

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF DECEMBER 30, 2019
TELECONFERENCE
10:30 AM**

Meeting called to order by Robert Law. The Open Public Meeting Notice was read into the record.

Pledge of Allegiance

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

Chairman:	Trico	Robert Law	Present
Secretary:	South Bergen	Greg Franz	Present
Executive Committee:	Bergen	Paul Tomasko	Present
	Burlco	Meghan Jack	Absent
	NJUA	Bernie Rutkowski	Present
	Sub Essex JIF	Joe Catenaro	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
Alternates:			
	#1 Morris	Michael Guarino	Present
	#2 Ocean	Veronica Laureigh	Present
	#3 Central	William Northgave	Absent
	#4 PMM	Thomas Merchel	Present
	#5 Sub-Muni	Megan Champney	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Perma Risk Management Services	Stephen Sacco	Present
Attorney	Dorsey & Semrau	Fred Semrau, Esq.	Present
Treasurer		Charles S. Cuccia	Absent
Underwriting Managers	The Danskin Agency Conner Strong & Buckelew	Chuck Casagrande Mike Avalone	Present Present
Claims Administrator	King Moench Hirniak & Mehta	Peter King, Esq.	Absent
Environmental Engineering Services	First Environment	Rich Erickson	Present
Actuary	AON	Chas Kullman	Absent
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Absent

OTHERS PRESENT:

Joseph Hrubash, PERMA

Jason Thorpe, PERMA

John Casagrande, Danskin Insurance Agency

EXECUTIVE DIRECTOR/ADMINISTRATOR:

APPOINTMENT OF EXCESS CARRIER – Mr. Sacco advised that the Fund does not normally meet during the month of December. He then asked the Fund Attorney, Mr. Semrau, to provide a brief explanation as to why the meeting was needed. Mr. Semrau reported that there have been inquiries in the past made by the State Comptroller's office regarding how the fund secures its coverage. He noted that the Comptroller has asked that the fund document that they have solicited different quotes and proposals for such services. By holding this meeting, documentation is available to be provided. Mr. Semrau added that the EJIF Professionals felt that it would be most prudent to appoint the excess carrier prior to the end of the year to avoid any gaps in coverage. Mr. Sacco asked if there were any questions on Mr. Semrau's explanation. Commissioner Wolk asked when the excess coverage will expire and if the process of appointing an excess carrier has to be done annually. Mr. Semrau advised that the appointment will have to be done annually. Mr. Sacco added that the Professionals will attempt to schedule the meeting during the first two weeks of December 2020 if it is possible. He then asked if there were any further questions on Mr. Semrau's explanation. Hearing none, Mr. Sacco asked Mr. Casagrande to provide an overview of the Underwriting Manager's marketing efforts. Mr. Casagrande referred to a memorandum from the EJIF's Underwriting Manager regarding the selection of an excess carrier. He reported that the incumbent excess insurance carrier, Ironshore, has proposed a renewal option of the expiring terms and conditions with two changes – a significantly reduced premium of \$428,297 (current year \$538,954) and an additional coverage limiting endorsement #9 (Exclusion Amendatory Endorsement). Mr. Casagrande noted that the proposed endorsement eliminates coverage in the excess policy for those claims arising out of PFAS Compounds in drinking water that the EJIF local units had knowledge of exceedance of federal or state standards prior to the inception (01/01/2020) of this renewal policy. He advised that the other viable excess proposal received was from Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton, NJ. Mr. Casagrande noted that Ascot has proposed an annual premium of \$498,536 with matching limits and retention with a concise manuscript policy form. He further noted that the Ascot policy form has been tailored to the EJIF Underlying coverage and does not have any exclusion for PFAS Compounds. He added that three other potential excess markets were approached, but declined to provide a proposal. Mr. Casagrande informed the Board that the Underwriting Managers are recommending that Ascot Specialty Insurance Company be appointed as the excess carrier for the 2020 policy year, based on the positive pricing, favorable policy form and offer of additional loss control monetary support. He noted that although Ironshore is offering a significant reduction in premium, the inclusion of endorsement #9 would remove coverage for an exposure (PFAS Compounds) that would do a disservice to the membership. Mr. Sacco asked if there were any questions regarding the recommendation. Commissioner Rutkowski asked what the term of the appointment will be as there was a reference of a 3 year duration within the memo from the Fund QPA. Mr. Semrau advised that although the appointment can be up to 3 years, the recommendation is being made for 1 year. Chairman Law asked if there were any further questions on the recommendation. Hearing none, he asked for a motion to adopt Resolution 31-19

**MOTION TO ADOPT RESOLUTION # 31-19 APPOINTING ASCOT
SPECIALTY INSURANCE COMPANY AS THE E-JIF EXCESS CARRIER
FOR FUND YEAR 2020.**

MOTION: Commissioner Tomasko
SECOND: Commissioner Catenaro
ROLL CALL VOTE: Unanimous

OLD BUSINESS:

None.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

None.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

MOTION TO ADJOURN MEETING

MOTION: Commissioner Laureigh
SECOND: Commissioner Nolan
VOTE: Unanimous

Meeting Adjourned: 10:45 AM

Next Meeting:

**January 2020
Forsgate CC
Jamesburg, NJ**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

Resolution 31-19

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL JOINT INSURANCE FUND AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH ASCOT SPECIALTY INSURANCE COMPANY, THROUGH AN INTERMEDIARY, R-T SPECIALTY IN HAMILTON, FOR REINSURANCE AND/ OR EXCESS LIABILITY COVERAGE

WHEREAS, there is a need for reinsurance and/ or excess liability coverage for the New Jersey Environmental Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals as required disclosure proposals; in accord with N.J.S.A. 19:44A-20.4 et. Seq. A memorandum outlining such proposals is on file with the Executive Director of the Fund; and

WHEREAS, the Fund is recommending award to Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton, for Reinsurance and/or Excess liability Coverage in the amount of \$498,536.00; and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. Seq., has been complied with and attached to resolution; and

WHEREAS, Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton has completed and submitted a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton from making any reportable contributions through the term of the contract, and

WHEREAS, the purchasing agent has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2020 budget in the amount of \$498,536.00 from:

Line Item: EJIF Operating Account

NOW, THEREFORE, BE IT RESOLVED, that the New Jersey Environmental Joint Insurance Fund authorizes the Executive Director to enter into a contract with Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton for the 2020 budget year for Reinsurance and/ or Excess Liability Coverage in the amount of \$498,536.00