

Atlantic County Municipal Joint Insurance Fund

ACM JIF ANNUAL REPORT 2023

Atlantic County
Municipal Joint
Insurance
Fund



Established in 1987
South Jersey Communities Securing Their Future

ACM JIF Member Municipalities

Absecon City	Millville City
Avalon Borough	Mullica Township
Brigantine City	Newfield Borough
Buena Borough	North Wildwood City
Cape May City	Northfield City
Cape May Point Borough	Ocean City
Commercial Township	Pleasantville City
Corbin City	Sea Isle City
Deerfield Township	Somers Point City
Dennis Township	Stone Harbor Borough
Downe Township	Upper Deerfield Township
Egg Harbor Township	Upper Township
Estell Manor City	Ventnor City
Folsom Borough	Waterford Township
Galloway Township	West Cape May Borough
Hamilton Township	West Wildwood Borough
Linwood City	Weymouth Township
Longport Borough	Wildwood City
Lower Township	Wildwood Crest Borough
Margate City	Woodbine Borough
Middle Township	

**JIFs are the most successful example of interlocal cooperation
in the history of the State!**

Message from the JIF Chairperson

I have had the pleasure of serving as the Fund Chair for the Atlantic County Municipal Joint Insurance Fund (ACM JIF). The ACM JIF's main goal is to bring together municipalities to achieve savings and stability through comprehensive risk management, safety, and claims management programs. Currently, the ACM JIF combines resources from 41 member municipalities across three counties to reduce risks and lower costs.

Our member municipalities have faced numerous challenges this year. Yet the ACM Joint Insurance Fund is a shining example of what municipal government can do when they directly participate in loss control and risk management programs. We thank each Fund Professional, Safety Coordinator, Claims Coordinator, Wellness Coordinator, as well as other municipal personnel for their active involvement over the past 36 years.

The ACMJIF takes several steps to ensure that the Fund is managed responsibly. This includes regular reviews of professionals by standing committees and third-party audits to maintain the highest business standards. We also prioritize educating our staff and employees on new management risks, pending legislation, and the latest safety trends. We are proud of our collective accomplishments including the release of \$2 million in dividends returned to ACM JIF members in 2023. This brings our total dividend return to over \$53.7 million since inception...a testament to the dedication of our entire team.

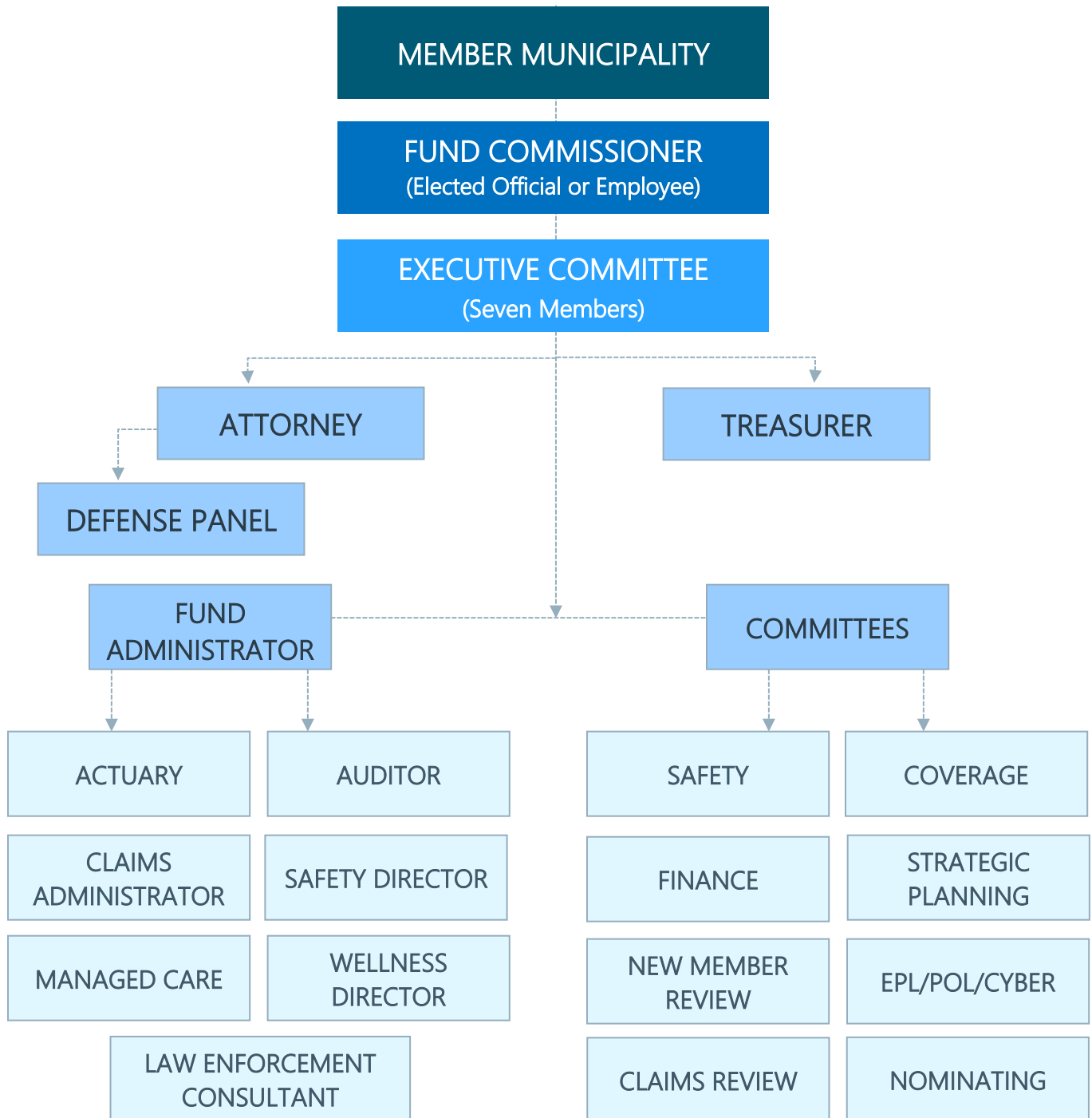
Lastly, I would like to express my appreciation for the efforts of the Fund Chairs and Fund Commissioners who served this past year. I am excited to continue our work in 2024.

Elizabeth Woods, Human Resources Director
Ocean City
2023 ACM JIF Fund Chair



JIF Organizational Structure

The success of the ACM JIF stems from collaboration among member municipalities. The Fund hires professionals including a Fund Administrator, Safety Director, and specially qualified defense attorneys to assist members in the daily operations of the JIF. Additional information is available at <https://acmjif.org/>



JIF Leadership

2023 EXECUTIVE COMMITTEE

The Executive Committee serves as the Governing Body of the Fund with five elected Fund Commissioners serving along with the Chairperson and the Secretary of the Fund. During their terms of office, members of the Executive Committee shall exercise the full power and authority of the Fund Commissioners as expressly provided by the Fund's Bylaws.

Fund Chairperson: Elizabeth Woods, Ocean City

Fund Secretary: Jessica Bishop, Dennis Township

Executive Committee Member 1: Roy Spolotore, Upper Deerfield Township

Executive Committee Member 2: Heather Sparks, Commercial Township

Executive Committee Member 3: Ed Grant, Cape May Point Borough

Executive Committee Member 4: Scott Wahl, Avalon Borough

Executive Committee Member 5: Varvara Keun, Middle Township

Executive Committee Member Alternate 1: Steve O'Connor, Wildwood City

Executive Committee Member Alternate 2: Dawn Marie Bascelli, Deerfield Township

Executive Committee Member Alternate 3: LaVerne Kirn, Corbin City

Executive Committee Member Alternate 4: Lisa McLaughlin, Margate City

Executive Committee Member Alternate 5: DJ Ayres, Weymouth Township

Executive Committee Member Alternate 6: Leigh Ann Napoli, Linwood City



Message From the Executive Director

It is remarkable to acknowledge that the 2023 Fund Year is drawing to a close. Despite the numerous challenges faced in recent years, I am confident that the most arduous days are now behind us. Throughout this period, the JIF has successfully weathered the impact of the COVID-19 pandemic, significant statutory and regulatory changes, social inflation, and the most challenging excess and reinsurance market since the 1980s. A more comprehensive discussion of these challenges can be found in the subsequent sections. Nevertheless, our JIF remains committed to providing relevant programs and resources to assist our members in effectively managing the risks associated with their operations, while maintaining its position as one of the most financially stable JIFs in the State.

Another notable development in recent years has been the turnover of Fund Commissioners and long-term municipal JIF representatives, such as Safety & Claims Coordinators. This turnover reflects a broader challenge faced by many members in recruiting and retaining qualified employees. Consequently, my office has undertaken a reevaluation of our practices. This has resulted in the implementation of measures such as increased utilization of virtual meetings, expanded opportunities for online training, and other initiatives aimed at saving costs and time. It is my hope that these changes will alleviate the difficulties faced by members in participating in the JIF, while continuing to address their needs effectively.

Lately, a concern that has been brought to my attention pertains to the "JIF required training." Many members believe that the JIF imposes an excessive training burden on their employees. However, it is important to clarify that the JIF does not mandate any training. The training that member employees are required to undergo throughout the year is mandated by Federal and State Government, as well as other regulatory agencies. The role of the JIF is to facilitate the availability of this mandated training to our members in the most efficient and effective manner possible, ensuring compliance. While the JIF does offer financial incentives for members to participate in various training opportunities (such as Annual Elected Officials Training and Bi-Annual Managers & Supervisor's Training), none of this training is mandated by the JIF.

As we embark on a promising 2024, I encourage you to continue leveraging the multitude of resources available to you through your JIF membership. Furthermore, please do not hesitate to provide my staff and me with your feedback and suggestions on how we can enhance the value of your JIF experience. I would like to express my gratitude to the Fund Commissioners, Fund Professionals, and other municipally appointed JIF representatives for their unwavering dedication. Without their efforts, the JIF would not be equipped to withstand the current challenges and maintain the robust program we have today.

Paul A. Forlenza, MGA
Risk Program Administrators (RPA)
2023 Executive Director for the ACM JIF



JIF Myths

A common misconception is the notion that the JIF imposes training requirements on our members. It is important to clarify that training is not required by the JIF, but rather mandated by state and federal statutes and regulations, court mandates, and other agencies including the NJ Attorney General's Office.

While the JIF cannot require attendance, or participation in these programs, they are designed to help you comply with the training requirements mentioned above that place obligations on municipal officials and employees. We strive to provide effective and efficient mechanisms by which our members can complete mandated training.

Results:

- ▶ Training helps prevent employee injuries and saves you money
- ▶ Creates a "Culture of Safety"
- ▶ Risk Management Programs protect your municipality

Training = Reduced Accidents = Less Money Spent on Claims = More \$ for Your Community.

And without training and risk management programs you will likely:

- ▶ Encounter more claims
- ▶ Face expensive lawsuits
- ▶ Pay higher assessments
- ▶ Suffer reputational harm

Support the JIF by Encouraging Your Employees to Participate in These Programs:

- ▶ Online and in Person Safety Training
- ▶ EPL/POL Training and Helpline
- ▶ Wellness Program
- ▶ Transitional Duty
- ▶ Cyber Security Awareness Initiatives
- ▶ Law Enforcement Risk Management Services

You have direct access to a variety of resources and Fund Professionals to support you in risk control efforts.

2023 Challenges

2023 presented unique challenges to the Joint Insurance Fund. Some meetings, seminars, and trainings moved to a virtual format, but safety and risk management did not take a break!

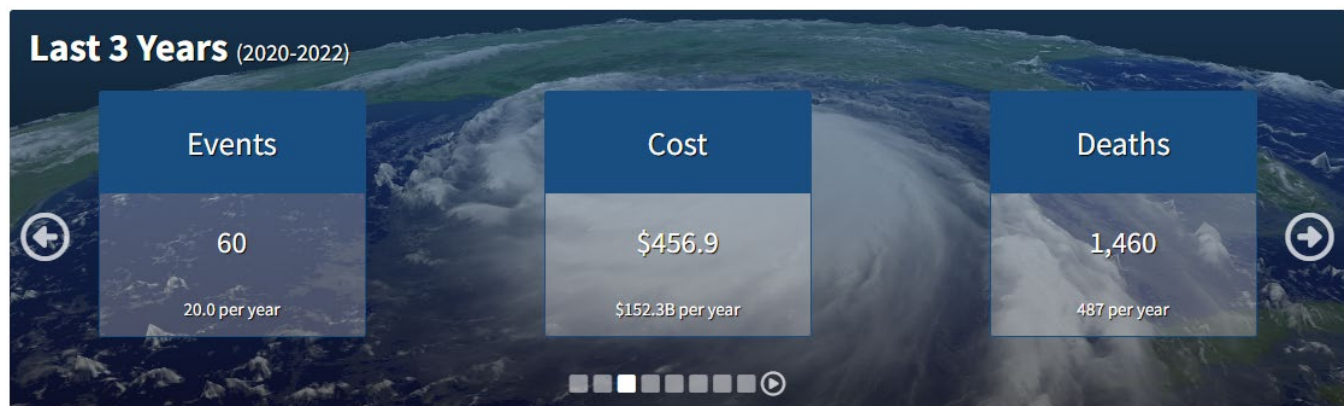
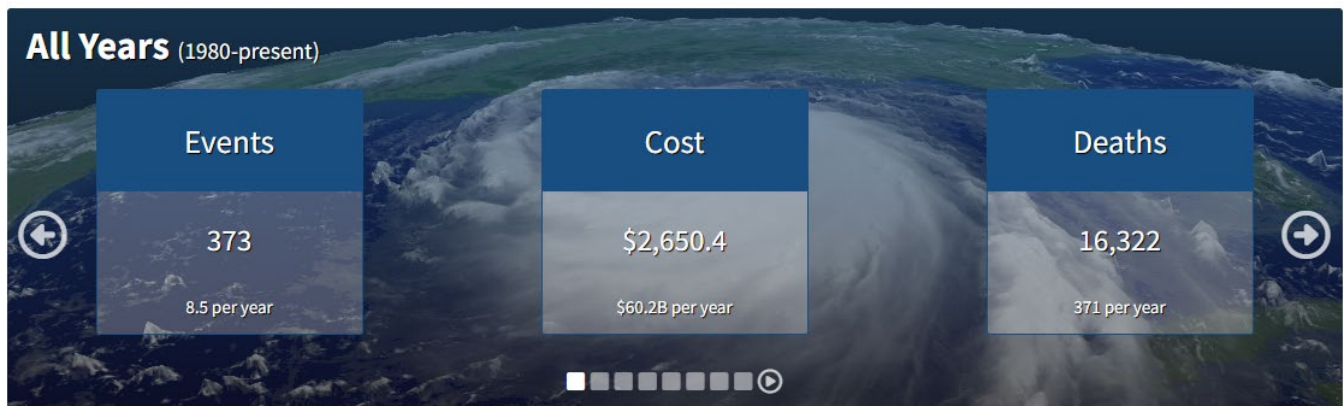
HARDENING INSURANCE MARKET

Rising costs for coverage occurred across all industries due to natural disasters, police shootings and judicial decisions, and increased number of cyber-attacks. But even in a hard market, the MEL was able to restructure coverage to meet market demands while providing the most effective risk management solutions to our members.

- ▶ Affects all Insurance Companies and JIFs
- ▶ Both Personal and Commercial
- ▶ Reinsurance Costs Driving nearly 30% of our Budget

20% of Billion Dollar events of the last 43 years happened since 2020.

Eighteen \$1 billion property loss events in the U.S. in 2022

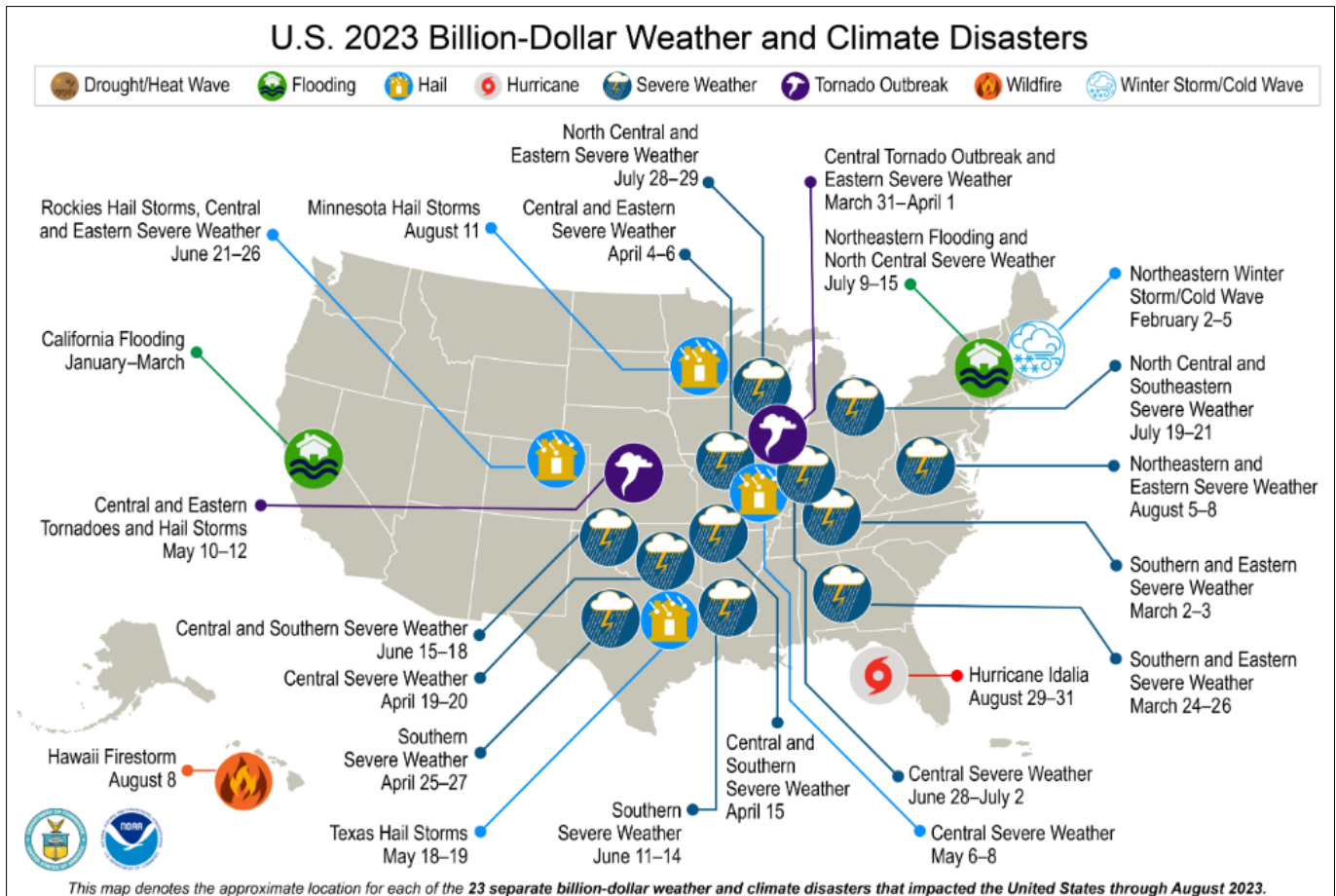


NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2023).
<https://www.ncei.noaa.gov/access/billions/>, DOI: 10.25921/stkw-7w73

2023 Challenges

These losses result in:

- ▶ Lower Coverage Limits
- ▶ Tighter Coverage Definitions
- ▶ Increasing Rates



NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2023).
<https://www.ncei.noaa.gov/access/billions/>, DOI: 10.25921/stkw-7w73

2023 Challenges

▶ **Pension Offset**

Follows “Investigation” by the State Comptroller’s Office, where settlements for medical monitoring will no longer be granted. All pending Workers’ Compensation petitions for claims where the employee receives an Accidental Disability Pension will need to be settled by the Workers’ Compensation carrier. **As of 9/30/2023, ACM JIF Members had 18 of these claims with a total incurred value of over \$3.8 million.**

▶ **PTSD**

Claims related to post-traumatic stress disorder (PTSD) are increasing, particularly due to incidents involving police shootings, serious injuries, and traumatic events. These claims are becoming more expensive. **As of 9/30/2023, there are 38 claims with a total incurred value of \$2,290,116 for the fund year 2023.**

▶ **Reopeners**

Litigation Reopeners impact JIF claims. An injured employee can “reopen” a previously settled Workers’ Compensation matter within two years of final payment on the claim indicating a change in their medical condition that warrants the “reopening” of the claim resulting in additional litigation, medical, and other expenses. In the past, it was unusual to see a claim reopen more than once. Now, claims reopen four and five times resulting in escalating claims costs. **As of 9/30/2023, collectively, ACM JIF Members had 178 claims in “reopener” status. These claims have a total incurred value of over \$24.9 million.**

▶ **Sexual Abuse and Molestation (SAM) Legislation:**

This law eliminated statute of limitations for civil actions by sexual abuse victims and Title 59 immunities cannot be used to defend these claims. Your JIF utilizes vetted JIF defense attorneys and provides strong litigation management, and provides training like the *Protection & Safe Treatment of Minors* Program and the *Protecting Children for Employees and Volunteers* online Training. **As of 9/30/2023, ACM JIF Members had 20 of these claims with a total incurred value of over \$409,000.**

▶ **Firefighters Cancer Presumption**

This law applies to firefighters under the age of 75 with seven years of service suffering from fire-fighting related cancers. The law opens the door to claims by current and former career and volunteer firefighters, regardless of the magnitude or extent of their exposures, and regardless of whether the cancer at issue has ever been definitively proven to be related to any firefighter exposures. Your JIF provides local management of these claims and ACM JIF members had 9 of these claims. **These claims have a total incurred value of \$195,000.**

2023 Challenges

▶ **Recreational Marijuana**

Potential source of Police Liability claims due to varying levels of enforcement of the law. This legislation may also become a source of future Land Use claims. Your JIF Professionals are monitoring the possible impact on employee and Land Use matters.

▶ **Workers' Compensation Disabilities Rate**

New Jersey saw the highest jump in Workers' Compensation benefit rates since the early 1980s: a combined rate increase of 13.4% in the TTD rate since 2021. Increased from \$969/week to \$1,099/week.

▶ **Social Inflation**

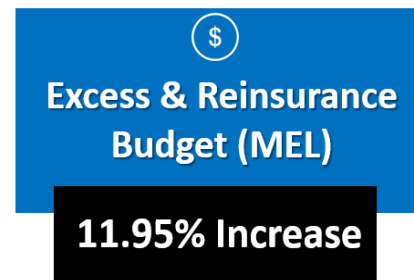
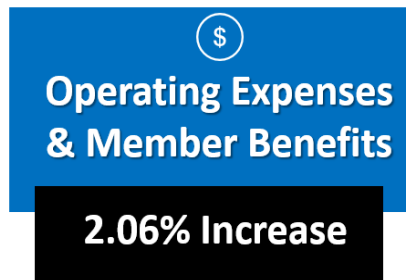
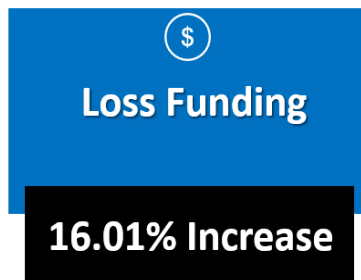
Rising costs of insurance claims resulting from increasing litigation, broader definitions of liability, more plaintiff-friendly court decisions, and larger compensatory jury awards. Social Inflation is a general feeling that someone "needs to pay" when there's some kind of damage or injury sustained, regardless of negligence.

▶ **COVID-19**

In the Spring of 2020, at the beginning of the pandemic, the New Jersey Legislature joined a handful of other states in making COVID 19, contracted by first responders and/or essential employees, compensable under the their Workers Compensation Act. In New Jersey, 82% of COVID claims are from essential personnel, specifically police agency personnel. While the organizational design of the JIF and MEL, coupled with a strong reinsurance program, assisted the MEL in managing these unforeseen costs, COVID has still had a significant impact on the JIF and MEL system. While we are thankfully seeing a decrease in the overall number of COVID claims, in total, the NJ MEL System experienced more than \$24.7 million in incurred costs and 8 fatalities since the beginning of the pandemic. **As of 6/30/23 the ACM JIF has received 1,259 COVID Claims with a total incurred value in excess of \$2,537,000.**

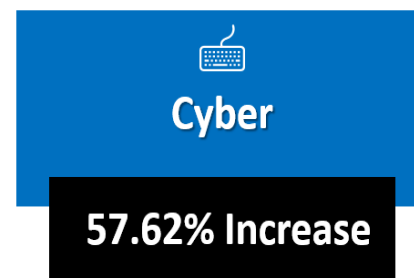
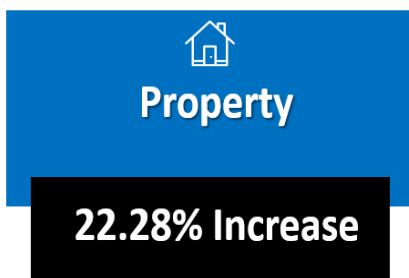
2023 Challenges

IMPACT OF THESE FACTORS ON THE 2023 ACM JIF BUDGET:



2023 JIF BUDGET INCREASE: 12.75%

IMPACT OF THESE FACTORS ON THE MEL BUDGET:



2023 MEL Excess Premium Increases

Your Risk Management Team

FUND COMMISSIONER:

The Fund Commissioner, a member of the governing body or a municipal employee, is responsible for the operation of the Fund in accordance with the Fund Bylaws and all applicable statutes and regulations. DUTIES:

- ▶ Liaison between municipality and Fund
- ▶ Attends all monthly meetings
- ▶ Serves on JIF boards and committees
- ▶ Monitors municipality's participation and protects interests

CLAIMS COORDINATOR:

Each member municipality in the Fund appoints a Claims Coordinator. It is the responsibility of the Claims Coordinator to oversee the reporting of claims within the municipality. DUTIES:

- ▶ Maintains claims forms and records
- ▶ Ensures all claims are promptly reported and monitored
- ▶ Relays information between municipality and claims adjusters
- ▶ Can help control the cost and outcome of claims

SAFETY COORDINATOR:

The Safety Coordinator is appointed by the municipality to oversee the member's safety efforts and act as a liaison between the municipality, the JIF Safety Director and other outside agencies. DUTIES:

- ▶ Chairs municipal Safety Committee & coordinates employee safety training
- ▶ Ensure the annual Safety Contract is signed and the Safety Committee develops meaningful safety improvement objectives
- ▶ Reviews and disseminates Safety Director Reports and Bulletins

WELLNESS COORDINATOR:

The Wellness Coordinator acts as a liaison between the Wellness Director and municipality. DUTIES:

- ▶ Coordinates all Wellness activities in support of the program mission
- ▶ Posts and distributes Wellness materials provided by the Wellness Director

RISK MANAGEMENT CONSULTANT (RMC):

The RMC is an Insurance Professional that provides guidance to member municipalities. DUTIES:

- ▶ Consults members to customize risk management programs for specific needs and goals
- ▶ Understands local issues and helps members maximize JIF programs
- ▶ Places optional coverage outside the JIF

Financial Highlights

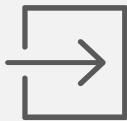
2023 FINANCIAL HIGHLIGHTS

- ▶ Overall JIF Budget increase of 12.93% while maintaining all Member Benefits
- ▶ Budget increase completely offset by surplus release
- ▶ Funded MEL above liability to cover potential MEL Retro Surplus Trigger Premium in future years
- ▶ Maintain SIR of \$500K for Workers' Compensation, Liability and Auto Claims
- ▶ Maintain Property SIR of \$100K
- ▶ Continued use of the Renewal/Revaluation Program benefiting 3 members
- ▶ No Members qualified for the Retrospective Program

2024 FINANCIAL VISION

- ▶ Overall JIF Budget increase of 9.7% prior to the removal of Corbin City, Egg Harbor Township and adding paid EMS services for Middle Township while maintaining all Member Benefits
- ▶ Loss Funding increase of 3.65% (\$574,631) inclusive of \$607,000 directly attributable to "pension offset"
- ▶ Excess Insurance Budget increase of 26.78% (\$2,007,254) addition of EJIF coverage
- ▶ Continued use of the Renewal/Revaluation Program benefiting 5 members
- ▶ Continued use of the Retrospective Assessment Program – no members qualified

OPERATING RESULTS SUMMARY: ALL FUND YEARS (1987 TO 9/30/23)



RETURN OF SURPLUS

The JIF's surplus release strategy is to create long term stability. A conservative approach allows us to achieve that goal.

\$53.7
MILLION



CASH POSITION

Our strong cash position can be attributed to member commitment to safety, risk management, and claims management.

\$50.4
MILLION



NET CURRENT SURPLUS

JIF Members shared \$2 million in dividends released in 2023.

\$14.9
MILLION

Financial Picture: Audit & Budget

As of 12/31/22, the ACM JIF's total assets decreased by -10.2% and its net position decreased by -43.3% over the prior year end following the release of \$3,750,000 in surplus and the accrual for the potential liability due under the MEL Retrospective Program. It is important to note that the Fund's operating expenses represent less than 10% of the total JIF budget. This is in comparison to other U.S. pools with a typical operating ratio of 20-25% and commercial insurers with operating expenses approaching 40%. As of 12/31/2022, the JIF had a cash balance in excess of \$22.2 million with an additional \$24.7 million in investments. Total assets exceed \$47.4 million. These figures are indicative of the Fund's financial strength and its ability to pay member claims well into the future.

<u>Net Position Summary</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>% Change</u>
Total Assets	\$47,498,310	\$52,366,311	-10.2%
Net Position – Unrestricted	\$13,431,721	\$19,242,569	-43.3%*
*Change in Net Position includes the release of \$3.75 million in dividends.			

THE BUDGET: FIVE COMPONENTS

1. Loss Funds: The amount needed to pay claims within the JIF's SIR and is based upon historical claims and exposure trends and certified by the JIF Actuary.

2. Operations: Expenses related to the operation of the JIF. Operating Expenses are kept at a reasonable level under the watchful eye of the Finance Committee.

3. Member Benefits: Consists of member program benefit costs including Optional Safety Budget, Safety Incentive Program, EPL/Cyber Risk Management, Elected Officials Training, Wellness Incentive Program, and the Technology Risk Management Program.

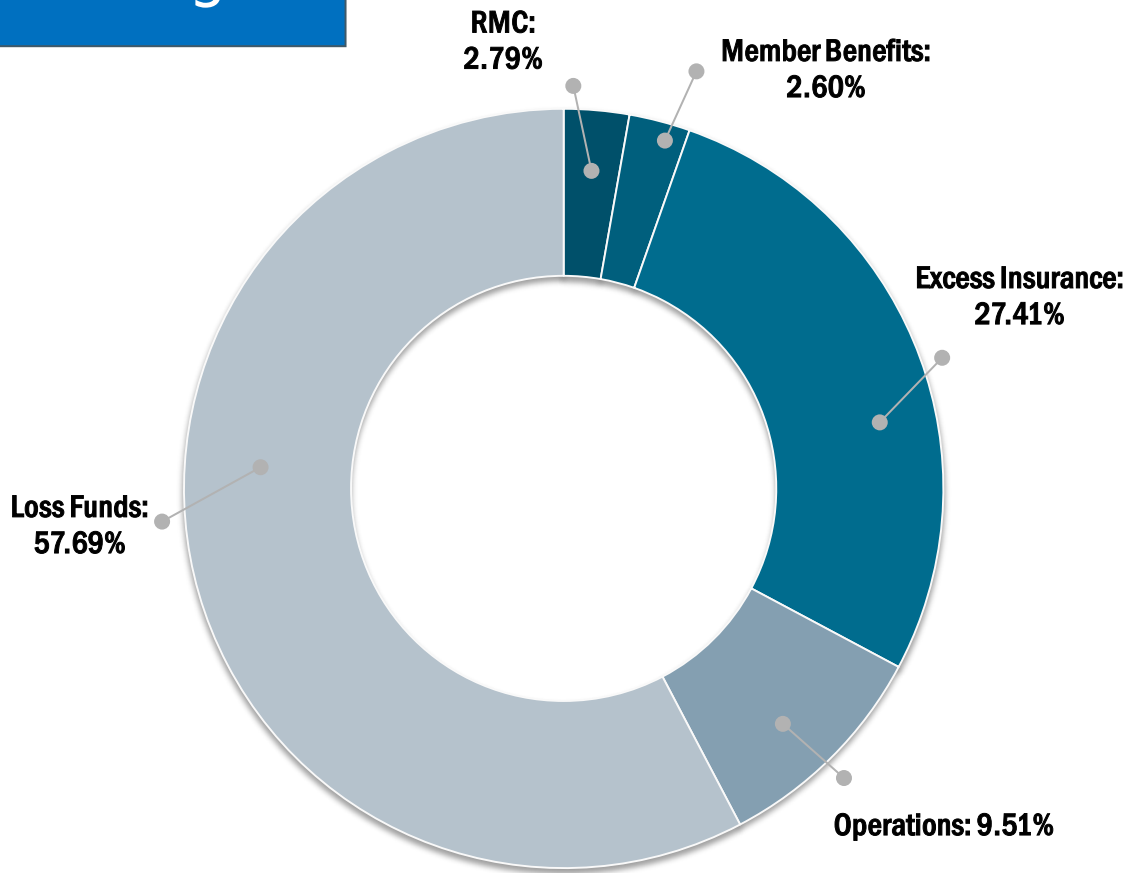
4. Excess Insurance Costs: Premiums paid for reinsurance or direct insurance purchases and protects the JIF from catastrophic claims. Provides coverage through the membership in the Municipal Excess Liability Joint Insurance Fund (MEL) which uses the joint purchasing power of its NJ JIFs to negotiate the lowest possible rates.

5. RMC Fees: Consists of Risk Management Consultant fees.

2023 Budget Highlights

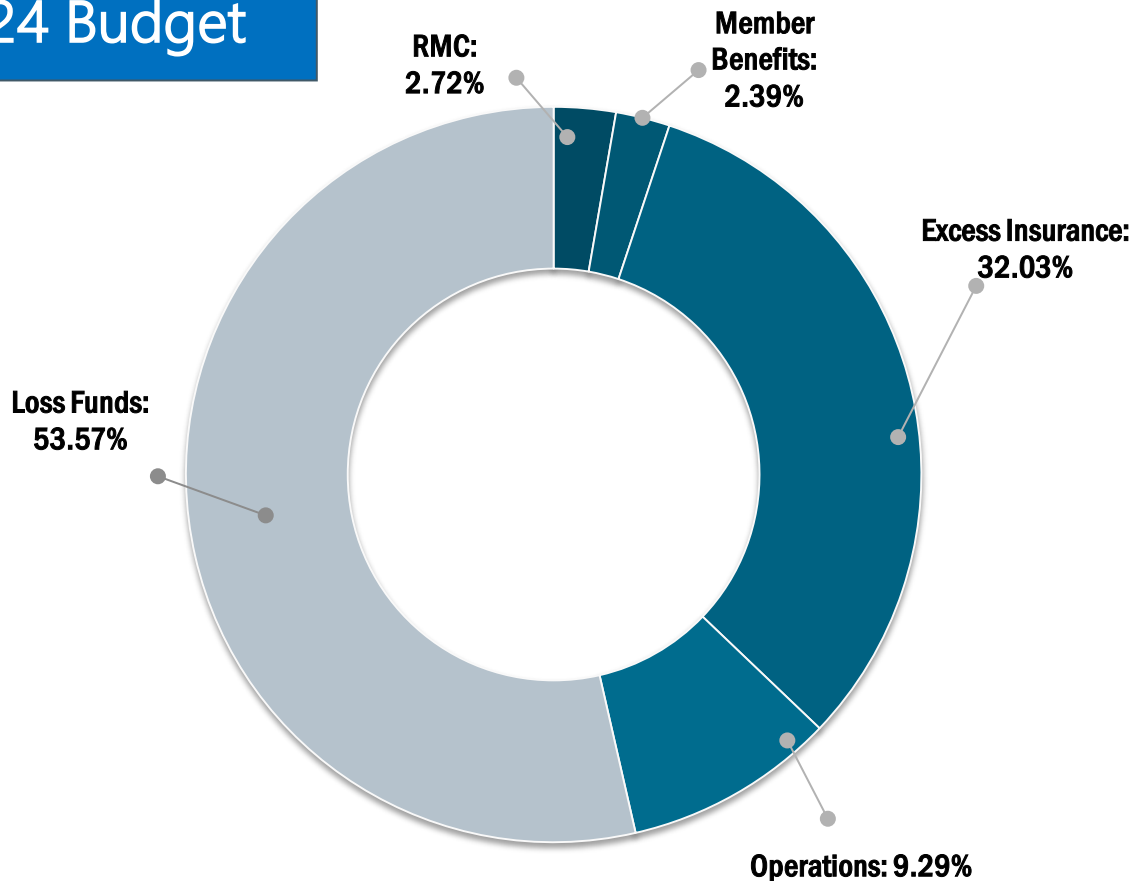
- ▶ The pie chart below demonstrates the efficiency of the JIF program
- ▶ A percentage of the JIF's budget pays for member claims within the JIF Self Insured Retention (SIR) of \$500,000 for Workers' Compensation and Liability and \$100,000 for property
- ▶ Once a claim exceeds the local JIF level, the financial responsibility falls to the Municipal Excess Liability Joint Insurance Fund (MEL)
- ▶ The chart below illustrates the allocation of member dollars to JIF expenses
- ▶ The JIF never relinquishes control over the claim; however, claims experts at the MEL level monitor the more challenging claims and provide guidance on their disposition

2023 Budget



2024 Budget & Strategy

2024 Budget



2024 VISION

Part of the ACM JIF's financial strength stems from member involvement. Member Benefits represent 2.39% of the overall Budget and provides funding for members' local safety, risk management and Law Enforcement risk management which helps control their claims. Each of these programs will remain in 2024. In addition, the JIF continues to face many challenges outside of its control, including recent legislative and regulatory changes, which are placing a greater financial burden on the JIF. This includes an additional \$547,000 in loss funding to pay for the "Pension Offset" Directive. In addition, effective January 1, 2024, the ACM JIF will be joining the Environmental Risk Management Joint Insurance Fund (E-JIF). Membership in the E-JIF will provide members with access to valuable environmental resources and programs as well as environmental impairment liability coverage. Overall, we will continue to assist our members in managing the risk associated with their operations through effective safety & risk management programs while managing claims when they occur.

While the 2024 JIF budget is increasing \$423,000, we are releasing \$2.0 million in surplus to members to mitigate the impact.

Financials: Dividends and Recoveries

DIVIDENDS

The JIF is a not for profit public entity. Therefore, unspent funds are returned to the members with interest! **\$2,000,000 was returned in 2023. In total \$53.79 million* has been returned to current and former ACM JIF members since inception.** Below is the historical dividend distribution grand total for all years. Dividends are returned in direct proportion to a member's contribution.

MEMBER	TOTAL	MEMBER	TOTAL
Absecon City	\$435,302	Millville City	\$2,017,849
Avalon Borough	\$1,374,125	Mullica Township	\$369,878
Brigantine City	\$ 2,150,477	Newfield Borough	\$305,871
Buena Borough	\$477,595	North Wildwood City	\$2,050,754
Cape May City	\$ 881,700	Northfield City	\$1,370,414
Cape May Point Borough	\$45,805	Ocean City	\$6,493,167
Commercial Township	\$132,846	Pleasantville City	\$3,648,963
Corbin City	\$17,205	Sea Isle City	\$2,030,002
Deerfield Township	\$180,825	Somers Point City	\$1,538,236
Dennis Township	\$711,441	Stone Harbor Borough	\$620,304
Downe Township	\$31,391	Upper Deerfield Township	\$522,784
Egg Harbor Township	\$3,633,670	Upper Township	\$416,687
Estell Manor City	\$96,615	Ventnor City	\$2,760,294
Folsom Borough	\$202,942	Waterford Township	\$1,455,568
Galloway Township	\$1,470,200	West Cape May Borough	\$120,426
Hamilton Township	\$2,247,331	West Wildwood Borough	\$121,331
Linwood City	\$475,166	Weymouth Township	\$132,387
Longport Borough	\$745,319	Wildwood City	\$1,795,349
Lower Township	\$2,350,156	Wildwood Crest Borough	\$1,487,327
Margate City	\$897,540	Woodbine Borough	\$152,232
Middle Township	\$1,862,984	*Includes additional dividends issued directly to members by the MEL.	

Subrogation

- ▶ Refers to an insurer seeking reimbursement from the person or entity legally responsible for a claim after the insurer has paid out money on behalf of its insured
- ▶ Includes any money paid out for property damage, medical costs, deductible amounts, diminished value, pain and suffering, loss of consortium, etc.
- ▶ When pursuing, it is important to properly identify possible contractors, manufacturers, installers, suppliers, designers, subcontractors, etc. who might be held liable for claims against the JIF
- ▶ The JIF recommends that each municipality retain purchasing records, invoices, manufacturer's recommendations, specifications, instructions, damaged equipment, change orders, etc. for prompt identification and notification of responsible parties
- ▶ Municipalities must also retain all contracts, Certificates of Insurance & Hold Harmless Agreements, so that the responsible party can also be placed directly on notice of the lien rights

EXAMPLE

A police vehicle is struck by another party and a police officer is injured. We seek reimbursement from the responsible party to recover monies paid for our vehicle damages and for the officer's injuries.

RECOVERIES

Money Collected in 2023:
(Through 10/31/23)

\$706,467

**Total Recoveries Since
ACM JIF Inception:**

\$12,023,243

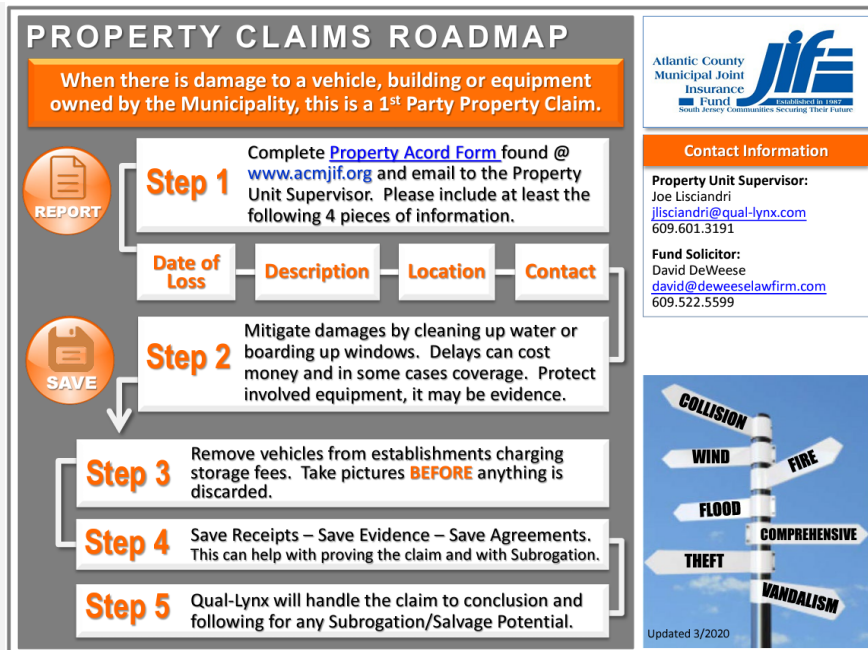
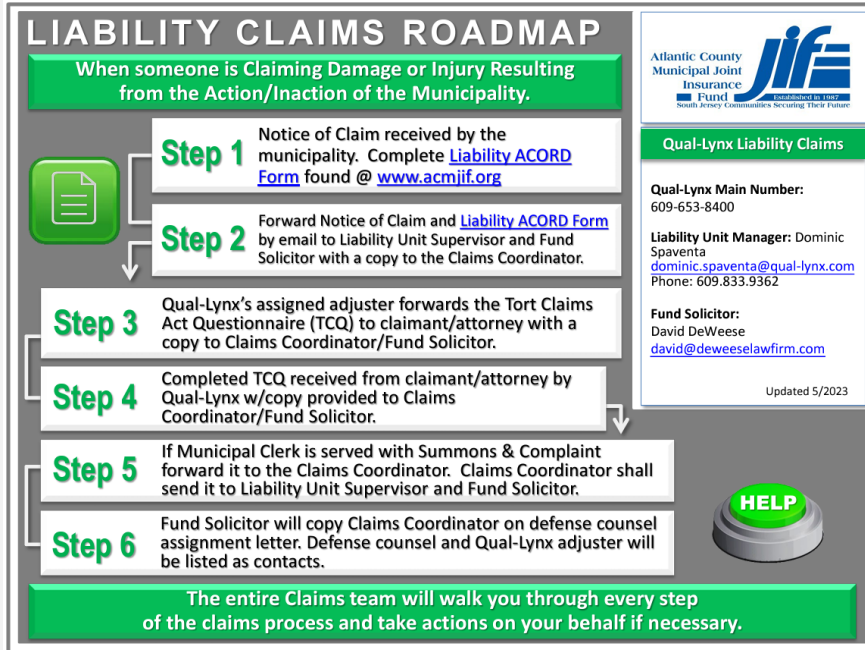


Results in Additional Savings for the JIF Members!



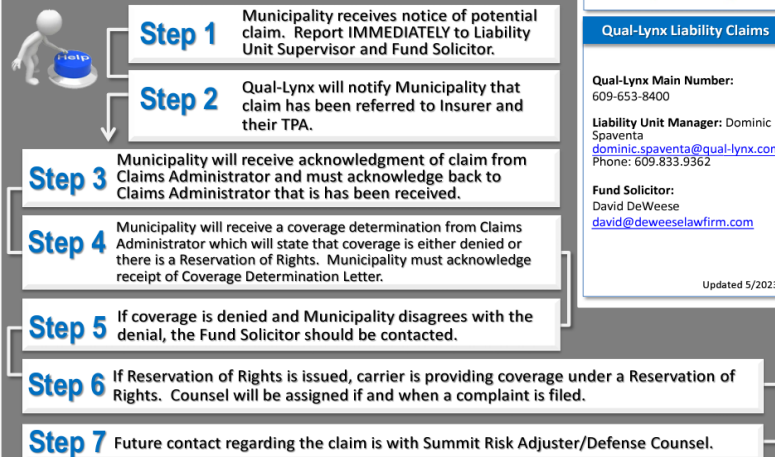
Claims Roadmaps

In an effort to streamline the claims reporting process, we designed **Claims Roadmaps** for each line of coverage. By following these clear directions, you can easily navigate through the necessary steps and access important contact information and links to essential forms, all conveniently located in one document. Located on the JIF Website under the **Claims** menu.



EPL/POL CLAIMS ROADMAP

Employment Practices Liability and Public Officials Liability Claims and Potential Claims



Qual-Lynx Liability Claims

Qual-Lynx Main Number:
609-653-8400

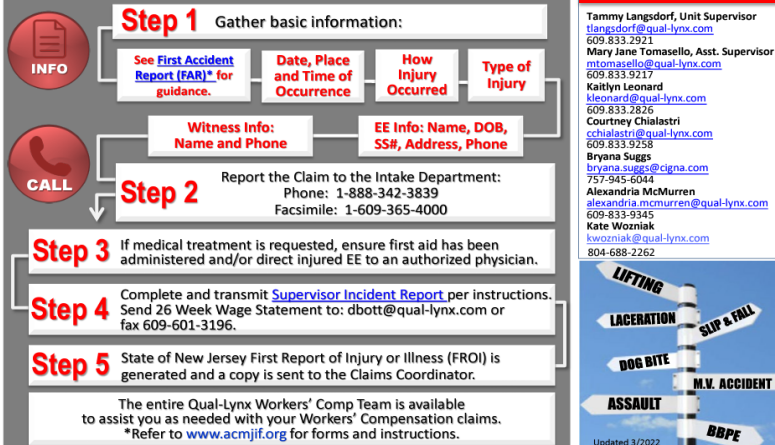
Liability Unit Manager: Dominic Spaventa
dominic.spaventa@qual-lynx.com
Phone: 609.833.9362

Fund Solicitor:
David DeWeese
david@deweeseandlawfirm.com

Updated 5/2023

WORKERS' COMPENSATION CLAIMS ROADMAP

When an employee or qualified volunteer reports an injury arising out of and in the course of their employment.



Qual-Lynx Workers' Comp Team

Tammy Langsdorf, Unit Supervisor
tlangsdorf@qual-lynx.com
609.833.2921

Mary Jane Tomasello, Asst. Supervisor
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Kathlyn Leonard
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Courtney Chialastri
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Alexandria McMurren
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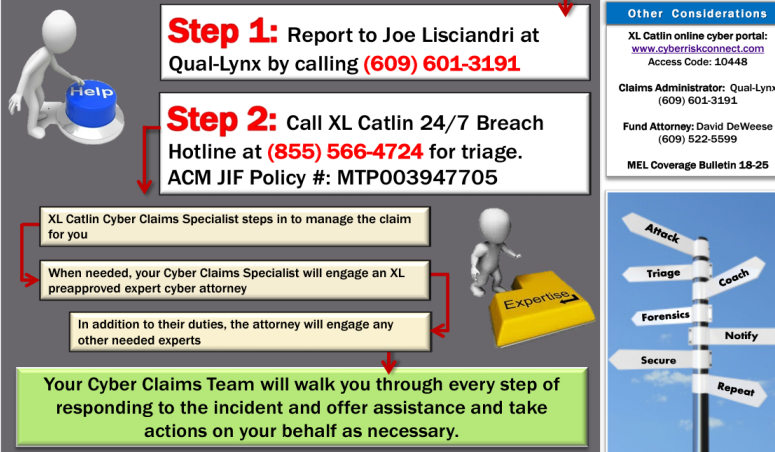
Kate Wozniak
kwozniak@qual-lynx.com
804-688-2262



Updated 3/2022

CYBER INCIDENT ROADMAP

You expect or know of a cyber incident.
The clock is ticking to avoid further damage to you and your stakeholders.



Other Considerations

XL Catlin online cyber portal:
www.cyberriskconnect.com
Access Code: 10448

Claims Administrator: Qual-Lynx
(609) 601-3191

Fund Attorney: David DeWeese
(609) 522-5599

MEL Coverage Bulletin 18-25



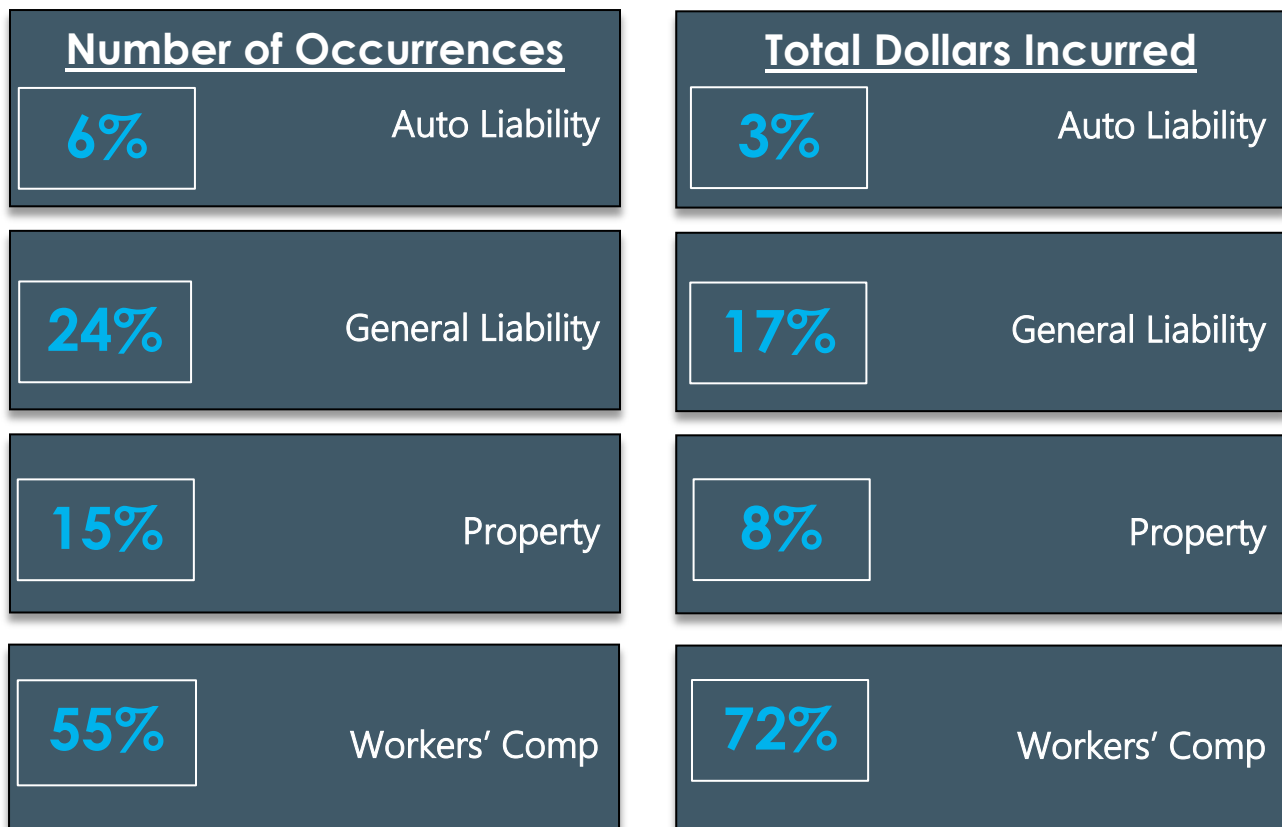
Claims Data

As illustrated below, 55% of the JIF's claims are Workers' Compensation, but they account for 72% of the JIF's claims dollars. Upon joining the JIF, every member is required to appoint a Claims Coordinator who serves as a point of contact between the member and the JIF Claims Administrator. Special training, including the Claims Roadmaps are provided to the Claims Coordinator so that they are prepared to handle any claims situation that arises within their municipality.

The JIF Workers' Compensation Claims Adjusters are assigned a maximum of 150 indemnity files at any given time, allowing them to focus on working their files to achieve the best possible results.

The JIF also employs the services of the very best defense attorneys in South Jersey to defend the JIF's claims. Their knowledge of Workers' Compensation statutes and claims against public entities produces excellent results for the JIF and its members. Comprehensive Litigation Management Guidelines assure the JIF members that their claims are being defended in the most aggressive and cost-effective means possible.

CLAIMS BY LINE OF COVERAGE - FUND YEARS 2017-2022 (VALUED AS OF 9/30/23)



Managed Care

Medical and wage inflation significantly impact the JIF's Workers' Compensation costs, and the JIF must seek every possible way to control costs in this area. The JIF contracts with a managed care provider to assist in this endeavor. The JIF encourages all claims be reported within 3 days. Early reporting allows the JIF to better control the course of the claim from the very start to assure that the best possible medical treatment is provided.

A nurse case manager constantly monitors the course of medical treatment to make sure that essential services are delivered in a timely and cost efficient basis. Medical care is delivered through a PPO/EPO network of doctors who specialize in occupational injuries and agree to the Fund's rate schedule. **Through October 2023, 91% of medical services were delivered through the PPO/EPO network facilities, resulting in significant savings.**

Valued as of 10/31/23:

Claims Dollars Spent:

72%

Workers' compensation claims account for 72% of claims dollars expended over the past six years

ACM Average Days to Report*:

7.0 Days

The cost of a claim grows higher and higher for each day that it is not reported
**(Not COVID-19)*

In Network Providers Savings:

67%

Most medical services are delivered through network facilities, resulting in significant savings

TRANSITIONAL DUTY

On a final note, the JIF's members have wholeheartedly embraced transitional duty, allowing injured employees to return to work in a productive role while completing their final course of treatment. Dollars saved in disability payments, indemnity costs, and overtime costs can be measured in the hundreds of thousands of dollars.

Through October 2023, ACM members used 73% of the Transitional Duty days available and saved \$537,656 by accommodating their employees.

AMONG THE HIGHEST IN THE STATE!

Spotlight on Safety

One of the most valuable benefits of membership in the Joint Insurance Fund is access to the many safety programs we offer. As a condition of membership, municipalities adopt a Safety Policy, establish active Safety Committees, investigate accidents, commit to conducting self-inspections, and participate in specialized training programs and seminars designed to reduce risk to employees and members of the public. The JIF Safety Incentive Program ties all of these elements together by recognizing and rewarding members for engagement in these activities.

Safety Policy

Adoption of a Safety Policy by the Governing Body shows a commitment from municipal leadership to the principles of safety and risk management.

Safety Committees

Safety Committees meet on a regular basis to review accidents, address safety issues, assign responsibility for completion of tasks, and evaluate all aspects of the safety program.

Accident Investigations

Your supervisors conduct accident investigations to determine the root cause of an incident. This review is a valuable tool in determining whether additional training or safety equipment is needed.

Self-Inspections

The JIF trains employees to look for hazards throughout the municipality. These inspections are documented and serve as valuable tools in addressing areas in need of improvement and defending negligence claims brought against the municipality.

Training

The JIF offers dozens of training programs designed to address sources of accidents that have the potential to injure employees and members of the public. Classes and seminars are conducted in person, on-line, and through virtual platforms.

JSO's

Job Safety Observation's provide insight as to how the jobs are performed regarding safety and adherence to procedure. Observations can also be used to describe a worker's position to a physician when trying to offer transitional duty or determine fitness for duty.

Spotlight on Safety

The ACM JIF provides essential safety programs that deliver savings and stability to every member. A strong commitment to safety and risk management is key to the JIF's success.

On Site Safety Training	Regional Training Seminars
Leadership Academy	Right to Know (RTK) Services
Fire / EMS Resources	Shift Briefings (Tool-Box Talks)
PEOSH / OSHA Updates	Safety Director Bulletins
Safety Incentive Program (SIP)	Equipment and Facilities Safety Checklists
Member Consults	Law Enforcement Consults
Written Program Compliance/Model Policies	Driver Training Programs (S:ERVE)
Optional Safety Budget (OSB)	Job Safety Observations
Infographics	Job Hazard Assessments

MEL SAFETY INSTITUTE (MSI)

On Monday, May 1, 2023, the new MSI Learning Management System was launched.

- ▶ **MSI LIVE:** MSI LIVE are live, instructor-led in-person classes and live, instructor-led webinars. Since they are live, interactive, and instructor-led, the MSI can offer continuing education credits for many municipal designations and certifications. **Through 11/1/2023, 879 MSI LIVE training events occurred this year.**
- ▶ **MSI NOW:** MSI NOW are recorded videos and new streaming online classes. **Through 11/1/2023, 2,658 MSI NOW training events occurred this year.**
- ▶ **MSI EXPO:** MSI EXPO is in-person training opportunities throughout New Jersey in a calendar year. Employees will be able to attend one 4-hour "track" of training in the various topics offered:
 - ▶ Excavation, Trenching, and Shoring (4 Hours)
 - ▶ Flagger and Work Zone Safety (4 Hours)
 - ▶ Fast Track to Safety (Haz/Com, Bloodborne Pathogens, Lockout/Tagout, Fire Safety)
 - ▶ Confined Space Entry (3 Hours)
 - ▶ Practical Leadership (3 Hours)
- ▶ **MSI VIDEO BRIEFINGS:** These short video briefings are designed to focus on one limited topic. These videos are a quick and effective way to add best practices to your regular safety briefings. Examples:

Asbestos Safety Overview	Fire Extinguisher Monthly Inspections
Playground Risk Management	Safety Committee Meetings
Safety Committee Best Practices	Customer Service
Exiting and Entering Trucks	Mark Out Safety

Safety Director Initiatives

The Safety Directors Office at J.A. Montgomery Consulting conducts law enforcement risk management activities. In 2023, we visited 24 law enforcement agencies. During these consultations, we supplied guidance documents on police licensing, mental health services (988), Use of Force, social media, School Threat Assessment Teams, cyber security, and employee wellness.

The New Jersey Municipal Excess Liability Fund incentivizes police chiefs and command-level officers to attend risk management training on a biennial basis. In 2023, personnel from J.A. Montgomery conducted six training sessions to meet this requirement. The training included presentations on qualified immunity, the Law Against Discrimination, (CEPA) Conscientious Employee Protection Act, Gap Analysis, and continuous improvement.

Member municipalities of the RPA-managed joint insurance funds hosted two four-day first-line supervisors classes. The Career Survival Class for Police Officers, Preparing for First Amendment Audits, and Below 100 were also offered to the members, and they were well attended.

The Law Enforcement Team at J.A. Montgomery looks forward to serving the needs of our members in 2024.



ACM JIF Safety Director Award Winner Andrew Mangam of Upper Township with Safety Director Keith Hummel at the 2023 ACM JIF Safety Breakfast

Wellness Initiatives

One of the most important components to a thriving workforce is supporting and retaining healthy employees. Those who make their health a priority tend to be better at handling tasks, maintain greater focus, reduce stress/anxiety, use less sick time, cause fewer workplace accidents, and are generally more productive and cooperative.

However, the presence of comorbidities within the workforce can negatively impact employee performance and contribute to an increase in Workers' Compensation costs. According to a study conducted by the National Council on Compensation Insurance, "The average cost of Workers' Compensation claims connected to a comorbid condition are almost twice as much as that of comparable claims that don't involve comorbidities."

Studies continue to confirm that workplace Wellness Programs encourage staff to prioritize their health and reduce their likelihood of developing comorbid conditions. Wellness Programs are also known to help increase employee productivity and engagement, encourage an increase in employee physical activity, and inspire healthy behavior changes. Implementing a wellness program that caters to the needs of the employer/employees creates a culture of health and wellness within the workplace that makes employees feel valued, encourages healthy choices, and in the long-term, contributes to a decrease in Workers' Compensation costs.



Jordan Simone
ACM JIF Wellness Director

Technology Risk Services

CYBER JIF PROGRAM AND NEW STANDARDS

The NJ Cyber JIF has released revised guidelines for the cyber security framework and restructured the deductibles. A copy of the revised cyber security framework is found under the **Cyber** menu on the JIF website. In addition, NJ Cyber JIF launched their 'Members Only' section of the site to prevent our communications from becoming a "road map" to bad actors. All documents concerning our risk control program, cyber framework, template policies and claim reporting is password protected.

The Cyber JIF has moved the goal posts closer to YOU. The current Minimum Security Standards have been broken down into Basic and Intermediate "buckets". All of the requirements are the same but have now been split into two "buckets" for your convenience. All the requirements and benefits for the Advanced "bucket" remain the same.

If you have already filed paperwork for the current Minimum Security Standard and it has been accepted by the Fund Underwriter, then you automatically qualify for the Intermediate "bucket". You do not need to resubmit the paperwork to the Fund Underwriter for approval. You do have to be in compliance with the approved standards at the time of a cyber incident to be eligible for deductible reimbursement.

The revised deductibles are as follows:

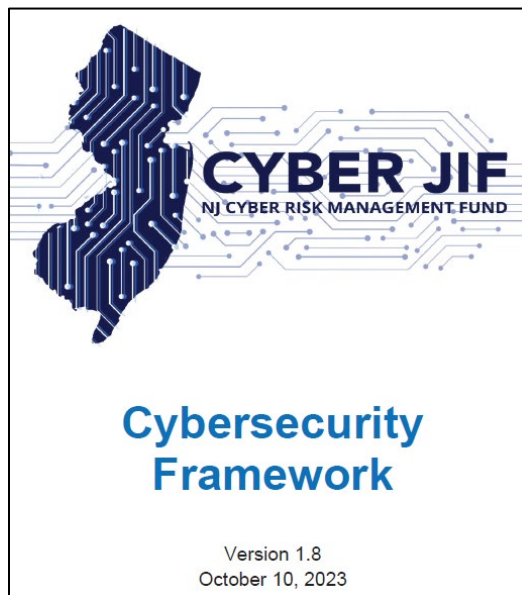
Not In Compliance: \$50,000 deductible plus 20% of next \$300,000 in Co-Insurance (\$60,000) =
\$110,000 Total Cost

Basic : \$35,000

Intermediate : \$20,000

Advanced : \$0

The Cyber JIF's Program aims to reduce the potential risk of a cyber-incident and improve the overall security posture of members. You can use your allotted Cyber EPL budget amount to offset the cost of implementing any of the requirements to become compliant with the program.



Technology Risk Services

CONTROLLING TECHNOLOGY RISKS

To combat the rise in cybersecurity threats, the JIF continued services with vendors to deliver training to our members:

- ▶ **Wintsec Consulting:** Jerry Caruso of Wintsec Consulting LLC is your JIF's dedicated Technology Risk Management Director. Cyber is very unique peril, and Jerry will assist JIF Members and/or their IT vendors in understanding and complying with NJ Cyber JIF security standards.
- ▶ **Wizer** specializes in cybersecurity and data privacy employee awareness programs. Throughout the year, members assigned the "Cyber Security Awareness Training" course studied password best practices, tips to avoid malware, social media usage and much more. In addition, they provide Phishing Assessments to municipal employees which improves the ability to recognize and avoid phishing attacks, thereby reducing the risk of falling victim to cybercriminals.
- ▶ **D2 Cybersecurity** provided Members with other technical services including External Network Vulnerability Scanning and Penetration Testing. Our member municipalities receive monthly vulnerability scan reports from D2 which should be reviewed with their IT vendor to ensure any critical or high severity vulnerabilities are addressed.

JIF Frequently Asked Questions	
Click on the questions below in the Table of Contents for the most recent answers. If you have a question that is not answered here please contact me at jerry@wintsecconsulting.com or 609-576-0348. Thank you Jerry	
Table of Contents	
Non-Framework	
Where can I find free stuff and information for my CyberCoverage?	
I have HikVision cameras that are not a part of my network and completely stand alone. Will they affect my CyberCoverage?	
Minimum Security	
I am completing the FrameWork Questionnaire and some of my answers will be NO. How will this affect my coverage?	
How does the CyberJIF determine my deductible eligibility?	
CIS 5 #2 – How do I secure accounts with elevated privileges?	
CIS 7 #1 – What is CVSS and how do I stay in compliance?	
CIS 7 #3 – What are examples of "Non-Standard applications"?	
CIS 7 #4 – What are examples of "vulnerability management tools"?	
CIS 9 #1 – There are certain state/county websites that still require access by Internet Explorer which is NOT a "fully supported browser." What is our move forward here?	
CIS 14 #1 – Not all of my users completed the Cyber Hygiene training prior to the close of the first half program. How does this affect my compliance?	
CIS 15 #2b – I see pointers to security questionnaire for vendors. Not seeing a "tool." Unless you mean the questionnaire is the tool.	
Advanced Security	
CIS 2 #2 – Can you provide an example of a software "automated inventory tool"?	
CIS 11 #1 – Can you provide an example of a "data loss prevention tool"?	
CIS 6 #1 – Clarification... Every user needs to have a license to an "enterprise password management solution"?	
CIS 6 #2 – Clarification... Every user needs to have a license within a PAM (Privilege Access Security) system or only those with admin level authority?	
CIS 6 #3 – List of vendors that are suggested/certified for an "email breach service".	
CIS 10 #1 – Doesn't the EDR systems cover "behavior-based anti-malware" or is there a different thought here? An example software would be appreciated.	
CIS 10 #8 – I am told all unused USB ports on my workstations must be disabled to meet this requirement. How can I disable USB for everything except keyboard and mouse?	
CIS 13 #2 – Seems like the point is to have 24x7 human response, is that correct?	
CIS 15 #2, 3 – Can you provide an example of a monitoring solution with continuous monitoring of a 3rd party service provider.	
CIS 15 #4 – Can you provide an example of a monitoring solution with continuous monitoring of a 3rd party service provider.	
CIS 18 #1 – What specific penetration test is required? Guessing internal since D2 does the external one, but would like clarification.	

Found on the JIF Website under Cyber Menu

The availability of Cyber Insurance is becoming very restrictive and insurers are cancelling coverage for entities that do not implement safeguards to protect themselves from cyber-attacks.

Risk Management

EPL/POL Programs

Employment Practices Liability (EPL) Helpline • Model EPL/POL Policies & Procedures
Land Use Liability Training Booklet on JIF Website

Law Enforcement Risk Management Tools

Online Training • Law Enforcement Bulletins • Law Enforcement Risk Management Consultant
Police Chief Ad Hoc Committee • Police Accreditation Financial Incentives
MSI Law Enforcement Resources on [NJ MEL Website](#)

ORIGAMI

Origami is a private, customized exposure database management system for the JIF members to manage their exposure data to better control risks.

ACMJIF.ORG Website

Download monthly agenda packets and meeting minutes, access contact information, review JIF policies and procedures for various programs, request certificates of insurance, and obtain vouchers or other important documentation. Visit the [ACMJIF.ORG Website here](#).

Wellness Incentive Program

Designed to assist members in meeting their own Wellness objectives by providing financial reimbursement for wellness and health related items and programs geared toward reducing Workers' Compensation costs.

Cyber

Cyber JIF • Cyber Hygiene Training • Phishing Exercises • System Vulnerability Scanning
Penetration Testing • Model Policies & Procedures • Prompt Breach Recovery Services

Additional Financial Tools

Optional Safety Budget (OSB) • Safety Incentive Program (SIP) • EPL / Cyber Risk
Management Budget

Other Risk Management Tools

Model Indemnification & Hold Harmless Language Agreement
TULIP (Tenant User Liability Insurance Program) • Certificate of Insurance Guidelines
Model Municipal Facility Use Agreement

EPL/POL Programs

Sexual harassment, hostile work environment, and similar employment issues present a unique risk to public entities. Managers and supervisors must understand the critical role that they play in managing this area of risk. A strict “No Tolerance” policy must be established and understood by everyone in the organization. Fortunately policies and training that address these issues are abundantly available through your JIF:

MANAGERS AND SUPERVISORS TRAINING

Every two years, the JIF offers Managerial and Supervisor Training focusing on the prevention of harassment and discrimination, implicit bias, addressing employee complaints, the role and obligations of a manager, and the enforcement of municipal policies and procedures. Multiple virtual sessions were held throughout 2023.

POLICE COMMAND STAFF TRAINING

Police Departments are involved in a high percentage of employment-related litigation, and this training offered is one of the required elements for the incentive under the MEL’s Employment Practices Liability (EPL) Plan of Risk Management program. Failure to attend training can lead to costly litigation and may result in higher co-pays and deductibles for EPL. Multiple in person sessions were held throughout 2023.

NON-SUPERVISORY EMPLOYEE AND VOLUNTEER TRAINING

Offered through the MEL Safety Institute (MSI), this effective anti-harassment program includes training on the right of each employee to a workplace free of harassment and each employee’s duty to respect the rights of all other employees.

LAND USE TRAINING

In response to a growing number of Public Official Liability claims being brought against member municipalities due to the actions of their Land Use Board(s), the JIF developed a [Land Use Liability Training Booklet](#) that outlines some of the most common causes of Land Use litigation. Located under the EPL tab on the JIF website.

“I am a new claims coordinator and the 2023 ACM JIF Planning Retreat was informative and helped me understand the process a little better. The scenarios were interesting and kept my attention.”

Tara Rosenberg, Human Resource Specialist
Borough of Wildwood Crest

Updated EPL Policies

Members who have adopted the MEL's model employment practices risk control program are eligible for lower deductibles. These programs must be updated every two years to remain eligible. Required items include the following:

- ▶ Adopt and distribute updated Personnel Policies and Procedures Manual
- ▶ Complete the Managerial and Supervisory Training (Over 650 Personnel Trained in 2023*)
- ▶ Complete Police Command Staff Training (Over 500 Police Command Staff Trained in 2023*)
- ▶ Offer Anti-Harassment training to all other personnel
- ▶ Adopt the Model Civil Rights resolution
- ▶ Distribute Conscientious Employee Protection Act notice to all personnel
- ▶ Adopt and distribute the Employee Handbook
- ▶ Review NJ MEL Helpline for Employment Practices

Compliance with the program will result in lower deductibles, co-insurance and help prevent claims.

*Includes ACM, BURLCO and TRICO JIFs

Employment Practices Helpline



**Questions about employment issues?
Call the New MEL
Employment Practices Helpline**

The MEL Safety Institute is pleased to announce the establishment of a NEW MEL Employment Practices Helpline (EPL), a dedicated resource to guide members on employment related issues.

The MEL EPL Helpline is staffed by attorneys that specialize in New Jersey employment law and understand the MEL JIF system. The three law firms staffing the EPL Helpline are affiliated with local Joint Insurance Funds (JIFs).

Who can use the EPL Helpline? MEL member municipalities will select and approve two individuals to use the helpline.

What hours is the EPL Helpline available? The helpline will be staffed during normal business hours, 9 a.m. – 5 p.m. Voicemail can be left afterhours for a callback.

What kinds of issues can be addressed? Any employment related topics or policies and procedures related to issues such as:

- Hiring
- Discrimination
- Termination
- Promotion/Demotion
- Harassment
- And more...

What are the MEL EPL Helpline numbers? MEL members can choose to call any of the MEL EPL Helpline firms listed below.

MEL EPL HELPLINE:	MEL EPL HELPLINE:	MEL EPL HELPLINE:
732-583-7474	609-522-5599	973-334-1900
Joel Howlett	David S. DeRose	Fred Semma
Oliver Jacobson Allen Jacobs LLC	The DeRose Law Firm	Dorsey & Semma
905 East Main St., Suite 200	220 North Avenue	714 Main Street
Manasquan, NJ 07747-9151	Wildwood, New Jersey 08095	Boston, NJ 07005

What happens after the call? The attorney will provide the member with transcript of the call that includes recommendations. If the issue is beyond the scope of the MEL EPL Helpline the attorney will provide direction to the member on where to get appropriate assistance. All calls are confidential.



Employment related liability claims continue to present themselves, triggering significant financial, reputational, and public relations concerns for our members. These claims include allegations of discrimination, sexual harassment, hostile workplace, and whistleblower retaliation. While your Joint Insurance Fund issues Model Employment Policies and Procedures, Employee Handbooks, and bi-annual seminars for managers and supervisors, issues arise that require immediate support.

The [*Employment Practices Helpline*](#) was created in March 2019 to specifically address this need. This dedicated resource guides members on employment related issues. Designated municipal officials can call 1 of 3 municipal attorneys with expertise in NJ Employment Law and receive guidance on issues ranging from the Family Medical Leave Act, the Americans with Disabilities Act, as well as Wage and Hour inquiries.

The purpose of the Helpline is to help members avoid pitfalls in addressing these issues that may result in costly litigation and reputational harm.

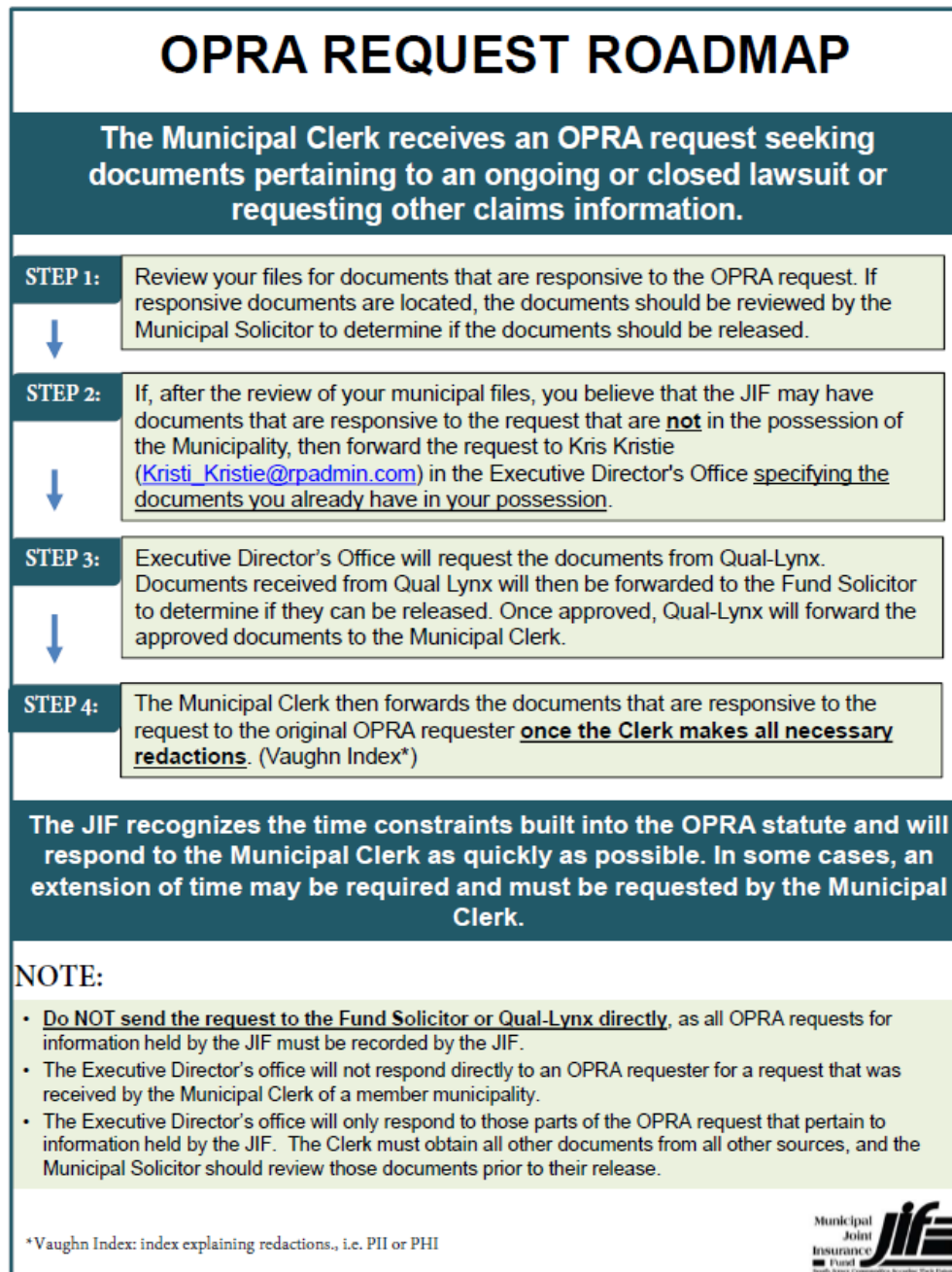
Total Calls Since Launch of Helpline in March of 2019: 321

Total calls in 2023: 78

(Includes calls from all MEL affiliated JIFs)

OPRA Roadmap

The Open Public Records Act (OPRA) is a New Jersey law that governs public access to government records maintained by public agencies in New Jersey. To streamline the request process, we developed an OPRA Request Roadmap for all JIF members. The Roadmap clearly describes each step and who to contact – all in one easy to read document. Find it on the JIF website under “Operational Policies” on the **Operating Documents** page.



Fund Committees



CLAIMS REVIEW COMMITTEE

- ▶ Serves as the focal point for communication between the Claims Administrator and the Fund Commissioners
- ▶ Reviews all Payment Authorization Requests (PARs) and litigation strategies with the Fund's Attorney
- ▶ Advises the Executive Committee regarding claims administration and payments



COVERAGE COMMITTEE

- ▶ Serves as a focal point for discussion on issues pertaining to coverage, underwriting, and reinsurance
- ▶ Advises on coverage requirements, industry issues, the efficiency and clarity of the JIF in addressing areas of insurance outside of its normal purview, retention and reinsurance issues, and underwriting guidelines



EMPLOYMENT PRACTICE LIABILITY & CYBER COMMITTEE

- ▶ Advises the Executive Committee on the source, amount, and types of claims and their financial impact on members and on the JIF
- ▶ Reviews observational, statistical, and historical information and recommends policies to be adopted to reduce or mitigate the financial impact of claims on the membership



FINANCE COMMITTEE

- ▶ Creates annual budget to fund claims and special programs
- ▶ Oversees the annual JIF audit
- ▶ Reviews financial position and recommends the return of surplus to members



NEW MEMBER REVIEW COMMITTEE

- ▶ Reviews applications from municipalities who wish to become members of the JIF for compliance with membership criteria including safety programs and risk factors



NOMINATING COMMITTEE

- ▶ Comprised of the Chairs of all standing Committees of the JIF, the two most recent past JIF Chairpersons still serving as Fund Commissioners, and two members at large chosen by the sitting JIF Chair
- ▶ Reviews and nominates candidates for positions on the Executive Committee



SAFETY COMMITTEE

- ▶ Advises the Executive Committee on safety policies and performance
- ▶ Works with the Safety Director to identify services which may be provided by the JIF to member municipalities in order to reduce the risks of accidents



STRATEGIC PLANNING COMMITTEE

- ▶ Serves as the focal point for communication between the Administrator, the Fund Commissioners, and other professionals regarding long range strategies which should be pursued to ensure the integrity, growth, and viability of the JIF



**JIF Programs Reduce
Municipal Risk**



**Long Term Solutions
Save YOU Money**



**Provide Financial
Strength and Stability**

Mission Statement

We are an organization of municipalities united to achieve savings and stability through comprehensive insurance, safety, and claims management programs dedicated to reducing public sector risk.



ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND (ACM JIF)



SUPERIOR COVERAGE

CUTTING EDGE PROGRAMS

FINANCIAL STABILITY AND STRENGTH

- Over \$53 million in Dividends Released to JIF Members
- Coverage Designed for Municipal Government
- Comprehensive in Person and Online Training
- Member Driven Decisions
- Strong Claims Management
- Professional Litigation Management
- Effective Risk Management
- Tailored Safety and Wellness Initiatives
- EPL/POL Helpline
- Cyber Risk Management Services
- Law Enforcement Risk Management Services



Serving South Jersey
Municipalities Since 1987

Visit our website at www.acmjif.org



DISCOVER THE POWER OF THE JIF.



**Tens of millions of dividends returned to your community.
That's the power of the Municipal Joint Insurance Fund.**

