



New Jersey Schools Insurance Group
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Board of Trustees Meeting of July 20, 2020
Board of Trustees Meeting Minutes of June 17, 2020

New Jersey Schools Insurance Group's (NJSIG) Board of Trustees Meeting of June 17, 2020 at NJSIG's Mount Laurel office.

ATTENDEES

Trustees: Stephanie Brown, Ed. D., Irene Le Febvre, Joseph Meloche, Ed. D., Steven Robinson, Josephine Sharpe, and Dana Sullivan

Participants: David Rapuano, Esquire of *Archer*, Phil Williams of *Willis Re* and Mark Dillard of *Public Risk Underwriters/QBE*

NJSIG

Staff: Jill Deitch, *Executive Director*, Michele Carosi, *Chief Financial Officer*, Jeff Cook, *Information Systems Manager*, Debra Rice, *Client Relations/Safety and Risk Control Manager*, Claire King, *Underwriting Manager*, Neil Marek, *Liability Claims Supervisor*, Stephen Tucker, *General Counsel*, Beth Ferlicchi, *Assistant General Counsel*, and Renee Johnson-Payne, *Executive Assistant*

ITEM #1 CALL TO ORDER

Pursuant to N.J.S.A. 10:4-10, with a quorum present, the meeting was called to order at approximately 10:02 a.m. In accordance with the Sunshine Law and N.J.S.A. 10:4-10, due notice of this meeting was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on June 6, 2020 and June 16, 2020 (location change). Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Stephanie Brown, Ed.D.	√	Irene LeFebvre	√	Christopher Russo, Ed,D	A
Thomas F. Conners, Ph.D.	A	Joseph Meloche, Ed.D.	√	Josephine Sharp	√
James J. Jencarelli, Jr.	A	Steven Robinson	√	Dana Sullivan	√

ITEM #3 ACCEPTANCE OF THE PUBLIC SESSION AND EXECUTIVE SESSION MINUTES OF MAY 20, 2020.

Action Taken: M (Sullivan)\ S (Robinson)\ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to accept the May 20, 2020 public session and executive session Board of Trustees meeting minutes.

ITEM #4 PUBLIC PARTICIPATION

There was no public participation.

ITEM #5 SUB-FUND LIAISONS – Reports/Comments

There were no sub-fund liaisons.

ITEM #6 REPORTS:

A. Executive Director:

Jill Deitch, Executive Director provided an overview of her report and an update on the status of NJSIG. New Jersey has moved to “Stage 2” of Governor Murphy’s restart and recovery plan on June 15, 2020. NJSIG is drafting a plan for employees to return to the office and what that will look like. She does not anticipate NJSIG’s reentry happening rapidly. She is also paying close attention to guidance that may become available from the CDC.

On May 28, 2020 Jill Deitch met with Dana Sullivan, Chris Russo and Steve Robinson to discuss further possibly returning a portion of member contribution from the 2019/2020 policy year, as suggested by the NJ Department of Banking and Insurance (DOBI). The logistics have yet to be determined, and she will have more information at the September 2020 meeting.

Jill Deitch has received inquiries regarding graduations ceremonies and proms in July. In response, NJSIG sent out a communication to the members advising them that coverage determinations can only be made on a case-by-case basis. It was recommended the members should consult with their brokers and risk management professionals for advice, since that fact that there may be coverage for a potential claim does not mean that graduation ceremonies are recommended.

Jill Deitch presented the organizational chart and certain personnel changes.

NJSIG's Errors and Omissions Underwriter has voiced concerns about possible reduction in force due to budget reductions in the upcoming year. NJSIG recognizes the significant changes and wants to know what kind of support the membership would find most helpful. This topic is a discussion item later in the meeting.

Jill Deitch reported that all issues concerning the employee HRA that was terminated in January 2017 have been resolved.

A discussion ensued relative to whether workers' compensation coverage would be available to district staff who assist with graduations.

B. Chief Financial Officer:

Michele Carosi, Chief Financial Officer, provided an overview of her report and an update on the status of her department. She announced that IT, Accounting and Underwriting successfully developed and will implement the paperless billing process after July 1, 2020.

Michele Carosi will brainstorm and collaborate with the auditor to perform a remote paperless June 30, 2020 financial audit.

On May 28, 2020 Michele Carosi and Jill Deitch met with the Board of Trustees business administrators to discuss the COVID-19 member relief/grant. They will work with the business administrators to develop a firm COVID-19 relief plan to be presented to the Board in September 2020.

C. Client Relations and Safety and Risk Control Manager:

Debra Rice, Client Relations and Safety and Risk Control Manager, provided an overview of her report and an update on the status of her department. She reported that the Safety Grant portal closed on June 15, 2020 with four members who did not meet the deadline. The team is working with those districts to complete their applications.

MOCSSIF and ERIC West are coming out of commitment this year. The Client Relations and Safety and Risk Control Department is working hard to retain and maintain membership. She reported that NJSIG received a binder for a large new piece of business from South Jersey.

The team has been working to refine the new incident reporting program before its rollout on July 1, 2020.

D. Underwriting Manager:

Claire King, Underwriting Manager, provided an overview of her report and an update on the status of her department. She reported that 163 members between MOCSSIF, ERIC West and NJSIG non sub-fund members are coming out of commitment. She estimates that approximately 30 members are currently at risk.

E. Information Technology Manager:

Jeff Cook, Information Systems Manager, provided an overview of his report and an update on the status of his department. His team has been working with the department managers to meet project needs and timelines. Most recently they worked on the paperless billing and renewal project in accounting, updating coding of the website for the safety grant allocations.

He reported that Whitesell, the building owner for 6000 Midlantic Drive, has done a good job of complying with the CDC COVID-19 guidelines. There is signage throughout the building, hands-free door handles and hand dryers in the restrooms.

F. Claims Manager:

Neil Marek, Liability Claims Supervisor, provided an overview of his report and an update on the status of the Claims department. He reported a significant decrease in new claims; however, property claims remain the

same. There were some damaging storms in May which attributed to the property claims. We will likely have more claims in June than in May overall with notice of tort claims, summons and complaints being filed. There is an uptick in ethics complaints, due process and IEPs that are being sent to Summit Risk. There has been no real uptick in sexual abuse/molestation claims since the new SAM legislation went into effect in December 2019. Workers' compensation is seeing an uptick with facility and maintenance workers and late-filed claim petitions.

In May 2020, 53 settlements and 69 fair offers were made in an effort to move the claims to a fair and reasonable settlement, while the courts are not in session. We continue to resolve claims through teleconferencing with workers' compensation judges instead of waiting for the courts to reopen.

Using the in-house rehabilitation nurse to complete medical reviews reduces the cost of Qual-Lynx. She currently has 30 files that will increase.

Neil Marek detailed a favorable liability outcome.

ITEM #7 DISCUSSION ITEMS

A. Summer retreat (proposed for week of 7/13/20 or 7/20/20)

Jill Deitch introduced a Board of Trustees summer retreat. The proposed weeks are 7/13/20 or 7/20/20. A discussion ensued; the result was that the retreat will be for one or two hours beginning at 10:00 a.m.

B. NJSIG return to office

Jill Deitch solicited guidance relative to NJSIG's return to the office. The Board indicated that employee productivity is a main concern, wherever they are working from. The Board indicated that they defer to the Executive Director on this issue.

C. School Board Leader Liability issues

Jill Deitch discussed possible reductions in force as a result of budget reductions. NJSIG wants to provide assistance to the membership like the NEPHA hotline or a newsletter from NJSIG's outside employment counsel. Mark Dillard of Public Risk Underwriters/QBE wants to provide support to the membership by helping them navigate these employment decisions.

D. Trustee committee assignments

Trustee committee appointments will be discussed at the retreat.

ITEM #8 ACTION ITEMS:

A. 2020-2021 Budget – Second Reading

Action Taken: M (Robinson) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to approve the 2020-2021 Budget as presented for a second reading.

B. 2020-2021 Plan of Risk Management – Second Reading

Action Taken: M (Meloche) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to approve the 2020-2021 Plan of Risk Management as presented for a second reading.

C. 2020-2021 Meeting Dates – Second Reading

Action Taken: M (Robinson) \ S (Meloche) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to approve the 2020/2021 Meeting Dates for a second reading.

D. Checking Accounts & New Claims Ratification

Action Taken: M (Sullivan) \ S (Meloche) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to approve and ratify the checks and new claims which have

been issued from accounts XXXXXXXX210 (operating account) and XXXXXXXX229 (claim account) for the period of 5/1/2020 to 5/30/2020 as shown in the online (Microscribe) version of the meeting package.

E. Educational Assistance Plan Policy – Second Reading

Action Taken: M (Meloche) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to approve the Educational Assistance Plan policy as presented for a second reading.

F. Donated Leave Policy – First Reading

Jill Deitch introduced the Donated Leave policy as presented for a first reading. Significant concerns raised by various trustees to this proposed policy. Trustees tabled the discussion until the retreat.

G. Trustee terms

Action Taken: M (Robinson) \ S (Meloche) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to renew the terms for Trustees Stephanie Brown, Ed.D. and Josephine Sharpe for three years, to run from 7/1/2020 to 6/30/23.

H. SARS-CoV-2/COVID-19 relief

Action Taken: M (Sullivan) \ S (Robinson) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to authorize the Executive Director to determine the logistics of returning a portion of member contributions from the 2019/2020 policy period and seek approval from DOBI prior to releasing any such funds.

I. 2020-2021 Position grades and wage ranges

Position grade and wage ranges proposed as a discussion topic at the July retreat.

Action Taken: M (Meloche) \ S (Robinson) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to

approve the position grades and wage ranges for the 2020/2021 fiscal year, to be effective on September 1, 2020.

J. Contracting:

Debra Rice explained that the NEPHA hotline is an employment practices counseling hotline for the members that have Errors and Omissions coverage. This allows members to receive employment advice prior to taking action.

- 1. LC-2020-0002; Employment practices counseling hotline services (NEPHA hotline);**

Action Taken: M (Sullivan)\ S (Meloche)\ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to award the contract for Employment Practices Counseling Hotline to Cleary, Jacobbe, Alfieri, Jacobs, LLC based on the results of the committee's evaluation.

Jill Deitch explained an RFP was completed for outside counsel (NJSIG) for subrogation and recovery litigation; insurance coverage counsel and litigation; and school board insurance group counsel.

- 2. C-2020-0006, C-2020-0007, L-2020-0001; Outside counsel; and,**

Action Taken: M (Sullivan)\ S (Meloche)\ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to approve the firms identified in the resolution as designated outside counsel in the respective areas.

Jeff Cook explained an RFP was completed for PeopleSoft migration. The migration is necessary because Windows 2008 does not support PeopleSoft.

- 3. I-2020-0002; PeopleSoft migration services;**

Action Taken: M (Sullivan)\ S (Robinson)\ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to award the contract for PeopleSoft migration services to SpearMC Consulting, Inc. based on the results of the committee's evaluation.

4. Actuarial services;

Action Taken: M (Robinson) \ S (Meloche) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to award the contract for actuarial services to Willis Towers Watson, based on the results of the committee's evaluation.

ITEM #9 NEW BUSINESS

There was no new business.

ITEM #10 EXECUTIVE SESSION

Action Taken: M (Sullivan) \ S (Le Febvre) \ Carried (Affirmative Votes = Brown, Le Febvre, Meloche, Robinson, Sullivan, Sharpe) to go into executive session to discuss litigation, matters of attorney client privilege, etc. 10:55 a.m.

Jill Deitch

Jill Deitch, Esq.
Executive Director