estimate)
Request for authorisation to obtain proofs (if applicable)

USE AND ASSIGNMENT OF EXPERTS

If a claim investigation requires the use of an expert (i.e. engineering, construction, cause and origin, etc.), authorisation must be approved prior to engaging the expert in order to assure that the cost will be considered part of **Ultimate Net Loss** (see General Policy Definitions). The adjuster will be expected to explain why an expert is needed and what is expected to be accomplished that cannot be accomplished by other means. Underwriters will make every reasonable effort to accommodate requests where the need can be supported.

In the event of a bona fide emergency need for an expert after hours or on weekends, and contact with PSI has not been able to be accomplished within 24 hours of the initial attempt, the adjuster should proceed with the assignment. However, please note that Underwriters' expectation is that the need for experts should not, typically, arise on an emergency basis.

REQUESTS FOR SETTLEMENT AUTHORITY

The adjuster should be aware that settlement authority requests should be made timely, and they should be made for all of the authority reasonably necessary for the situation at hand: settlement offer, mediation, arbitration, pre-trial conferences, etc. Emergency requests for authority in excess of a \$100,000 above the SIR or additional authority in

that amount are difficult to accommodate from a logistical standpoint. This process can take as long as a week, or more; especially when there are coverage issues involved. Emergency requests for authority, or additional authority, are difficult to accommodate from a logistical standpoint.

IMPORTANT INFORMATION AND REPORTING REQUIREMENTS INVOLVING PER OCCURRENCE RETENTIONS AND MULTIPLE LINES LOSSES

The adjuster should be aware that the Assured's Self Insured Retention for any single line of coverage under the policy is written on an "each and every" basis. Further, the policy may have a "Clash Coverage" or "Multiple Lines Loss Protection" feature that may apply when a single occurrence or event results in claims under more than one line of coverage under the policy.

Thus, it is important to recognize that if the total incurred for the total number of claims within any one line of coverage meets the 75% of SIR reporting threshold, ALL claims within that line of coverage need to be reported.

Further, in the event that one occurrence results in claims under multiple lines of coverage under the policy, and any one claim meets the 75% of SIR reporting requirement, ALL claims insured under the Policy arising from the occurrence must be reported.

CATASTROPHE LOSS HANDLING

Immediately survey accounts that are located in the affected area to determine degree of damage or confirm damages will not exceed the S.I.R. Note - the account may have a specific S.I.R. for wind or flood and the S.I.R. applies on an occurrence basis.

A report is required confirming damages and suggested reserve within 10 working days. If emergency advances above the SIR are required, the request for funds should detail amounts already expended and intended incurred expenditures to support the advance request. An Adjuster's Initial Report should follow within 30 days.

All reports should refer to the correct CAT Number if known/available.

AGGREGATE COVERAGE

In addition to the loss reports on the specific losses you are required to provide quarterly loss reports for the Aggregate Loss Funds in an acceptable/approved format to:

PSI to the attention of Philip Vaughan-Fowler

Please note that if you are handling run-off losses previously handled by another TPA (also known as “run-in” claims), all data from the prior TPA needs to be included.

**IMPORTANT INFORMATION REGARDING MANDATORY REPORTING
UNDER SECTION 111 OF THE MEDICARE, MEDICAID AND SCHIP
EXTENSION ACT OF 2007 (MMSEA)**

Pursuant to the terms of the policy between Underwriters and the Named Assured, it is Underwriters interpretation of Section 111 of the MMSEA that the Assured is the Responsible Reporting Entity (RRE) for any claims made against the Assured that may be covered under the policy. Therefore, compliance with the Act in regard to RRE’s rests with the Assured. If the TPA is designated by the Assured as the party responsible for making reports on behalf of the Assured under the act for claims that fall within the Self Insured Retention, it is Underwriters position that the TPA has that same duty for claims in excess of the Self Insured Retention.

If there are any questions regarding any of the above, or if for any reason you are not able to comply with these reporting guidelines, please contact Cindy or Philip as soon as possible.

Auto Physical Damage and Property claims must be reported to Travelers when the value is at 50% or will exceed the PEFJIF retention of 50,000. The claims should be called into Travelers at 1-800-238-6225 until further notice.

For workers compensation **Safety National** provides excess coverage statutory or unlimited excess 1,250,000. (Brit 500,000 x PEJIF 750,000) If the exposure exceeds or likely to exceed 50% of the retention the claim must be reported to Safety National. Immediate reporting should occur on fatalities, spinal cord injuries (Para/quads), second or third degree burns over 25% or more of the body, brain injuries, amputation of a major extremity, and multiple serious injuries to two or more employees. The reports can be sent to Safety by fax: 314.995.3897 or email via safety’s web site. Safetynational.com

Please visit their web site for further instruction. A SN reporting form is noted above.

When reporting to the excess carrier, please copy the PEJIF Litigation Manager on liability claims and the VP of Claims on workers’ compensation and property.

In regards to data, on a monthly basis submit the TPA must submit to the PEJIF VP of Claims:

- Detailed loss runs for both members (copy data reported for GSMJIF).
- A report that identifies claims that have been noted for subrogation potential.

The reporting grid below outlines the reserve authorities for all TPA’s by member:



PEJIF Reserve Authority and Reporting Requirements

PEJIF - NIP CLAIM REPORTING

Jan-14

SIR Retention by PEJIF and Member.

Bus Line	PEJIF					
	SIR	E Orange	Passaic	Perth Amboy	Plainfield	W New York
APD	50,000	50,000	1,000	1,000	1,000	1,000
PROP	50,000	50,000	1,000	1,000	1,000	1,000
AL	500,000	350,000	5,000	250,000	150,000	100,000
GL	500,000	350,000	5,000	250,000	150,000	100,000
LEL	500,000	350,000	50,000	100,000	150,000	100,000
EPL	500,000	NC	50,000	50,000	150,000	50,000
POL	500,000	NC	50,000	50,000	150,000	10,000
WC	750,000	750,000	750,000	500,000	150,000	150,000
TPA	NIP ADM	Inservco	D&H	D&H	Inservco	CCMSI

TPA Reporting to NIP at Incurred level

APD & Prop	25,000	25,000	25,000	25,000	25,000	25,000
AL	200,000	50,000	200,000	100,000	75,000	75,000
GL	200,000	50,000	200,000	100,000	75,000	75,000
WC	250,000	250,000	250,000	100,000	100,000	100,000

* NIP will directly manage all LEL, POL and EPL claims. NIP will complete reporting to Brit on these claims.

* The above reporting is in addition to Brit/excess reporting as mandated by Brit guidelines.

* NIP will also be copied on all reporting to Brit. This includes all non-monetary reporting such as catastrophic losses, fatalities, etc., as no

* NIP will be notified on all coverage issues and will forward to Brit with comments and recommendations.

* NIP contacts will be Bob for WC and property. Wendy for liability claims.

* Brit contact for PEJIF is Cindy Whiteaker, PSI and Philip Vaughan-Fowler, PSI on subsequent reporting's.

* Brit is excess all on lines except APD and property.

RESOLUTION NO. 06-14

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter referred to as the "FUND")
APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

WHEREAS, the FUND is duly constituted as a Public Entity Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et seq.); and

WHEREAS, the FUND finds it necessary and appropriate to obtain certain professional services and other extraordinary and other unspecifiable services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-11, et seq.) for the 2014 Fund Year.

NOW, THEREFORE BE IT RESOLVED, by the FUND's Board of Commissioners that the following professional services are being awarded under a fair and open process:

- *Pringle Quinn Anzano* is hereby appointed as **Fund Attorney** and shall serve at an hourly rate of \$155 not to exceed \$15,000 annually.
- *Hodulik & Morrison*. is hereby appointed as **Fund Auditor** and shall serve at an annual fee not to exceed \$16,000, which includes administrative costs.
- *NIP Management Services, LLC* is hereby appointed as **Claims Administrator – Professional Lines** at an annual fee not to exceed \$159,681.
- *Advanced Risk Management Techniques* is hereby appointed as **Actuary** for the Fund and shall be appointed and qualified at an annual amount not to exceed \$15,000.
- *NIP Management Services, LLC* is hereby appointed to provide **Claims and Risk Control Management Services** at an annual fee not to exceed 3% of members' gross joint insurance fund assessment.
- *NIP Management Services, LLC*. is hereby appointed to provide **Loss Control Services** to the Fund and shall serve at an annual fee not to exceed \$100,000.
- *Business and Governmental Insurance Agency* is hereby appointed as **Underwriting Manager/Insurance Broker** for the Fund and shall serve at an annual fee not to exceed 2.0% of members' gross joint insurance fund assessment.
- *Patrick J .DeBlasio, CPA, CFMO* is hereby appointed as **Fund Treasurer** and shall serve at an annual fee not to exceed \$5,000.
- *NIP Management Services, LLC* is hereby appointed as **Administrator** for the Fund and shall serve at an annual fee not to exceed 6.0% of members' gross joint insurance fund assessment.
- *Prime Advisors, Inc.* is appointed as **Investment Advisor** for the Fund and shall serve at an annual fee not to exceed \$5,000.

All Professionals and Service Organizations appointed pursuant to this Resolution shall serve the Fund pursuant to the terms of their Professional Services Contract(s) attached hereto.

ADOPTED: *this day by the Board of Fund Commissioners,*

Chairman

January 28, 2014
Date

Secretary

Date

January 28, 2014



RESOLUTION NO. 07-14

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter the “FUND”)

APPROVING CERTAIN DISBURSEMENTS

WHEREAS, the Bylaws of the PEJIF require that the Fund Commissioners approve all disbursements by a majority vote, and

WHEREAS, the attached bill of items sets forth certain bills or demands for monies;

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Board of Fund Commissioners that the attached bill of items totaling **\$688,120.41** is approved for payment.

Adopted: *this day by the Board of Fund Commissioners*

Chairman

January 28th 2014
Date

Secretary

January, 28th 2014
Date

January 28th, 2014 - PEJIF Meeting Bills List

Date: 01.15.14
 Invoice #: 01

<u>Notes</u>	<u>Description</u>	<u>COMMENTS</u>	<u>Check #/WT</u>	<u>Invoice Amt.</u>
NA	NA	NA	NA	
		Total in Checks \$		
		<u>WIRE TRANSFERS</u>		
	NIP Management Services	Reimbursement for payment to AON Risk check #1283 for PEJIF Rate Study		\$ 8,500.00
	BGIA	Invoice #192569 - ACE 2014 Pollution Liability Policy		\$ 11,369.41
	BGIA	Invoice #192545 BRIT Excess Liability 2014		\$350,000.00
	BGIA	Invoice #192591 - Safety National 2014 Excess Workers Compensation Installment 1 of 2		\$318,251.00
		Total Wire Transfer Payments		
		\$688,120.41		
			Subtotal	\$ 688,120.41
			Total	\$ 688,120.41

RESOLUTION NO. 08-14

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND
(Hereinafter referred to as the "FUND")
APPROVING APPLICATIONS FOR MEMBERSHIP

WHEREAS, the FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et seq.); and

WHEREAS, the following municipalities have made application to the FUND for membership effective January 1, 2014 for the 2013 Fund Year, such applications have been approved by the Fund Commissioners and have duly executed a Joint Indemnity and Trust Agreement and Resolution to Join,

NOW, THEREFORE BE IT RESOLVED, by the FUND's Board of Commissioners that the following municipalities are approved for membership in the FUND effective January 1, 2014:

- City of East Orange
- City of Passaic
- City of Perth Amboy
- City of Plainfield
- Town of West New York

ADOPTED: *this day by the Board of Fund Commissioners*

Chairman

Date

January 28th, 2014

Secretary

Date

January 28th, 2014

RESOLUTION NO. 09-14

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND
(Hereinafter referred to as the "FUND")

APPROVING THE FUND BUDGET FOR FISCAL YEAR 2014

WHEREAS, N.J.S.A. 11:15-2.4 requires that the joint insurance fund commissioners approve the fund budget by a majority vote; and

WHEREAS, the adopted FUND budget must be filed with the Commissioner of Banking and Insurance and the Commissioner of Community Affairs; and

WHEREAS, copies of the Fund budget must be made available to the governing bodies of each member municipality;

NOW, THEREFORE BE IT RESOLVED, by the FUND's Board of Commissioners that the attached revised budget (adjusted to add new members) is approved for the 2014 FUND fiscal year.

Adopted: *this day by the Board of Fund Commissioners*

Chairman

Date

January 28th, 2014

Secretary

Date

January 28th, 2014

PE JIF
TOTAL ASSESSMENT BY MEMBER
2014 BUDGET
AS OF JANUARY 8, 2013

Member Town	WC				GL (EPL/POL)				AL			
	Loss Fund	Excess	General Expenses	Total	Loss Fund	Excess	General Expenses	Total	Loss Fund	Excess	General Expenses	Total
East Orange	-	182,843	51,917	234,760	6,578	83,189	25,488	115,255	9,344	32,439	11,864	53,647
Perth Amboy	175,653	143,714	51,809	371,176	16,427	118,884	21,951	157,262	12,102	24,043	5,864	42,008
Plainfield	322,208	161,389	118,535	602,133	38,348	95,696	32,856	166,899	13,740	18,197	7,828	39,764
West New York	82,477	63,815	82,225	228,517	66,866	87,982	87,033	241,881	21,575	21,430	24,171	67,177
Passaic	-	189,500	84,963	274,463	248,842	156,759	181,852	587,453	119,015	32,248	67,819	219,082
Totals	580,338	741,262	389,449	1,711,049	377,060	542,509	349,180	1,268,750	175,776	128,356	117,546	421,678

Member Town	Property				2014 Total Assessment
	Loss Fund	Excess	General Expenses	Total	
East Orange	-	152,076	43,181	195,257	598,918
Perth Amboy	9,064	78,206	14,157	101,427	671,873
Plainfield	20,884	64,631	20,961	106,476	915,271
West New York	13,686	44,145	32,504	90,335	627,909
Passaic	21,896	53,346	33,735	108,976	1,189,976
Totals	65,529	392,404	144,538	602,471	4,003,948

RESOLUTION NO. 10 -14

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter referred to as the “FUND”)

NAMING AN AGENT FOR SERVICE OF PROCESS
FOR THE 2014 FUND YEAR

WHEREAS, THE FUND is duly constituted as a Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et seq.); and

WHEREAS, THE FUND is required to name an agent for the service of process;

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Board of Fund Commissioners that:

I. The following is hereby declared as the FUND’s Agent for Service of Process for 2014:

Earl Miller
President
NIP Management Services, LLC
c/o NIP Group, Inc.
900 Route Nine North, Suite 503
Woodbridge, NJ 07095

Adopted: this day by the Board of Fund Commissioners:

_____ January 28th, 2014
Chairman Date

_____ January 28th, 2014
Secretary Date