



New Jersey Schools Insurance Group  
6000 Midlantic Drive, Suite 300 North  
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www.njsig.org

**Board of Trustees Meeting of May 16, 2018**  
**Board of Trustees Meeting Minutes of March 28, 2018**

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New Jersey Schools Insurance Group's (NJSIG) Board of Trustees Meeting of March 28, 2018 at NJSIG's Marlboro office.

**ATTENDEES**

**Trustees:** Thomas F. Connors, Jr., Irene Le Febvre, Joseph Meloche, Christopher Russo and Dana Sullivan

**Participants:** David Rapuano, Esquire of *Archer & Greiner*, Latonya Brennan, representing *Arthur J. Gallagher*

**NJSIG**

**Staff:** William Mayo, *Executive Director*; Michele Carosi, *Comptroller*; Jill Deitch, *Chief Legal Officer*; Beth Ferlicchi, *Assistant General Counsel*; Jeffrey Cook, *Information Systems Manager*, and Renee Johnson-Payne, *Executive Assistant*

**ITEM #1 CALL TO ORDER**

With a quorum present, the meeting was called to order at 4:00 p.m. In accordance with the Sunshine Law, due notice of all pending meetings was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on March 20, 2018. Copies of these notices are on file with the New Jersey Secretary of State.

**ITEM #2 ROLL CALL**

Thomas F. Connors, Ph.D.	√	Irene Le Febvre.	√	Steven K. Robinson.	A
Anthony Grafton.	A	Joseph Meloche, Ed.D	√	Christopher Russo, Ed.D.	√
James J. Jencarelli, Jr.	A	Gerald North	A	Dana Sullivan	√

**ITEM #3 ACCEPTANCES OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF JANUARY 23, 2018.**

*Action Taken: M (Meloche) | S (Connors) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to accept the January 23, 2018 public and executive session Board of Trustees meeting minutes.*

**ITEM #4 PUBLIC PARTICIPATION**

There was no public participation.

**ITEM #5 SUB-FUND LIAISONS – Reports/Comments**

William Mayo, Executive Director, introduced Latonya Brennan, from Arthur J. Gallagher representing ERIC North. She reported ERIC North was preparing to host its 15<sup>th</sup> Annual Training Day at the Forsgate Country Club on Friday, May 4, 2018. This year's theme is Protect/Prevent/Prevail. Dr. John More, Response Law and Chief Jonathan Parham, 360 AOR Worldwide will deliver a “how to” guide that walks attendees through reducing risk.

**ITEM #6 REPORTS:**

**A. Executive Director**

William Mayo, Executive Director, communicated the 4<sup>th</sup> Annual Brokers' Meeting was held on Friday, March 16<sup>th</sup>, where NJSIG released the estimated pricing and discussed any changes in coverage with the broker community. He reported Dr. Richard Lynch, Rutgers University, presented, and provided advice regarding the mercury flooring concern in schools. Lastly, he announced NJSIG has been working with Critical Response Group (CRG) to provide an option for a school security solution. NJSIG saw CRG as a viable security enhancement for school districts. NJSIG has made presentations to each of the sub-funds, however NJSIG does not have a business relationship with CRG.

## **B. Comptroller**

Comptroller, Michele Carosi, highlighted a significant decrease in the cash that was a result of \$180 million transferred to Wilmington Trust from the December to the January reports. She also reported the new investment schedules that she developed and added to the Comptroller's report.

## **C. Client Relations, Loss Control & Underwriting**

Client Relations, Loss Control & Underwriting Manager, Kelly Machu reported the Underwriting Department underwent an audit conducted by MunichRe. The verbal results were impressive and without recommendations.

## **D. Claims**

Jill Deitch, Interim Claims Manager, pointed out two good settlement outcomes since the January meeting. NJSIG went to trial on a matter where the demand was \$2 million and the plaintiff eventually lowered the demand and NJSIG obtained a favorable settlement. NJSIG was successful on a summary judgment motion where there was a significantly injured student who has since made a good recovery.

## **E. Information Technology**

Jeff Cook, IT Manager reported the successful upgrade of the storage devices with no down time for the employees. He also mentioned the E&O claims reports from the reinsurer QBE/Summit and NJSIG have been combined to a single report instead of the two reports of the past.

**ITEM #7 DISCUSSION ITEMS:**

**A. Proposed 2018/2019 Meeting Dates**

William Mayo, Executive Director, introduced the proposed 2018/2019 meeting dates and recommended adding the January meeting back into the 2018/2019 schedule. The September 2018 meeting will be held possibly the last Thursday of September.

NJSIG's NJ Hall of Fame sponsorship has been on hold during its renovation. The NJ Hall of Fame is now back on the road and a proposal concerning NJSIG's sponsorship will be introduced at the June meeting.

**ITEM #8 ACTION ITEMS:**

**A. Reinsurance**

*Action Taken: M (Connors) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to approve the renewal of reinsurance coverage at a cost not to exceed \$33,000,000 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.*

**B. Contracting**

**B1. Outside Counsel**

*Action Taken: M (Meloche) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) Outside Counsel as to each respective area based on technical criteria, management criteria, cost criteria and the service provider's demonstrated service to public entities in the*

*State of New Jersey for a duration of one year; The Executive Director is hereby authorized to execute professional service agreements with the below-referenced to designate the following firms as provider;*

- a. *General Litigation (C-2018-0001):*
  - i. *Capehart Scatchard;*
  - ii. *Scarinci Hollenbeck;*
  - iii. *Diego F. Navas;*
  - iv. *Pashman Stein Walder Hayden;*
  - v. *Florio Perrucci Steinhardt & Fader, LLC;*
  - vi. *DeCotiis, FitzPatrick, Cole & Giblin, LLP;*
  - vii. *DiFrancesco Bateman Kunzman, Davis, Lehrer & Flaum, P.C.;*
  - viii. *Law Offices of Stephen E. Gertler; and,*
  - ix. *Kent McBride.*
- b. *Complex General Litigation (C-2018-0002):*
  - i. *Capehart Scatchard;*
  - ii. *Scarinci Hollenbeck;*
  - iii. *Pashman Stein Walder Hayden;*
  - iv. *Florio Perrucci Steinhardt & Fader, LLC;*
  - v. *DeCotiis, FitzPatrick, Cole & Giblin, LLP; and,*
  - vi. *Genova Burns.*
- c. *School / Education Litigation (C-2018-0003):*
  - i. *Capehart Scatchard;*
  - ii. *Purcell, Mulcahy & Flanagan, LLC; and,*
  - iii. *DeCotiis, FitzPatrick, Cole & Giblin, LLP.*
- d. *General Workers' Compensation Litigation (C-2018-0004):*
  - i. *Dasti, Murphy, McGuckin, Ulaky, Koutsouris & Connors;*
  - ii. *Brown & Connery, LLP;*
  - iii. *Biancamano & Di Stefano;*
  - iv. *Leitner Tort DeFazio & Brause;*
  - v. *Braff, Harris, Sukoneck & Maloof;*
  - vi. *Kent McBride, P.C.; and,*
  - vii. *Law Offices of Stephen E. Gertler.*
- e. *Complex Workers' Compensation Litigation (C-2018-0005):*
  - i. *Capehart Scatchard;*
  - ii. *Dasti, Murphy, McGuckin, Ulaky, Koutsouris & Connors;*

- iii. Brown & Connery, LLP;*
- iv. Biancamano & Di Stefano;*
- v. Leitner Tort DeFazio & Brause;*
- vi. Law Offices of Stephen E. Gertler; and,*
- vii. Kent McBride, P.C.*

**B2. Employment Practices Counseling Hotline Services**

*Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to award contract for employment practices services Cleary, Giacobbe, Alfieri, Jacobs LLC, Inc. for a duration of one year; NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria; The Executive Director is hereby authorized to execute a contract with the above-referenced provider;*

**B3. Temporary Staffing Direct Hire and Recruiting**

*Action Taken: M (Connors) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to award contracts for temporary staffing, direct hire and recruiting services to the following responsible proposers who have submitted responsive proposals that meet all requirements of this solicitation as to each respective area, and based on cost criteria, and: The Executive Director is hereby authorized to execute a contract with the above-referenced provider;*

- a. Temporary staffing and direct hire service (A-2018-0001):*
  - i. Quaternary vendor: Diskriter, Inc.;*
  - ii. Quinary vendor: AppleOne; and,*
  - iii. Senary vendor: Industrial Staffing Services, Inc.*
- b. Recruiting services (A-2018-0002):*
  - i. Quaternary vendor: Diskriter, Inc.;*
  - ii. Quinary vendor: Industrial Staffing Services, Inc.;*
  - iii. Senary vendor (tie): Quad656, LLC; and,*

*iv. Senary vendor (tie): AppleOne.*

**B4. Sub-fund Administrative Services**

*Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to award contract for sub-fund administration services for the Educational Risk & Insurance Consortium - North (ERIC West) sub-fund to Brown & Brown Insurance, Inc. for a duration of three years, with an option to extend for two additional one-year terms; NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria; The Executive Director is hereby authorized to execute a contract with the above-referenced provider;*

**B5. Document Management Software and Services**

*Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to award contract for document management software and services to Vertafore; NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria; The Executive Director is hereby authorized to execute a contract with the above-referenced provider;*

**B6. Investors' Bank's new online banking platform**

*Action Taken: M (Sullivan) | S (Meloche) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to adopt the Investor's Bank new online banking platform resolution.*

**B7. Financial Auditor**

*Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to award*

*contract for financial auditing services Bowman & Company, LLP for a duration of one year; NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria; The Executive Director is hereby authorized to execute a contract with the above-referenced provider;*

C. Policy First Reading:

C1. Policy 6111 Exempt and Non-Exempt Employees and Overtime

*Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to approve the draft policy 6111 exempt and non-exempt employees and overtime as a first reading.*

C2. Policy 6130 Holidays

*Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to approve the draft policy 6130 holidays as a first reading.*

C3. Policy 6131 Vacation

*Action Taken: M (Sullivan) | S (Russo) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Russo, Sullivan) to approve the draft policy 6131 vacation as a first reading.*

D. Checking Accounts & New Claim Ratification

*Action Taken: M (Russo) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Sullivan) to approve and ratify the checks and new claims which have been issued from accounts XXXX392 (operating account) and XXXX555 (claim account) for the period of 11/1/2017 to*



*2/28/2018 as shown in the online (Microscribe) version of the meeting package.*

**E. Subrogation Counsel Matter**

*Action Taken: M (Russo) | S (Sullivan) | Carried (Affirmative Votes = Connors, Le Febvre, Meloche, Robinson, Sullivan) to designate White and Williams, LLP as outside counsel to represent the interests of NJSIG and its insured in all subrogation and recovery matters related to claim number 17PR02046D; The Executive Director is hereby authorized to execute professional service agreements with the above-referenced to designate the following firms as provider;*

**ITEM #9 NEW BUSINESS**

William Mayo, Executive Director, announced Trustee Anthony Grafton's resignation and he will be soliciting a new Board of Trustee member from the New Jersey School Board Association.

*William Mayo*

William Mayo, CPCU, ARM  
Executive Director