

**CAMDEN COUNTY  
INSURANCE FUND COMMISSION**  
***RULES AND REGULATIONS***

CAMDEN COUNTY INSURANCE FUND COMMISSION

520 Market Street  
Camden, New Jersey 08102

Rules and Regulations

**WHEREAS**, the Board of Chosen Freeholders of the County of Camden (the "County") and its boards, agencies, authorities and commissions (collectively referred to as "Inter-agencies") presently purchase insurance or self-insure against risks of damage to persons or property of third parties, workers' compensation claims, and claims against public officials; and

**WHEREAS**, the County has determined that cost savings and administrative efficiencies can be achieved if the County and its inter-agencies share the cost of insurance; and

**WHEREAS**, N.J.S.A. 40A:10-6 authorizes a governing body of any local unit to establish an Insurance Fund for the purposes provided by law; and

**WHEREAS**, on January 21, 2010 the Camden County Board of Chosen Freeholders adopted resolution # 47 which authorized the establishment of the Camden County Insurance Fund Commission; and

**WHEREAS**, N.J.S.A. 40A:10-3 provides that the Camden County Insurance Fund Commissioners are authorized to adopt rules and regulations for the operation of the Insurance Fund.

**NOW THEREFORE**, the Insurance Fund Commissioners hereby adopt the following rules and regulations:

**ARTICLE I - DEFINITIONS**

All terms used herein shall have the meaning consistent with the statutes and regulation then in effect. The definitions herein are for convenience.

**"ACTUARY"** means a person who is a fellow in good standing of the Casualty Actuarial Society with three years recent experience in loss reserving; an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving; or an associate in good standing of the American Academy of Actuaries who has been approved as qualified for signing loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries and who has seven years recent experience in loss reserving.

**"ACTUARY"** in the case of health insurance means a fellow in goodstanding of the Society of Actuaries or the Casualty Actuarial Society with at least three (3) years recent experience in health insurance pricing and reserving. Actuary in the case of life insurance means a fellow in good standing of the Society of Actuaries with at least three (3) years recent experience in life insurance pricing and reserving.

**"ADMINISTRATOR"** means a person, partnership, corporation or other legal entity engaged by the Fund to act as Executive Director to carry out the policies established by the Fund Commissioners and to otherwise administer and provide day-to-day management of the Fund.

**"ALLOCATED CLAIMS EXPENSE"** means attorneys' fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers' fees, police reports and other similar expenses. The exact definition of "allocated claims expense" or similar terms for any line of insurance coverage shall be the definition in the insurance policy issued by the Fund.

**"COMMISSION"** means the Camden County Insurance Fund Commission (hereinafter referred to as the Commission).

**"COUNTY"** means the County of Camden.

**"EMPLOYER'S LIABILITY"** means the legal liability of a public employer to pay damages because of bodily injury or death by accident or disease at any time resulting therefrom sustained by an employee arising out of and in the course of his employment by the public employer, which is not covered by a workers' compensation law. The exact definition of "Employer's Liability" or similar terms shall be the definition used in the insurance policy issued by the Fund.

**"EXCESS INSURANCE"** means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commissioner as a surplus lines insurer or from any other entity authorized to provide said coverage in this state pursuant to law, covering losses in excess of an amount set forth in insurance contracts on a specific occurrence, or per accident or annual aggregate basis.

**"FUND"** means the Camden County Insurance Fund Commission (hereinafter referred to as the Fund). This term is interchangeable with **"COMMISSION"**

**"FUND YEAR"** means the Fund's fiscal year of January 1 through December 31.

**"GENERAL LIABILITY"** means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers' compensation, and employer's liability. The exact definition of a "general liability" or similar terms is the definition used in the insurance policy issued by the Fund.

**"HEALTH INSURANCE"** means health insurance as defined pursuant to N.J.S.A. 17B: 17-4; service benefits as provided by health service corporations, hospital service corporations or medical service corporations authorized to do business in this state, including basic health care services and/or supplemental health care services provided by health maintenance organizations, or dental care services provided by dental plan organizations and dental service corporations.

**"INCURRED CLAIMS"** means claims which occur during a Fund year including claims reported or paid during a later period. The exact definition of "incurred claims" or any similar term is the definition used in the excess insurance or reinsurance policy purchased by the Fund.

**"INDEMNITY AND TRUST AGREEMENT"** means a written contract signed by and duly adopted by the members of the Fund under which each agrees to jointly and severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Fund. The agreement shall specify the extent of the member's participation in the Fund with respect to the types of coverage to be provided by the Fund and shall include the duration of Fund membership which shall not exceed three years. The agreement shall also specify that the member has never defaulted on claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to application to the Fund.

**"LIFE INSURANCE"** means life insurance as defined pursuant to N.J.S.A. 17B:117-3

**"MANUAL PREMIUM"** means the premium computed according to the Experience Rating Plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner and similar insurance industry rating plans for other lines of coverage.

**"MOTOR VEHICULAR AND EQUIPMENT LIABILITY"** means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the members or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of "motor vehicular and equipment liability" or any similar terms shall be the definition of the insurance policy issued by the Fund.

**“OCCURRENCE”** means a single event. The exact definition of “occurrence” or any similar term shall be the definition used in the insurance policy issued by the Fund.

**“PRODUCER”** means any person engaged in the business of an insurance agent, insurance broker, or insurance consultant as defined in N.J.S.A. 17:22 A-1 et seq.

**“PROPERTY DAMAGE”** means any loss or damage, however caused, to property including monies and securities, motor vehicles, equipment or apparatus owned by the member or owned by or under the control of any of its departments, boards, agencies, commissions, or other entities which the membership may provide coverage for. The exact definition of “property damage” or similar terms shall be the definition in the insurance policy issued by the Fund.

**“QUALIFIED LOCAL UNIT”** means any entity governed by a board appointed by the County Executive or County Board of Freeholders as the case may be including but not limited to a county college, technical school, library, or county authority.

**“SERVICING ORGANIZATION”** means an individual, partnership, association, or corporation, other than the Administrator, that has contracted with the Fund to provide, on the Fund’s behalf, any function as designated by the Fund Commissioners including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the Fund’s underwriting file, coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the Fund for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation and such other duties as designated by the Fund.

**“SURPLUS”** means that amount of monies in a trust account that is in excess of all costs, earned investment income, refunds, incurred losses and loss adjustment expenses and incurred but not reported reserves including the associated loss adjustment expenses attributed to the Fund net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

**“WORKERS’ COMPENSATION”** means the provisions of N.J.S.A. 34:15-7 et seq.

## **ARTICLE II - MEMBERSHIP**

### **MEMBERSHIP APPLICATIONS:**

1. The governing body of a qualified local unit shall by resolution, agree to join the Commission. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the Commission's rules and regulations as approved and adopted by the Commissioners. The resolution shall also provide for the execution of an Indemnity and Trust agreement as defined in Article I.
2. Any local unit seeking membership shall also submit an application for membership to the Commission on a form acceptable to the Commissioners. The application shall include the executed Indemnity and Trust agreement and the resolution required under Subsection 1 above.
3. An application may be approved by a majority vote of the Fund Commissioners based on the following criteria:
  - a. The applicant's claims history shows safety performance consistent with the Commission's objectives and the applicant's physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
  - b. The Commission has the administrative capability to absorb additional memberships without undue inconvenience or strain.
4. If a non-member is not approved for membership, the Commission shall set forth in writing the reasons for disapproval and send the reasons for disapproval to the non-member. The Commission shall retain a copy of all membership application disapproval's for five years.

### **Membership Renewals:**

1. Members may renew their participation by execution of a new resolution to join the Commission ninety (90) days prior to the expiration of the term.
2. The Fund Commissioners must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application, the Fund's Commissioners shall find by majority vote that the applicant has failed to fulfill its

responsibilities as a member or no longer meets the Commission's risk management or underwriting standards or other reasons approved by the Commissioners as reasons for termination.

4. If a member's renewal application is rejected, the Commission shall comply with the termination provisions as outlined below.
5. Non-renewal of a Commission member does not relieve the member of responsibility for claims incurred during its period of membership.

#### **Termination and/or Withdrawal of Fund Members**

1. A member must remain in the Commission for the full term of membership unless earlier terminated by the Fund Commissioners for non-payment of assessments or continued non-compliance after receiving written notice to comply with the Commission's rules and regulations, risk management or underwriting standards, or other reasons approved by the Commissioners as reasons for termination. However, a member shall not be deemed terminated until the Commission gives by registered mail to the member a written notice of its intention to terminate the member in thirty (30) days
2. A member that does not desire to continue as a member after the expiration of its membership term shall give written notice to the Commission of its intent ninety (90) days before the expiration of the term period.
3. A member that has been terminated or does not continue as a member of the Commission shall remain jointly and severally liable for claims incurred by the Fund and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.

#### **ARTICLE III – ORGANIZATION**

##### **Insurance Fund Commissioners:**

1. The Camden County Board of Chosen Freeholders shall appoint three officials of the County to serve as Insurance Fund Commissioners. The officer, or body having the power to make appointments of each member local unit other than the County, shall appoint one official, who may be a member of the governing body, to serve as a non-voting Insurance Fund Commissioner.

2. The Commissioners shall hold office for 2 years or for the remainder of their term of office as officials, whichever shall be less, and until their successors shall have been duly appointed and qualified. Vacancies in the Office of Insurance Commissioners caused by any reason other than expiration of term as an official shall be filled for the unexpired term. Vacancies in the position of secretary shall be filled in the manner of the original appointment.

3. The Commissioners shall serve without compensation

4. The Fund Commissioners are hereby required, authorized and empowered to operate the Fund in accordance with these rules and regulations and appropriate state laws and regulations in the interests of the total membership of the Commission. The Commissioners shall have the following powers and authority:

a. Employ necessary clerical assistants, whose compensation shall be fixed and paid by the governing body of the local unit in the same manner as is that of other employees of the local unit;

b. Invest the Fund and all additions and accretions thereto in compliance with New Jersey laws and regulations, as they shall deem best suited for the purposes of this article;

c. Adopt rules and regulations for the control and investment of the Fund;

d. Keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the local unit or of a county college which participates in the Fund pursuant to P.L. 1988, c. 144 (C. 18A:64A-25.40 et al.) or of a county vocational school which participates in the Fund pursuant to P.L. 1988, c. 143 (C. 18A:18B-8 et al.), or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus;

e. Fix reasonable rates of premium for all insurance carried by the Insurance Fund and shall affect all insurance in the Insurance Fund or with any insurance company or companies authorized to do business in this State;

f. Premiums for insurance, whether carried in the Insurance Fund or placed with insurance companies, shall be paid to the Commissioners by the Board, commission, department, committee or officer having charge or control of the property insured;



g. All insurance upon property owned or controlled by the County, or any of its departments, boards, agencies or commissions, or by a participating local unit including, but not limited to a board of education of a participating county vocational school or by a board of trustees of a participating county college shall be placed and effected by the Commissioners;

h. Each Commissioner shall have one vote.

**Officers:**

1. As soon as possible after the beginning of each Fund year, the Commissioners shall meet to elect the following officers of the Fund from its own membership. Commission officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.
  - a. **Chairperson:** The Chairperson shall preside at all meetings of the Fund Commissioners and shall perform such other duties provided for in these rules and regulations and the laws and regulations of the State of New Jersey.
  - b. **Vice-Chairperson:** The Vice-Chairperson shall serve as Acting Chairperson in the absence of the Chairperson, and shall perform such other duties as provided for in these rules and regulations and the laws and regulations of the state of New Jersey.
2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the Board of Chosen Freeholders shall fill the vacancy for the unexpired term.
3. Any officer can be removed with cause at any time by the Board of Chosen Freholders by resolution.

**Secretary:**

1. The Camden County Board of Chosen Freeholders shall appoint a person to serve as Secretary to the Insurance Fund Commission. The Secretary shall receive no compensation.
2. The Secretary, in conjunction with the Executive Director/Administrator:
  - a. Carry out the policies established by the Commissioners and to otherwise supervise the management of the Fund

- b. Coordinate the fund's meeting agenda, minutes, elections, contracts, and maintain the Fund's official records and office.
- c. Perform such other duties as provided for by the Fund Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.

**Commission Professionals:**

As soon as possible after the beginning of each year, the Commissioners shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be a Fund Commissioner. All professionals shall be retained pursuant to the "Local Public Contracts Law."

**1. Treasurer:**

The Treasurer shall be a Certified County Finance Officer and have the following duties and responsibilities:

- a. Custodian of the Fund's assets and shall maintain the various trust funds.
- b. Approval of all receipts, disbursements, and financial records.
- c. Draft the cash management plan and invest all balances.
- d. Ascertain availability of sufficient unencumbered funds in any account to fully pay all charges or commitments prior to any payment or commitment.
- e. The treasurer shall perform such other duties as provided for by the Fund Commissioners, these rules and regulations and in the laws and regulations of the State of New Jersey.
- f. The treasurer shall be covered by a fidelity bond protecting the Fund's assets in a form and amount to be determined annually by the commissioners. Said bond shall be paid for by the Fund.

2. **Executive Director/Administrator:**

- a. The Administrator shall serve as Executive Director of the Fund and shall be a licensed New Jersey insurance producer, experienced in risk management matters and self-funded entities.
- b. The Administrator shall have the following duties and responsibilities:
  - i) Carry out the policies established by the commissioners and to otherwise supervise the management of the Fund.
  - ii) Advise the commissioners on risk management matters and shall prepare a draft Risk Management Plan.
  - iii) Prepare the Fund's budget, compile and bill assessments.
  - iv) Maintain underwriting files, secure insurance and excess insurance as authorized by the Commissioners, prepare new members submissions for review by the Commissioners.
  - v) Prepare draft requests for proposals for services to be provided by servicing organizations and monitor the performance of the service companies.
  - vi) Prepare filing required by state regulations.
  - vii) In conjunction with the Secretary, coordinate the Fund's meeting agenda, minutes, elections, contracts, and maintain the Fund's official records and office.
  - viii) Maintain the Fund's general ledger, accounts payable and accounts receivable function.
  - ix) Perform such other duties as provided for by the Fund Commissioners, these rules and regulations, and the laws and regulations of the State of New Jersey.
- c. The Administrator shall assume overall executive responsibility for the operations of the Fund except that the Administrator shall not be responsible for the errors and

omissions of any other servicing organization except as to generally monitor the compliance of said organization with the directives of the Fund Commissioners, its Service Provider contract, or the applicable statutes and regulations as to the form and timeliness of said undertaking.

- d. The Administrator shall be bonded in a form and amount acceptable to the Commissioner. The Administrator shall also be covered by Errors and Omissions insurance, said coverage is to be paid by the Fund.

3. **Auditor:**

The auditor shall be an independent Certified Public Accountant (CPA) or a registered municipal accountant (RMA) who has evidenced the ability and experience to properly examine an insurance fund. The auditor shall conduct the annual audit of the and shall perform such other duties as provided for by the Fund Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

4. **Attorney:**

- a. The Fund attorney shall be admitted to the New Jersey Bar and shall provide advice to the Fund on legal matters such as advising the commissioners of their obligations and responsibilities under N.J.S.A. 40A:10-3, these rules and regulations and other pertinent law such as the Open Public Meetings Act.
- b. The attorney shall have the following responsibilities:
  - i) The attorney shall advise the Fund and the appropriateness of claim settlements recommended by the Claims Administrator.
  - ii) The attorney shall advise the Commissioners on the selection of counsel to represent the Fund in the defense of claims. The Fund attorney may also provide representation concerning incidental aspects of claim matters such as motions where it is more expeditious, cost effective or otherwise to do so. However, the attorney or any member of the attorney's law firm shall not defend claims which are the responsibility of the Fund without the authorization of the Commissioners.

- iii) The attorney shall perform such other duties as provided for by the Fund Commissioners, these rules and regulations and the laws and regulations of the State of New Jersey.

5. **Actuary:**

The actuary shall certify the actuarial soundness of the Fund and shall report to the Fund Commissioners in a manner and at such times established by them, and shall provide such actuarial reports as required by the Department. The actuary shall certify claim reserves, reserves for "Incurred but Not Reported" (IBNR) losses, and unearned assessments and shall comment on the adequacy of the budget.

6. **Service Agent:**

The fund shall designate and appoint an agent in New Jersey to receive service and process on behalf of the Fund.

7. All Fund professionals shall be retained on a contractual basis which shall be approved by the Fund Commissioners.
8. Fund Professionals shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the Fund Commissioners. The written fee schedule shall be part of the official contract.

**Servicing Organizations:**

1. The Fund may contract to have the following services performed:
  - a. Actuarial services
  - b. Claims Administration
  - c. Cost containment services
  - d. Loss prevention/safety engineering services
  - e. Legal services
  - f. Auditing services
  - g. Financial services
  - h. Compilation and maintenance of the Fund's underwriting file
  - i. Coordination and preparation of coverage documents
  - j. Risk selection and pricing
  - k. Excess insurance or reinsurance producer services
  - l. Member assessment and fee development

- m. Report preparation
  - n. Other duties as designated by the Fund
- 2. The Fund may at its option contract for these services from different servicing organizations.
- 3.
  - a.) No servicing organization of the Fund, or their employees, officers or directors shall have either a direct or indirect financial interest in the Administrator of the Fund or be an employee, officer or director of the Administrator unless notice of such interest has been provided to the Fund Commissioners and members.
  - b.) No Administrator of the Fund, or their employees, officers or directors shall be an employee, officer or director of, or have either a direct or indirect financial interest in, a servicing organization of the Fund unless notice of such interest has been provided to the Fund Commissioners and members.
  - c.) Any employee, officer or director of the Administrator, servicing organization shall disclose to the Fund Commissioners or as applicable, any direct or indirect financial interest such employee, officer or director has in any other administrator, servicing organization or insurance producer.
- 4. Each service contract shall include a clause stating "unless the Fund Commissioners otherwise permit, the servicing organization shall handle to its conclusion all claims and other obligations incurred during the contract period."
- 5. Each Servicing Organization shall provide a surety bond and Errors and Omissions coverage if required by law, in a form and amount acceptable to the Commissioner.
- 6. All officers, employees and agents, including the Administrator and Servicing Organization of the Fund, on the final day of their contract or employment shall surrender and deliver to their successors all accounts, funds, property, records, books and any other material relating to their contract or employment, or if no successor has been designated, delivery shall be made to the Administrator or Fund Chairperson.

**Indemnification of Officers and Employees:**

- 1. The Administrator, Claims Service Provider(s), Producer, and such others as are required by regulation to do so, shall provide Errors

and Omissions coverage in a form satisfactory to the Commissioner. The Commissioners may also require other professionals to provide evidence of Errors and Omissions coverage, and any other coverage as a requirement of their contract.

2. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Fund shall indemnify and defend any past, present or future Fund Commissioner, and may indemnify such other officials or professionals or service providers as the Fund Commissioners determine, for claims arising from an act or omission of such Fund Commissioner, official or employee within the scope of the performance of such individual's duties as Fund Commissioner, officials, professional or employee within the scope of the performance of such individual's duties as Fund Commissioner, official, professional or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Fund to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such an individual and the Fund shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Fund Commissioner, official, professional or employee is either covered, or required to be covered by errors and Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Fund Commissioners. Nothing herein contained is intended to shield omission or wrongdoing which would not customarily be covered by Errors and Omissions insurance if same had been required of said employee or appointed official.
3. A present, past or future Fund Commissioner, official, professional or employee of the Fund shall not be entitled to a defense or indemnification from the Fund unless:
  - a. Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleading, he or she delivers the original or exact copy to the Fund Chairman with a copy to the Fund attorney, together with a request that the Fund provide for his or her defense; and
  - b. In the event the Fund provides a defense or indemnification, he or she cooperates in the preparation and

presentation of the defense with the attorney selected to defend the case; and

c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Fund to handle such matters, the past, present or future Fund Commissioner, official, professional or employee shall agree that the Fund and its counsel shall have exclusive control over the handling of the litigation.

4. The foregoing right of indemnification shall not be exclusive of any other rights to which any Fund Commissioner, official, professional or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this Fund shall be in addition to and not in restriction or limitation of any other privilege or power which the Fund may lawfully exercise with respect to the indemnification or reimbursement of a Fund Commissioner, official, professional or employee; except that in no event shall a Fund Commissioner, official, professional or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.
5. Expenses incurred by any Fund Commissioner, official, professional or employee in defending an action, suit or proceeding may be paid by the Fund in advance of final determination of such action, suit or proceeding as authorized by the Fund in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

**Advisory Committees:**

1. From time to time, the Fund Chairperson may establish advisory committees and may appoint any individual to serve on these committees.
2. Loss Prevention Committee:
  - a. Membership: Each member shall appoint one of its management employees to serve as the safety coordinator, for the member. The safety coordinator shall serve as the representative of the member on the Fund's Safety Committee. The member shall



also designate a management employee to serve as alternate safety coordinator whenever the safety coordinator is unable to serve. The safety coordinator and the alternate shall serve at the pleasure of the member and shall perform those duties specified in the Fund's Loss Control Program.

b. The Fund's safety committee shall consist of the Fund's safety director and the safety coordinator from each member. The alternate safety coordinator from each member may also attend meetings of the safety committee.

c. At the beginning of each fund year the safety committee shall select a chairperson to preside over meetings of the committee.

d. Duties: The safety committee shall meet at least quarterly and shall have the following duties or responsibilities.

i) Confer with the Fund's safety director to develop a comprehensive safety and loss control program.

ii) Monitor all accident trends and frequency of accident in order to identify problem areas and local unit activities and programs requiring more frequent loss control surveys and evaluations.

iii) Assist in the development of a safety educational program that will include visual aids, equipment, etc.

iv) Make recommendations to the Fund for policies that will implement a comprehensive safety and loss control program for the Fund and the member local units.

v) Perform such other duties that are assigned by the Fund Commissioners or required by law.

#### **ARTICLE IV - OPERATION OF THE FUND**

##### **General Operation:**

1. The Fund shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and

regulations (including but not limited to N.J.A.C. 5:34) and the various statutes authorizing the investment of public funds..

2. The Fund shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.
3. The Fund shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Fund shall prepare a financial statement on a form acceptable to the Commissioners showing the financial ability of the Fund to meet its obligations.
4. All monies, assessments, funds and other assets of the Fund shall be under the exclusive control of the Fund Commissioners.
6. The Fund shall adopt a resolution designating a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Fund and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian of funds shall possess a Certified County Finance Officer certificate issued pursuant to N.J.S.A. 40A:9-140.2. The custodian shall quarterly report to the Fund Commissioners on investment and interest income.
7. All books, records, files, documents and equipment of the insurance fund are the property of the Fund and shall be retained by the Fund Administrator at the discretion of the Fund Commissioners in accordance with a record retention program adopted by the Fund. All books, records, files and documents of the Fund shall be retained for not less than five years. The Fund shall also retain claims information

**Risk Management Plan:**

The Fund Commissioners shall prepare or cause to be prepared, a Risk Management Plan for the Fund including all information detailed in N.J.A.C. 11:15-2.6(e) and or 11:15-3.6(d) as appropriate. The Risk Management Plan shall be adopted and approved by resolution of the Fund Commissioners.

### **Financial Statement and Reports:**

1. The Fund Commissioners shall provide its members with periodic reports covering the activities and status of the Fund for the reporting period. The reports shall be made at least quarterly, and may be made more frequently at the direction of the Commissioners, and shall include, but not be limited to, the minutes, the Administrator's report, the Treasurer's report, and a summation of Fund activity, including comments on previously reported claims and newly reported claims, and any other information required by the Commissioners. The Treasurer's report shall include budget status, account balances, claims information, investment status, earnings and the costs of making investments.

2. A sworn annual report in a form prescribed by the Commissioners shall be prepared by the Fund, and be made available to each Fund member not later than one hundred eighty (180) days after the end of each Fund year. The report shall be accompanied by an annual audited statement of the financial condition of the Fund prepared by the Auditor, and performed in accordance with generally accepted accounting principles.

### **Coverages:**

The Fund may offer coverage to its members for the following purposes:

1. To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
2. To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by it, or owned by or under the control of any of its departments, boards, agencies or commissions;
3. To insure against liability for its negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the "New Jersey Tort Claims Act" (N.J.S.A. 59:1-1 et seq.);
4. To insure against any loss or damage from liability as established by chapter 15 of Title 34 of the Revised Statutes;

5. To provide contributory or noncontributory self-funded, or partially self-funded, health benefits to employees or their dependents, or both, in accordance with rules and regulations of the Director of the Division of Local Government Services in the Department of Community Affairs. The establishment and operation of a fund to provide health benefits by a local unit prior to the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby validated; however, any such health benefits fund shall comply with all rules and regulations promulgated by the director pursuant to this subsection.

**Services:**

The Fund may also provide its members with safety and loss control programs and may jointly purchase or lease, on behalf of its membership, safety and loss control services, training, equipment and apparatus, in connection with the provision of the coverage set forth above.

**ARTICLE V - MEETINGS AND RULES OF ORDER**

1. **Annual Organization Meeting:**

On or before January 15<sup>th</sup> of each year, the Fund Commissioners shall meet to elect officers and to appoint professionals and servicing organizations and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.

2. **Business Meetings:**

The Fund Commissioners shall establish an annual schedule of meetings to conduct the business of the Commission.

3. **Special Meetings:**

The Chairperson or two (2) Commissioners may call a special meeting by notifying the Fund's Secretary at least three (3) days in advance. The Secretary shall notify the Fund Commissioners by telephone.

**4. Quorum:**

The quorum for a meeting of Fund Commissioners shall be a majority of the regular Fund Commissioners.

**5. Conduct Of Meetings:**

- a. All meetings of the Fund shall be subject to the rules and regulations of the Open Public Meetings Act. (N.J.S.A. 10:4-6 et.seq.)
- b. Unless otherwise provided in these rules and regulations, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.
- c. The Secretary shall cause written minutes to be maintained of all Fund meetings, and shall cause the minutes to be made available to the commissioner upon request.

**6. Amendments to the Rules and Regulations**

- a. Any commissioner may propose an amendment to the bylaws by filing the proposed amendment in writing with the Secretary.
- b. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Commissioners of the hearing date and shall send all Fund Commissioners and members a copy of the proposed amendment. Notice shall be given to the Freeholder Director and County Administrator.
- c. The amendment may be adopted by the Fund Commissioners upon the completion of the hearing.

**ARTICLE VI - BUDGETS**

A. On or before November 1 of each year, the Fund shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self insurance or loss retention accounts. The budget shall be prepared on a

basis that does not recognize investment income or discounting of claim reserves, but recognizes all anticipated or forecasted losses and administrative expenses associated with that fiscal year.

B. A copy of the Fund's proposed budget shall be made available to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget shall be adopted until a hearing has been held in accordance with N.J.S.A. 40A:4-1 et. seq. giving all members the opportunity to present comments or objections.

C. Not later than December 1 of each year the Fund Commissioners shall adopt by majority vote the budget for the Fund's operation for the coming fiscal year.

E. An adopted budget may be amended by majority vote of Fund Commissioners.

## **ARTICLE VII - ASSESSMENTS**

### **Annual Assessment**

1. In November of each year, the Executive Director/Administrator shall compute each member's assessments for the upcoming Fund year, which shall consist of an amount allocated for the administrative account plus specific assessment to establish and/or replenish the claim or loss retention trust fund account for each type of coverage provided by the Fund and in which such member participates.

2. The annual assessment of each participating local unit shall be its pro rata share of the Fund's budget for the upcoming year for each line of coverage provided to the member.

3. The calculation of pro rata shares shall be based on each member's manual premium by Fund year for that line of coverage. To the extent possible, the Fund shall use experience modification formulas in computing manual premiums. Unless otherwise approved by the Commissioners, the assessment for Worker's Compensation and Employer's Liability shall be based upon the experience rating plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner of Banking and Insurance. The Fund Commissioners may also adopt a capping formula which limits the

increase in any member's assessment to the fund-wide average increase plus a percentage established by the Fund Commissioners.

4. The total amount of each member's annual assessment shall be certified by majority vote of the Fund Commissioners to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal year.

5. The annual assessment shall be paid to the Fund in installments, to be determined by the Fund Commissioners.

6. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention Trust Fund account.

7. If a member joins the Fund or elects to participate in a line of coverage after the start of the Fund year, such member's assessments and supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

#### **Supplemental Assessments:**

1. The Fund Commissioners shall by majority vote levy upon the member local units additional assessments wherever needed to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

a. All supplemental assessments shall be charged to the members by applicable Fund year, and shall be apportioned by that year's assessments for that line of coverage.

b. All members shall be given at least thirty (30) days advance written notice of the Fund's intention to charge an additional assessment.

c. Members shall have thirty (30) days to pay the Fund from the due date established by the Fund Commissioners at the time any supplemental assessment is adopted. Whenever possible, the due date shall be no sooner than the beginning of the Fund's next fiscal year.

### **Insolvency and/or Bankruptcy Of Fund Members:**

The insolvency or bankruptcy of a member does not release the Fund, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

### **ARTICLE VIII - REFUNDS**

- A. Any monies for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Fund.
- B. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Fund for such year. Payment of a refund shall not be contingent on the member's continued membership in the Fund.
- C. The Fund may apply a refund to any arrearage owed by the member to the Fund. Otherwise, at the option of the member, the refund may be retained by the Fund and applied towards the member's next annual assessment.

### **ARTICLE IX - TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS**

#### **Establishment of Trust Fund Accounts**

- 1. By resolution, the Fund shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Fund and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law.
- 2. The Fund shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums designated as the Claims or Loss Retention Fund Account.



- a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a claim or loss retention account without the approval of the Commissioners.
  - b. The Fund shall maintain accounting records allocating all income, disbursements, and assets in the Claims account by line of coverage and by Fund year. Accounting records for closed Fund year(s) shall be allocated by member. Accounting records for loss fund contingency or excess loss contingency shall also be allocated by member.
3. The Fund shall also establish an administrative account which shall be utilized for payment of the Fund's general operating expenses, loss prevention activities, data processing services, and general legal expenses. The Fund shall maintain accounting records for the administrative account per 2(b) above.

### **Investments**

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Fund's cash management plan and consistent with the statutes and rules governing the investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.
2. The investment and interest income earned by the investment of the assets of each claim or loss retention account shall be credited to each account.
3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

### **Disbursements**

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Fund's assets shall certify as to the availability of sufficient, unencumbered funds to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Fund Commissioners.

3. Notwithstanding numbers 1 and 2 above, the Fund may provide for the expedient resolution of certain claims by designating the Fund's Administrator or service organization as a "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Fund may authorize the certifying and approving officer to approve for payment any specified claims in an amount not to exceed an amount approved by the Commissioner in the Plan of Risk Management. The Fund shall establish such other procedures and restrictions on the exercise of this authority as the Fund deems appropriate.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Fund's assets, directing that a check for payment be prepared.
5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Fund Commissioners at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.
6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and shall be certified by an officer or duly designated agent or employee of the Fund having knowledge of the facts that the goods have been received by, or the services rendered to the Fund. In the case of claims or losses to be charged against any loss fund, the Fund's claims administrator shall certify as to the claims correctness and validity.
7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the Fund Commissioners. Payment of claims may be made by wire transfer.
8. All claims or other disbursements approved for payment by the Fund shall be recorded in a claims register maintained by the custodian of the Fund's assets.

## **ARTICLE X - CONFLICT OF INTEREST**

- A. All officials or employees of a member local unit or any members of the family of such officials or employees shall comply with N.J.S.A. 40A: 22.1 et. seq. (The "Local Government Ethics Law").

## **ARTICLE XI - VOLUNTARY DISSOLUTION OF THE FUND**

- A. If the Fund Commissioners deem it in the best interest of the members to dissolve the Fund, they shall by majority vote direct that a written Plan of Dissolution be prepared.
- B. The Plan of Dissolution must provide for the payment of all unexpired losses of the Fund and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Fund or the trust fund accounts may be used for any other purpose.
- C. Upon completion of the plan, the Chairperson shall call a general meeting of all Fund Commissioners who shall review the plan and make any appropriate amendments. By majority vote, the Fund Commissioners may recommend to the County that the Fund be dissolved in accordance with the Plan of Dissolution.
- D. The Camden County Board of Chosen Freeholders must by resolution vote to accept the Plan of Dissolution in order to dissolve the Commission.
- E. Such Plan of Dissolution shall contain a statement of the Fund's current financial condition computed both on a statutory basis and according to generally accepted accounting principles as attested to by an independent certified accountant.

## **ARTICLE XII - CLAIMS HANDLING PROCEDURE**

### **CLAIMS HANDLING PROCEDURE (HEALTH INSURANCE)**

- A. Compliance: The Fund shall comply with the requirements of N.J.S.A. 17B:30-13.1 and 13.2 and N.J.A.C. 11:2-17 and N.J.A.C. 11:15-3.22.
- B. Registration of Claims: Covered individuals shall submit claims to the Third Party Claims Administrator (TPA) retained by the Fund. Each covered employee shall have an identification card, which contains the

name and telephone number of the TPA. Claim reporting forms shall be made available to each participant.

C. Claims Response: Upon receipt of the initial notice of claim, the TPA shall process the information in the following manner:

1. Validate that the person has coverage.
2. Determine if claim is eligible.
3. Calculate the amount payable based upon the plan or benefits deductible, coinsurance, any cost containment features in the plan, and coordination of benefits (COB) factors.
4. Pay valid claims or issue notice of rejection.
5. If a notice of rejection is issued, the reason for said rejection shall be stated thereon.

D. Periodic Review of Pending Claims: All pending claims will be reviewed not less than monthly. The TPA shall submit a report to the Fund not less than quarterly.

E. Approval of Payments: The Fund shall specify in the contract the TPA's claims payment authority.

F. Confidentiality:

1. The complaint handling procedure shall provide for the confidentiality of the claimant's identity as required by N.J.A.C. 11:15-3.22. All employee claims information is privileged and confidential and shall not be included as a part of any open public record.
2. Fund Commissioners and the officials of the member local unit shall not have access to any employee claim information which reveals the identity of any individual plan participant.
3. All claims are to be filed, and all inquiries are to be handled, directly with the Third Party Administrator. All employees of the Third Party Administrator shall execute a non-disclosure statement to protect the identity of the plan participants.
4. Only Commissioners members and necessary Fund professionals shall participate in any closed session discussion of claims. These claims discussions, whether general or specific to a coverage dispute, shall at all times be confidential and anonymous so that the identity of the local unit and/or claimant cannot be ascertained. When necessary, as in a specific claim dispute, the anonymity of the claimant shall be accomplished by assigning a blind claim number

and deleting all references to the individual's name and place of employment. The claimant may demand that the matter be handled with disclosure of his identity by so indicating in writing to the Commission.

5. Documents identifying the employee, or from which the employee's identity might be deduced, shall not be accessible to any persons other than the Third Party Administrator, Program Manager, Fund Attorney, or duly appointed claim auditors when such records are needed to verify the accuracy of claim data as part of an audit.
6. Any person having access to claim information must sign a written non-disclosure statement.

#### G. Disputed Claims Appeal Procedures

1. If the plan participant is dissatisfied with the determination of the claim processor, the plan participant may appeal in writing the processor's determination to the TPA's Services Management Review Team, who shall notify the plan participant in writing of their determination. The plan participant shall, at that time, be advised that the determination may be appealed to the Fund's Executive Committee and that, at the plan participant's written request, the appeal may be made with the identity of the plan participant revealed. The plan participant's identity shall be revealed only upon the written request of the participant. A copy of this communication with the plan participant's name shall be sent to the Program Manager.
2. The plan participant may appeal an adverse determination concerning a claim to the Executive Committee by forwarding a copy of the determination letter issued by TPA to the Program Manager, who shall place it on the agenda for a closed session discussion at the next regularly scheduled meeting of the Fund, unless the appeal is received seven (7) business days or fewer prior to the next meeting, in which case it shall be placed on the ensuing meeting agenda. Prior to distribution of any writing concerning this appeal, all reference to the plan participant or the Town shall be stricken. The Program Manager shall review the claim and make a written recommendation to the Executive Committee prior to their deliberation regarding same. Whenever practical, the Executive Committee shall render its decision upon conclusion of the discussion at the appeal meeting, and if the plan participant is not

present, advise the plan participant in writing of the determination and the reasons therefore within five (5) days.

3. If the plan participant is dissatisfied with the Executive Committee's determination, the plan participant may appeal this determination to the independent appeal organization designated by the Fund annually for a non-binding determination pursuant to fair, informal procedures adopted from time to time.
4. If the plan participant is dissatisfied with the determination of the independent appeal agency, the plan participant may exercise any remedies provided by law.

### **CLAIMS HANDLING (OTHER THAN HEALTH CLAIMS)**

#### **Claims Reporting:**

Upon receipt of the initial notice of a claim, the member shall immediately forward the notice of claim and any other information available to the claims administrator and, where appropriate, to the Fund's attorney for initial contact, investigation, court actions or other appropriate response.

#### **Registration of Claims:**

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the claims administrator shall cause each claim to be numbered, and to be included on a monthly report to the Executive Director. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, an approximate estimate of the magnitude of the potential loss. This report shall be considered confidential.

#### **Notice of Request for Settlement Authority:**

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, and such settlement exceeds the authority of the claims administrator, the claims administrator shall submit to the fund administrator for review at a Commissioners meeting, a request for settlement authority. This notice shall be on forms approved by the Fund Commissioners and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Fund, a summary of investigative work

concerning the merits of the claim and the reasons underlying the recommended settlement authority.

**Approval of Payments and Settlements:**

Whenever the Fund shall make any payment or settlement of any claim, a notation thereof identifying the claim, and the amount paid shall be entered upon a ledger of claims paid.

**ARTICLE XIV - COMPLAINT HANDLING PROCEDURE**

- A. Whenever any interested party shall submit a complaint in writing to the Fund, the executive director/administrator, or any member of the Fund, a copy thereof shall be forthwith communicated to the Commissioners for consideration at its next regularly scheduled meeting.
- B. At said meeting the Fund Commissioners shall consider the complaint, and by recorded vote take such action as might be appropriate.
- C. The complaining party, and the Commissioner from the local unit shall receive written notice of the Fund Commissioners findings. The written notice to the complaining party may, where appropriate, include an opportunity for the complaining party to have a hearing concerning his/her complaint before the Fund Commissioners.
- D. The Secretary for the Fund shall keep a separate record of all complaints received and the disposition of same.
- E. If the complaining party is dissatisfied with the Commissioners decision, the complaining party may appeal this determination to the independent appeal organization or arbitrator designated by the Fund annually.
- F. If the complaining party is dissatisfied with the determination of the independent appeal agency or arbitrator, the complaining party may exercise any remedies provided by law.

**ARTICLE XV - OTHER CONDITIONS**

**Inspection and Audit:**

The Fund shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this

agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others, to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Fund shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

**Notice of Injury:**

When an injury occurs, written notice shall be given by or on behalf of the member to the Fund or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the member and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

**Notice of Claim or Suit:**

If claim is made or formal petition or a suit or other proceedings are brought against the member, it shall immediately forward to the Fund every demand, notice, summons or other process received by the member or its representative.

**Assistance and Cooperation of the Participant:**

The member shall cooperate with the Fund, and upon the Fund's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

**Action Against Commission:**

No action shall lie against the Fund unless, as a condition precedent thereto, the Member shall have fully complied with all the terms of this agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial



or by written agreement of the member, the claimant and the Fund. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Fund as a co-defendant in any action against the member to determine the member's liability.

Bankruptcy or insolvency of the member shall not relieve the Fund of any of its obligations.

**Subrogation:**

In the event of any payment under the agreement, the Fund shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits of this agreement against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

**Conformance with Statutes:**

In the event any portion of these rules and regulations conflict with any statute or administrative regulation covering joint insurance funds, the provision of any such regulation shall control to the extent it conflicts.

**THUS DONE, READ AND PASSED in my office in Camden County, State of New Jersey.**

**CAMDEN COUNTY INSURANCE FUND COMMISSION**

BY:

  
\_\_\_\_\_  
**CHAIRPERSON**

ATTEST

  
\_\_\_\_\_  
**VICE-CHAIRPERSON**