



New Jersey Schools Insurance Group
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Board of Trustees Meeting of May 20, 2020
Board of Trustees Meeting Minutes of March 9, 2020

New Jersey Schools Insurance Group's (NJSIG) Board of Trustees Meeting of March 9, 2020 at NJSIG's Marlboro office.

ATTENDEES

Trustees: Thomas F. Connors, Ph.D., Irene Le Febvre, Joseph Meloche, Ed. D., Stephanie Brown, Ed. D. and Dana Sullivan

Participants: David Rapuano, Esquire of *Archer*, Phil Williams of *Willis Re*, Josephine Sharpe (nominated Board member), Jay Lynch of Boynton and Boynton and Latonya Brennan of Arthur J. Gallagher

**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*, Sherwin Archibald, *Claims Manager*, 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 4:06 p.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 February 27, 2020. 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. Connors, Ph.D.	√	Joseph Meloche, Ed.D.	√	Dana Sullivan	√
James J. Jencarelli, Jr.	A	Steven Robinson	A		

ITEM #3 ACCEPTANCE OF THE PUBLIC SESSION AND EXECUTIVE SESSION MINUTES OF JANUARY 15, 2020.

Action Taken: M (Sullivan)\ S (LeFebvre)\ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sullivan) to accept the January 15, 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

Jay Lynch of Boynton and Boynton, MOCSSIF sub-fund administrator, commented that it is a challenging market and that he would like to make sure that NJSIG is willing to work with members that had been rated as inland and are being converted to coastal rating for this renewal. King indicated that, as she has previously indicated, NJSIG will work with the impacted members to avoid the imposition of any hardship.

Latonya Brennan of Arthur J. Gallagher, ERIC North sub-fund administrator, commented that they are making contingencies to do their sub-fund meetings on a remote basis due to concerns over the coronavirus.

ITEM #6 REPORTS:

A. Executive Director:

In February 2020, Jill Deitch, Executive Director, Sherwin Archibald, Claims Manager and Phil Williams, Willis Re, met with many reinsurers in South Carolina to promote NJSIG’s lines of business and discuss the climate of the hardening reinsurance market. They have been exploring many opportunities to stabilize the rates.

Jill Deitch gave an overview of budgetary guidance issued on each line of coverage. Since the reinsurance negotiations have not been completely finalized she will request an approval for a worst case scenario total reinsurance amount.

Jill Deitch discussed the goal to provide the membership with budgetary guidance much sooner, possibly in January, for the 2021/2022 policy year.

ACTION ITEM:

A. Board of Trustees, proposed new member

Trustee Thomas Connors introduced and welcomed trustee nominee Josephine Sharpe. He gave an overview of his experience as a new trustee and the procedures involved with becoming a trustee.

Action Taken: M (Le Febvre) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sullivan) to approve the NJSBA nomination of Josephine Sharpe to serve on the NJSIG Board of Trustees, as the southern Board Member representative for the term 3/9/20 to 6/30/20.

REPORTS (continued):

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 updated the Trustees on her department's work with the claims department, which will be discussed in more detail in executive session. She also reported that, the week prior, she testified before the grand jury of Dutchess County, New York in connection with attempted fraudulent transactions on NJSIG accounts that took place in 2016 and 2017. Once more information on the criminal proceedings is available, she will share it with the Board.

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 NJSIG hosted a round table sub-fund administrator meeting to discuss the sub-fund business model and combined vision for the future.

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 the workers' compensation mods were distributed as well as the applications. The underwriting department is preparing and testing the uploaded rates, which should be in the system before April 15th.

E. Information Technology Manager:

Jeff Cook, Information Systems Manager, provided an overview of his report and an update on the status of his department. He discussed IT protection software and NJSIG's continuity plan, which ensure security and safeguard against security breaches.

F. Claims Manager:

Sherwin Archibald, Claims Manager, provided an overview of his report and an update on the status of his department. He reported that the claims and IT departments are working together to develop a predictive modeling tool.

ITEM #8 ACTION ITEMS (continued):

B. Willis Towers Watson Rate Review July 1, 2020 – 2021

Action Taken: M (Sullivan)\ S (LeFebvre)\ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe, Sullivan) to approve the Willis Towers Watson rate review for the July 1, 2020-2021 policy year report dated November 8, 2019, and the rates contained in Summary Exhibit B dated February 18, 2020.

C. Excess and reinsurance for the 2020-2021 policy year

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

approve the renewal of reinsurance coverage at a cost not to exceed \$41,743,534 based on expiring exposure data. Further, the Board of Trustees authorizes the Executive Director to renew with alternative responsible carriers if the terms and conditions offered by those carriers provide a clear advantage in Member pricing or coverage terms.

D. Contracting:

1. Outside counsel for general litigation, complex general litigation, school / education litigation, workers' compensation litigation, and complex workers' compensation litigation;

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

2. Financial auditing and accounting consulting services

Action Taken: M (Sullivan)\ S (LeFebvre)\ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe, Sullivan) to award the contract for financial auditing professional services to Bowman & Company, LLP based on the results of the evaluation that was conducted in 2018 and this service provider's demonstrated service to NJSIG.

3. Support, maintenance and modification of proprietary underwriting computer software

Action Taken: M (Sullivan)\ S (LeFebvre)\ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe, Sullivan) to award the contract for support, maintenance and modifications to proprietary underwriting computer software to DAVID Corporation, a Ventiv Technology Company, based on its status as the authorized service provider for this software.

E. Checking Accounts & New Claims Ratification

Action Taken: M (Sullivan)\ S (LeFebvre)\ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe Sullivan) 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 1/1/2020 to 2/29/2020 as shown in the online (Microscribe) version of the meeting package.

ITEM #9 NEW BUSINESS

There was no new business.

ITEM #10 EXECUTIVE SESSION

Action Taken: M (Sullivan)\ S (Le Febvre)\ Carried (Affirmative Votes = Brown, Connors, Le Febvre, Meloche, Sharpe, Sullivan) to go into executive session to discuss matters of Attorney Client Privilege. 4:58 pm.

Jill Deitch

Jill Deitch, Esq.
Executive Director