

STATEWIDE INSURANCE FUND

30A Vreeland Rd, P. O. Box 678, Florham Park, NJ 07932-0678

February 3, 2011 EXECUTIVE COMMITTEE REORGANIZATION MEETING MINUTES

I. Call to Order

The STATEWIDE Insurance Fund held an Executive Committee Meeting at the Bernard's Inn, Bernardsville, NJ. The Statement of Adequate Notice was read by Chairman John Hatzelis. The Executive Committee Reorganization meeting began at 1:10 pm.

II. Roll Call of the Executive Committee

John Hatzelis, Vice Chairman (Sussex County MUA) - Present
Margaret Gould, Secretary (Peapack-Gladstone Borough) - Present
George Kallert (Weehawken Township) - Present
Thomas Russo (Town of Newton) - Present
Jesse Landon (Tewksbury Township) - Absent
William Eagen (Jefferson Township) - Present
James Naples (Town of Clinton) - Present

Alternate Executive Committee

Linda Peralta (Green Township) - Present
Phil Huhn (Neptune) - Absent
Gary Garwacke (Borough of Manville) - Absent

Also Present:

Caroline J. Conboy, Fund Administrator
Maira Kenah, Office of the Administrator
MaryAnn Leuthe, Office of the Administrator
Deborah Rosenthal, Gebhardt & Kiefer, P.C.
Wayne Dietz, D&H Alternative Risk Solutions
Ivan Cohen, I-Core System, Inc.
Steve McNamara, CSG
Lynda Medvec, CSG
Thomas Kiernan, Specialty Claims

III. Settlement/Payment Authorities

Specialty

SW4020	1/18/2009	\$3,961.68
SW4858	10/13/2010	\$19,636.61
SW4883	12/15/2010	\$9,122.50
SW4916	1/9/2011	\$5,512.30
SW4891	12/28/2010	\$8,630.85

CSG

SWM033703	8/19/2010	\$10,037.18
SWM034018	10/9/2010	\$5,648.08
SWM033776	9/6/2010	\$5,163.57
SWM033456	7/27/2010	\$8,743.57
SWM027314	8/27/2008	\$32,313.04
SWM033973	9/29/2010	\$8,740.36
SWM033192	6/17/2010	\$9,016.30
SWM033479	7/29/2010	\$12,085.94
SWM033113	6/11/2010	\$23,337.05
SWM033167	6/16/2010	\$8,828.37
SWM033912	9/23/2010	\$16,564.68

D&H

SWM030539	8/8/2009	\$26,040.00
SWM028536	1/9/2009	\$26,040.00
SWM032338	3/5/2010	\$12,720.00
SWM019939	11/1/2005	\$15,627.75
SWM029926	5/26/2009	Net to EE \$8,111.25
SWM029538	4/11/2009	\$23,562.00
SWM029052	2/20/2009	\$37,420.00
SWM028205	12/3/2008	\$51,390.00
SWM020693	2/26/2006	\$13,041.00
SWM026167	4/30/2008	Section 20 \$7,500
SWM026823	7/21/2008	\$68,508.00

Motion to approve the Bill Payment Requests and Settlements Authorities was made by Tom Russo, seconded by George Kallert. A roll call vote was taken. The motion passed unanimously.

IV. **Secretary's Report- Margaret Gould**

Approval of the December 9, 2010 Safety and Loss Control Meeting Minutes, Executive Committee and Closed Executive Committee Meeting Minutes.

Motion to approve the December 9, 2010 Safety and Loss Control Meeting Minutes, Executive Committee, Open and Closed Executive Session Meeting Minutes was made by Tom Russo, seconded by Marge Gould. The motion passed unanimously.

V. **Treasurer's Report- Samuel Klein and Company**

A. John Hatzelis presented the November 30, 2010 and the December 31, 2010 Treasurer's Reports. The December 31, 2010 Valley National Bank Asset Report was also presented.

Motion to approve and accept the November 30, 2010 and December 31, 2010 Treasurer's Reports and the Valley National Investment Report was made by Marge Gould, seconded by Tom Russo. The motion passed unanimously.

VI. **2011 Fund Year Resolutions and Professional Service Agreements**

Resolutions

- | | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------|
| a. Resolution EC #11-01 | Appointing Attorney |
| b. Resolution EC #11-02 | Appointing Special Counsel |
| c. Resolution EC #11-03 | Appointing Defense Attorneys |
| d. Resolution EC #11-04 | Appointing Auditor |
| e. Resolution EC #11-05 | Appointing Actuary |
| f. Resolution EC #11-06 | Appointing Managed Care Organization |
| g. Resolution EC #11-07 | Appointing Treasurer |
| h. Resolution EC #11-08 | Appointing Safety and Loss Control Professional |
| i. Resolution EC #11-09 | Adopting Risk Management Program |
| j. Resolution EC #11-10 | Designating Certifying and Approving Officer |
| k. Resolution EC #11-11 | Appointing Agent for Service of Process |
| l. Resolution EC #11-12 | Authorizing Cash Management Plan |
| m. Resolution EC #11-13 | Regarding Interest on Past Due Assessments |
| n. Resolution EC #11-14 | Authorizing Signatures |
| o. Resolution EC #11-15 | Designating Depositories for Funds |
| p. Resolution EC #11-16 | Establishing Trust Fund |
| q. Resolution EC #11-17 | Establishing Claim Fund and Administrative Accounts |
| r. Resolution EC #11-18 | Designating Newspapers and Meeting Schedule |
| s. Resolution EC #11-19 | Awarding Policies/Contracts for Coverages Afforded by the Fund |
| t. Resolution EC #11-20 | Verbal Resolution to Appoint Caroline Conboy as Fund Administrator as the written Resolution was inadvertently omitted. |

Motion to approve Resolutions EC#11-01 through #EC 11-20 via consent agenda was made by Tom Russo, seconded by Bill Eagen. Roll call was taken, and all approved.

Certifications

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|----------------------|----------------------------------------------|
| a. EUS Certification | Crime Insurance |
| b. EUS Certification | Excess Workers' Compensation Insurance |
| c. EUS Certification | Auto and General Liability Insurance |
| d. EUS Certification | Boiler & Machinery Insurance |
| e. EUS Certification | Property Insurance |
| f. EUS Certification | Environmental Impairment Liability Insurance |
| g. EUS Certification | Umbrella Insurance |
| h. EUS Certification | Excess Auto and General Liability Insurance |
| i. EUS Certification | Professional (EPLI/POL/LEL) Insurance |
| j. EUS Certification | JIF Crime Insurance |
| k. EUS Certification | JIF E&O Insurance |
| l. EUS Certification | JIF Package Insurance |
| m. EUS Certification | Managed Care Organization |
| n. EUS Certification | Investigators |
| o. EUS Certification | Risk Management Consultants |

Motion to approve certifications "a" through "o" and authorize the Fund Administrator to execute the EUS' was made by George Kallert, seconded by Marge Gould. Roll call was taken and all approved.

Professional & Services Agreements

- a. Actuary
- b. Attorney
- c. Auditor
- d. Special Counsel
- e. Defense Counsel(s)
- f. Loss Control
- g. Treasurer

Motion authorizing execution of the professional and service agreements was made by George Kallert, seconded by Tom Russo. Roll call was taken and all approved.

VI. Discussion Items

A. Managed Care Organization's Report

Steve McNamara reviewed the savings report that was included in the kit.

B. Budget Amendment

An Amendment to the 2011 Budget was presented reflecting final renewal premiums and new business updates. A motion to approve the Amended Budget was made by Tom Russ, seconded by Marge Gould. A roll call vote was taken, all approved.

C. Bill List

The Bill List totaling \$6,266,979.38 was reviewed. Motion to approve the February 3, 2011 was made by Marge Gould, seconded by Bill Eagen. A roll call vote was taken, all approved.

D. Administrator's Report

Caroline Conboy reported that we quoted 17 new accounts, adding 6 new members and we are pleased we were able to grow the fund. Next year will be a challenging year. On January 28, 2011, we held a meeting with various vendors and executive committee members. The purpose of the meeting was to participate in some strategic planning and clarify everyone's role with the fund. We discussed way to handle the renewal process and safety and loss control initiatives. In the future we will be meeting on a quarterly basis following the monthly meeting. Our website will be undergoing some changes as the cost to keep it with the same provider was prohibitive. The DOBI advised us last week that they will be conducting a review starting on Monday, February 7, 2011. They are looking at all JIFs' WC results relative to rate adequacy. They anticipate spending 4 weeks at our location.

E. Safety and Loss Control Report

Ivan Cohen advised that he has been more involved in the review of all lines and professional lines claims and will continue to focus on them in addition to WC. We will be implementing a hard hat decal program, where the decals will be distributed to the public works employees based on certain criteria to be developed. He is looking into several other new initiatives including a Red Suit loaner program, discounts for boots and other equipment, and increasing communication with the township committees. Some of the issues that will be addressed this year will be drug free workplace, liability loss control practices, and emerging topics such as counterfeit building materials.

VII. Public Comment

There was no public comment.

VIII. **Open Executive Session**

Motion to adjourn to Closed Executive Session was made by Marge Gould, seconded by George Kallert. The motion passed unanimously. Executive Session began at 2:50 pm Tom Russo left at 3:05 pm.

Motion to resume Public Session was made at 3:20 pm by Marge Gould, seconded by Bill Eagen. The motion passed unanimously.

IX. A motion of approval of settlement authorities discussed in Executive Session was made by George Kallert, seconded by Marge Gould. A roll call was taken, all aroved.

X. Payee Listings

D&H Alternative Risk Solutions

Fund Year	Amount
1996	\$6,104.46
1999	\$137.50
2001	\$964.50
2002	\$5,753.00
2003	\$4,068.65
2004	\$15,462.67
2005	-\$13,665.65
2006	\$17,093.29
2007	\$38,129.08
2008	\$109,992.73
2009	\$66,502.98
2010	\$236,740.20
Grand Total	\$487,283.41

Specialty Claims Management

Fund Year	Amount
2006	\$4,051.74
2007	\$35,585.75
2008	\$15,818.83
2009	\$12,436.98
2010	\$97,185.67
Grand Total	\$165,078.97

Motion to approve the amounts stated in the Claim Payee Listing memorandum dated February 3, 2011 was made by George Kallert, seconded by Marge Gould. A roll call vote was taken. The motion passed unanimously.

XI. The Executive Committee reviewed the new claim listings from D&H and Specialty Claim Management. A motion to accept the listing was made by George Kallert, seconded by Bill Eagen. All in favor.

XII. **Adjournment**

The next meeting of the Executive Committee will be Thursday, March 10, 2011 at the office of the Administrator, 30A Vreeland Rd, Florham Park, NJ. The meeting will begin at 10:30AM. There will be a Claims/Loss Control Committee meeting on the same day beginning at 9:30 AM.

Motion to adjourn the meeting was made by Bill Eagen, seconded by John Hatzelis. All in Favor. The meeting was adjourned at 3:25 pm.

Respectfully submitted,

Authorized Signature