

# NEW JERSEY CYBER RISK MANAGEMENT FUND

## OPEN MINUTES

JANUARY 6, 2023

VIA TELECONFERENCE – 10:00 AM

Chairman Tom Merchel called the meeting to order, read the statement of compliance open public meeting act and led the pledge of allegiance.

### ROLL CALL OF 2022 FUND COMMISSIONERS

Tom Merchel, Chair	Township of Moorestown- PMM JIF	Present
Joy Tozzi, Secretary	Township of Robbinsville - Mid-Jersey JIF	Present
Jim Gant	Sea Girt Borough – Monmouth JIF	Present
John Clarke	New Brunswick Housing Authority- PHA JIF	Present
Diane Lapp	Manchester Twp – Ocean JIF	Present
Steve Rovell	Belleville Twp – Suburban Metro JIF	Present
Adam Brewer	Pequannock Township – Morris JIF	Present
Megan Champney	City of Summit- Suburban Municipal JIF	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
Casey Wagner	Woodbridge - Central JIF	Present
Marc Schrieks	Lodi Borough – South Bergen JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Present
Robert Law	Woodbury City - Trico JIF	Absent
James Ulrich	Clark Township – NJSI JIF	Absent
Meghan Jack	Riverside Twp- Burlco JIF	Present
Kellie Seib	Sea Isle City – Atlantic JIF	Present
Chris Burnett	Mt. Laurel Twp. Fire Dist. #1 – FIRST JIF	Absent
Matthew Martin-Alternate FIRST	Hopewell Twp. BOFC	Present
Frank Elenio	Ridgefield Borough – PAIC JIF	Present

### PROFESSIONALS PRESENT:

Executive Director/Adm	PERMA Risk Management Services <b>David N. Grubb, Joseph Hrubash, Cathleen Kiernan, Nancy A. Ghani</b>
Deputy Executive Director	Risk Program Administrators <b>Paul Forlenza, Kamini Patel</b>
Claims Adjustor	CB Claims LLC <b>Chris Botta, Esq.</b>
Chief Financial Officer	<b>Pauline Kontomanolis, CPA</b>
Attorney	Dorsey & Semrau <b>Sue Sharpe, Esq.</b>
Auditor	Nisivoccia LLP <b>Bud Jones</b>
Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
Claims Manager	<b>Robyn Walcoff, Esq.</b>
Planning Consultant	<b>Barbara Murphy</b>
Actuary	The Actuarial Advantage

**Kyle Mrotek**

Treasurer

**Charles Cuccia**

**ALSO PRESENT:**

Joe Criscuolo, Alternate Fund Commissioner for Central JIF  
Ted Preusch, Bergen JIF Alternate Fund Commissioner  
Matthew von der Hayden, Ocean JIF Alternate Commissioner/Cyber JIF  
William Close, Close Consulting Group  
Robin Rengstorff, Vozza Agency  
Ezio Altamura, GJEM Otterstedt Agency  
Matt T. McArow Jr., GJEM Otterstedt Agency  
Don Sciolaro, PIA Agency  
Frank Covelli, PIA Agency  
Fred Semrau, Esq., Dorsey & Semrau  
Chuck Hartsoe, PEGAS  
Lindsay Travalì, Acrisure  
Katie Walters, Conner Strong & Buckelew  
Hallee Cranmer, Meeker Sharkey Agency  
Tracy Lopez, Perma Risk Management Services  
Pauline Kontomanolis, Perma Risk Management Services  
Brad Stokes, Perma Risk Management Services  
Zareena Majeed, Perma Risk Management Services  
Jonathon Tavares, Conner Strong & Buckelew  
Steve Sacco, Perma Risk Management Services  
Alison Kelly, Danskin Insurance Agency

**MINUTES:** Included in the agenda were the open minutes of December 14, 2022.

**MOTION TO APPROVE DECEMBER 14, 2022 OPEN MINUTES:**

Moved:	Commissioner Tozzi
Second:	Commissioner Clarke
Vote:	Unanimous – 1 Abstain (Commissioner Jack)

**CORRESPONDENCE:** Included in the agenda was a copy of a letter from Department of Banking & Insurance dated December 21, 2022 confirming approval of the formation and operation of the New Jersey Cyber Risk Management Fund. Executive Director Grubb reported there is additional paperwork to submit once the Fund reorganizes for 2023.

**MOTION TO ADJOURN SINE DINE MEETING:**

Moved:	Commissioner Schrieks
Second:	Commissioner Wolk
Roll Call Vote:	Unanimous

Executive Director Grubb called the meeting to order and asked for a roll call of the 2023 Fund Commissioners.

**ROLL CALL OF 2023 BOARD OF FUND COMMISSIONERS**

Tom Merchel	Township of Moorestown- PMM JIF	Present
Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Present
John Clarke	New Brunswick Housing Authority- PHA JIF	Present
Diane Lapp	Manchester Twp – Ocean JIF	Present
Steve Rovell	Belleville Twp – Suburban Metro JIF	Present
Adam Brewer	Pequannock Township – Morris JIF	Present

Megan Champney	City of Summit- Suburban Municipal JIF	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
Casey Wagner	Woodbridge - Central JIF	Present
Marc Schrieks	Lodi Borough – South Bergen JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Present
Jim Gant	Sea Girt Borough – Monmouth JIF	Present
James Ulrich	Clark Township – NJSI JIF	Absent
Meghan Jack	Riverside Twp- Burlco JIF	Present
Kellie Seib	Sea Isle City – Atlantic JIF	Present
Chris Burnett	Mt. Laurel Twp. Fire Dist. #1 – FIRST JIF	Absent
Matthew Martin-Alternate FIRST	Hopewell Twp. BOFC	Present
Frank Elenio	Ridgefield Borough – PAIC JIF	Present
TRICO JIF Representative	To Be Determined	

**NOMINATION AND ELECTION OF CHAIRMAN, SECRETARY, FIVE MEMBER EXECUTIVE COMMITTEE AND EXECUTIVE ALTERNATES.** Executive Director Grubb said it would be appropriate to conduct elections. Commissioner Wolk presented the 2023 Slate in the following motions:

**MOTION TO NOMINATE THOMAS MERCHEL – PMM JIF AS CHAIR:**

Moved: Commissioner Wolk  
Second: Commissioner Elenio

**SEEING NO OTHER NOMINATION FOR CHAIR, EXECUTIVE DIRECTOR REQUESTED A VOICE VOTE:**

Vote: Unanimous

**MOTION TO NOMINATE JOY TOZZI – MIDJERSEY JIF AS SECRETARY:**

Moved: Commissioner Merchel  
Second: Commissioner Champney

**SEEING NO OTHER NOMINATION FOR SECRETARY, EXECUTIVE DIRECTOR REQUESTED A VOICE VOTE:**

Vote: Unanimous

**MOTION TO APPOINT COMMISSIONERS MEGAN CHAMPNEY – SUBURBAN MUNICIPAL JIF, STEVE ROVELL – SUBURBAN METRO JIF, JIM GANT – MONMOUTH JIF, JOE WOLK – CAMDEN JIF, BERNARD RUTKOWSKI – NJUA JIF AND MARC SCHRIEKS – SOUTH BERGEN JIF AS THE SIX MEMBER EXECUTIVE COMMITTEE:**

Moved: Commissioner Elenio  
Second: Commissioner Clarke  
Vote: Unanimous

**MOTION TO APPOINT THESE COMMISSIONERS BASED ON ALPHABETICAL ORDER OF JIF: KELLI SEIB – ATLANTIC JIF, PAUL TOMASKO – BERGEN JIF, MEGHAN JACK – BURLCO JIF, CASEY WAGNER – CENTRAL JIF, CHRIS BURNETT – FIRST JIF, ADAM BREWER – MORRIS JIF, DIANE LAPP – OCEAN JIF, JOHN CLARKE – PHA JIF, JIM ULRICH – SELF INSURERS JIF AND TRICO JIF COMMISSIONER (TO BE APPOINTED) AS ALTERNATES:**

Moved: Commissioner Rovell  
Second: Commissioner Brewer  
Vote: Unanimous

## **FUND ATTORNEY ADMINISTERED OATH OF OFFICE**

### **EXECUTIVE DIRECTOR REPORT:**

**2023 MEMBERSHIP:** Executive Director Grubb reported all MEL affiliated local Joint Insurance Funds have elected to join the New Jersey Cyber Risk Management Fund.

**2023 REORGANIZATION:** Executive Director Grubb read the following Resolutions 1-23 through 7-23 representing the reorganization of the Fund.

**RESOLUTION 1-23 ESTABLISHING A FISCAL MANAGEMENT PLAN.** Resolution submitted designating Official Depositories and approving a Cash Management Plan; authorizing Signatories on Administrative Accounts; and authorizing Signatories on Claim Accounts; establishing a rate of interest for delinquent assessments; and certifying Approval Officer for all Fund expenses. Commissioner Shrieks was the designated as the additional Cyber JIF Commissioner signatory under item I.

**RESOLUTION 2-23 DESIGNATING CITIZENS BANK (FORMERLY INVESTORS BANK) AS THE OFFICIAL DEPOSITORY OF THE FUND.**

**RESOLUTION 3-23 ESTABLISHING PUBLIC MEETING PROCEDURES.** Resolution was submitted with blank dates for the Board to discuss the 2023 meeting schedule.

**RESOLUTION 4-23 ESTABLISHING A FUNDS RECORDS PROGRAM.** Resolution submitted to establish a Fund Records program appointing the Fund Secretary as custodian of records and Account Manager as Assistant Secretary.

**RESOLUTION 5-23 2022 RISK MANAGEMENT PLAN.** The 2023 Risk Management Plan prepared by the Underwriting Manager and was distributed for review.

**RESOLUTION 6-23 ESTABLISHING REMOTE MEETING PROCEDURES DURING A DECLARED STATE OF EMERGENCY.** Included in the agenda was a resolution establishing remote meeting procedures for public comment during a declared state of emergency.

**RESOLUTION 7-23 AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT FOR EXCESS CYBER INSURANCE.**

**COMPETITIVE CONTRACT REQUEST FOR PROPOSALS (CCRFP), CONTRACTS AND PROFESSIONAL SERVICES:** Executive Director Grubb said the Cyber JIF follows procurement processes as guided by the QPA and NJ Local Public Contracts Law. In November 2022, the interim board made the decision to appoint one-year contracts for those vendors that meet the definition of Professional as well as any vendor below the bid threshold.

Executive Director Grubb reported a Competitive Contract RFP was issued for the balance: Executive Director, Deputy Executive Director, Planning Consultant, Cyber Training, Cyber Phishing & External Scanning. In December, the Board agreed to arrange for a firm with cyber expertise to review the Cyber related services – since the responses proved to be more complex.

**RESOLUTION 8-23 RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH SUE SHARPE, ESQ. OF DORSEY & SEMRAU P.C. TO PROVIDE LEGAL COUNSEL SERVICES.**

**RESOLUTION 9-23 RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH CONNER STRONG & BUCKELEW TO PROVIDE UNDERWRITING MANAGER SERVICES.**

**RESOLUTION 10-23 RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH CHARLES CUCCIA TO PROVIDE TREASURER SERVICES.**

**RESOLUTION 11-23 RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH THE ACTUARIAL ADVANTAGE TO PROVIDE ACTUARY SERVICES.**

**RESOLUTION 12-23 RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH NISIVOCIA LLP TO PROVIDE AUDITOR SERVICES.**

**RESOLUTION 13-23 RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH CB CLAIMS LLC TO PROVIDE CLAIMS ADJUSTING SERVICES.**

**RESOLUTION 14-23 RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH SEAN P. CANNING, QPA OF THE CANNING GROUP LLC TO PROVIDE QUALIFIED PURCHASING AGENT SERVICES.**

**RESOLUTION 15-23 AWARDING COMPETITIVE CONTRACT #22-01 APPOINTING EXECUTIVE DIRECTOR, DEPUTY EXECUTIVE DIRECTOR AND PLANNING CONSULTANT.**

Prior to taking action on the presented resolutions, Executive Director Kiernan noted that Resolution 3-23 Establishing Meeting Dates was submitted with blank dates so that this body could determine when to meet next. Executive Director Kiernan suggested the Fund meet next on February 10, 2023 to review the analysis the Chertoff Group was asked to conduct on the Cyber-related services; the other suggested dates were March 31, 2023 and April 28, 2023.

Commissioner Tomasko inquired if the Cyber JIF could meet on the same days as the RCF, EJIF and MEL JIFs. In response, Executive Director Kiernan said that may be difficult since a claims committee meets prior to the RCF, EJIF and MEL and the commissioners on those JIFs may not be the same commissioners in this JIF. Additionally, the Cyber JIF would like to hold its' meetings virtually and the facility where the RCF, EJIF and MEL meet does not have a robust Wi-Fi signal.

Commissioner Tomasko inquired if the Cyber JIF would be establishing compensation for commissioner attendance similar to what is done in the EJIF and RCF. In response, Executive Director Grubb said the Bylaws do not prohibit that practice and suggested this matter be taken as a separate discussion item.

**MOTION TO ADOPT RESOLUTIONS 1-23 to 15-23 WITH THE SUGGESTED DATES IN RESOLUTION 3-23:**

Moved: Commissioner Schrieks

Second: Commissioner Rovell

*A conflict was noted for one of the suggested 2023 meeting dates and the original Motion was retracted by Commissioner Schrieks and Rovell in order for this matter to be handled separately. .*

**MOTION TO ADOPT RESOLUTIONS 1-23 to 15-23 WITH THE EXCEPTION OF RESOLUTION 3-23:**

Moved: Commissioner Schrieks

Second: Commissioner Rovell

Roll Call Vote: 17 Ayes – 0 Nays

Executive Director Grubb said the two items to discuss are the 2023 Meeting Dates and 2023 Commissioner Compensation for Meeting Attendance.

**RESOLUTION 3-23 ESTABLISHING PUBLIC MEETING PROCEDURES.** Resolution was submitted with blank dates for the Board to discuss the 2023 meeting schedule and it was suggested the Fund meet on February 10, 2023; some Commissioners expressed conflicts with the other two suggested dates of March 31, 2023 and April 28, 2023. Based on discussion, there was a consensus to hold the next meeting on February 10, 2023 and the Executive Director's office will review dates of other JIFs' meetings to avoid conflicts.

**MOTION TO SET THE NEXT MEETING DATE OF THE CYBER JIF FOR FEBRUARY 10, 2023 AT 10AM VIA ZOOM:**

Moved:	Commissioner Schrieks
Second:	Commissioner Rovell
Vote:	Unanimous

**COMMISSIONER COMPENSATION FOR MEETING ATTENDANCE.** Executive Director Grubb said the Bylaws do not prohibit a Fund from compensating its Commissioners and the regulations allow \$150 per meeting attended. Executive Director Kiernan said there is a slight majority of majority of the JIFs that do process those payments.

**MOTION TO AUTHORIZE \$150 PER MEETING ATTENDED BY CYBER JIF COMMISSIONER AS COMPENSATION AS AN OPTION DURING FUND YEAR 2023:**

Moved:	Commissioner Tomasko
Second:	Commissioner Wolk
Vote:	Unanimous

Fund Attorney will draft a resolution memorializing this action and will include it in the February 10, 2023 agenda.

**WEBPAGE:** The MEL's webpage has been updated to reflect the changes in coverage and compliance program. Executive Director Grubb reported we are in the process of securing quotes for a separate website for the Cyber JIF and will transition all Cyber Security information to the new website when completed.

**RISK CONTROL SUB-COMMITTEE:** Executive Director Grubb said the initial assessment billing from the Cyber JIF was set to be one installment; however, it was determined that it should be two installments to address any reimbursements to JIFs that are already contracting for Cyber-related services. Executive Director Hrubash said the specifics regarding reimbursement still need to be discussed and developed noting it may not be "dollar for dollar" for what the local JIFs are currently spending on Cyber-related services.

Discussion ensued and it was suggested that a Risk Control Sub-Committee be formed to discuss Risk Control Services as well as, applicable reimbursement to member JIFs that may already be providing these services. Volunteers to the committee are being requested and action will be formalized at the next meeting. To date, volunteers are Tom Merchel, Joy Tozzi, Kellie Seib, Adam Brewer, Barbara Murphy and Ed Cooney

**UNDERWRITING MANAGER:**

**REPORT:** Underwriting Manager provided a brief overview of the renewal and noted the insurance carrier is excited about the formation of the Cyber JIF.

**TREASURER:**

**RESOLUTION 16-23 FOR JANUARY 2023 VOUCHERS:**

January 2023

\$ 1,008,137.50

**MOTION TO APPROVE JANUARY 2023 BILLS LIST RESOLUTION 16-23 AS PRESENTED:**

Moved: Commissioner Brewer  
Second: Commissioner Clarke  
Roll Call Vote: 17 Ayes – 0 Nays

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT:**

NONE

**CLOSED SESSION:** There was no need for Closed Session.

**MOTION TO ADJOURN:**

Moved: Commissioner Rovell  
Second: Commissioner Clarke  
Vote: Unanimous

**MEETING ADJOURNED:** 10:40AM

**NEXT MEETING:** February 10, 2023 – 10AM via Zoom

Nancy A. Ghani, Assisting Secretary

For

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JOY TOZZI, SECRETARY

**RESOLUTION NO: 1-23**  
**NEW JERSEY CYBER RISK MANAGEMENT FUND**  
(hereafter referred to as the "FUND")  
**ESTABLISHING A FISCAL MANAGEMENT PLAN**  
**FOR THE 2023 FUND YEAR**

**WHEREAS,** The FUND is duly constituted as a Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

**WHEREAS,** The FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.); and

**NOW, THEREFORE BE IT RESOLVED,** by the FUND's that for the 2023 Fund Year:

- I.** All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, wire or ACH which shall bear the signatures and/or electronic approvals of at least two (2) of the following persons, duly authorized pursuant to this Resolution;

_____	CHAIR
_____	SECRETARY
_____	TREASURER
_____	COMMISSIONER

- II.** All funds for Claims payments handled by the applicable Claims Administrator noted below shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution. The Chairman and Secretary or designated Commissioner shall also be a signatory.

Chris Botta, Esq. – CB Claims LLC  
Laura Sable – CB Claims LLC

- III.** FOR WIRE TRANSFERS - that the FUND does hereby require that **Citizens Bank (formerly Investors Bank)** obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.
- IV.** The Cash and Investment Policy attached herewith, shall be adopted.
- V.** The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date of January 15<sup>th</sup> and imposed when installment assessments are received 15 days after the due date.
- VI.** Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

**ADOPTED:**  
this day before the Governing Body:

_____	_____
Chair	date

_____	_____
Secretary	date



**NEW JERSEY CYBER RISK MANAGEMENT FUND  
2023 CASH MANAGEMENT AND INVESTMENT POLICY**

1.) **Cash Management and Investment Objectives**

The New Jersey Cyber Risk Management Fund (hereinafter referred to as the FUND) objectives in this area are:

- a) Preservation of capital.
- b) Adequate safekeeping of assets.
- c) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e) Maximization of total return, consistent with risk levels specified herein.
- f) Investment of assets in accordance with State and Federal Laws and Regulations.
- g) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i) Stability in the value of the FUND's economic surplus.

2.) **Permissible Investments**

Investments shall be limited to investments authorized under N.J.S.A. 40A:5-15.1 Joint Insurance Funds and Chapter 38, Joint Insurance Funds, Subchapter 1. Investments 5:38-1.1, 5:38-1.2 and 5:38-1.3 of the New Jersey Administrative Code.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories include but are not limited to:

Citizens Bank (formerly Investors Bank)

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall identify the investment that is the most advantageous to the fund, unless otherwise directed by the FUND. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Fund Commissioners at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-16.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.)* The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.)* The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims impress accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

**RESOLUTION #2-23**  
**of the**  
**NEW JERSEY CYBER RISK MANAGEMENT FUND**

**WHEREAS**, the New Jersey Cyber Risk Management Fund (hereinafter the Fund), finds it necessary for the proper conduct and order of business that official depositories for the Fund be designated and named; and

**WHEREAS** Citizens Bank (formerly Investors Bank) for Banking Manager - at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn base of 1.50% as of 9/1/2022 plus 50% beta on Federal Fund Target Rate increase / decrease with a floor of .40% - is hereby proposed by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f)

**NOW, THEREFORE, BE IT RESOLVED**, by the Municipal Excess Liability Joint Insurance Fund, that Citizens Bank for Banking Manager - at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn base of 1.50% as of 9/1/2022 plus 50% beta on Federal Fund Target Rate increase / decrease with a floor of .40% - is hereby approved by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f) and that sums so deposited may be withdrawn upon a check, draft or order of the Board of Fund Commissioners; and

**BE IT FURTHER RESOLVED** that a certified copy of this Resolution, duly executed, be delivered to the proper officers of Citizens Bank.

ADOPTED:  
this day before the Governing Body:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
date

**RESOLUTION NO: 3-23**

**NEW JERSEY CYBER RISK MANAGEMENT FUND  
(hereafter the “FUND”)**

**ESTABLISHING PUBLIC MEETING PROCEDURES**

**WHEREAS**, the FUND must establish meeting procedures for Fund Year 2023, and

**NOW, THEREFORE BE IT RESOLVED BY** the Fund’s Governing Body

- I.** That the FUND shall hold public meetings during the year 2023 as follows:

*Date* \_\_\_\_\_

*Date* \_\_\_\_\_

*Date* \_\_\_\_\_

*Date* \_\_\_\_\_

- II.** The following is hereby designated the official newspaper (s) of the FUND:  
The Star Ledger, Newark, NJ and the Courier Post, Cherry Hill, NJ.

- III.** The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

ADOPTED this day;

\_\_\_\_\_  
Chair

\_\_\_\_\_  
date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
date

**RESOLUTION NO: 4-23**

**NEW JERSEY CYBER RISK MANAGEMENT PROGRAM**  
**(Hereinafter the “FUND”)**

**ESTABLISHING A FUND RECORDS PROGRAM**

**WHEREAS:** The FUND must establish a formal record retention program for the 2023 fund year.

**NOW, THEREFORE BE IT RESOLVED,** by the Board of Fund Commissioners that:

- I.** \_\_\_\_\_, **Fund Secretary**, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07054.
- II.** The Account Manager designated by the Executive Director is hereby appointed as **Assistant Fund Secretary**.
- III.** The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.
- IV.** Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Access, 24 Beckwith Avenue, Paterson, New Jersey. The FUND’s Executive Director shall coordinate the archive process and shall insure that all records are properly indexed and accessible.

ADOPTED this day by the Board of Fund Commissioners

\_\_\_\_\_  
Chair

\_\_\_\_\_  
date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
date

**Resolution 5-23**  
**New Jersey Cyber Risk Management Fund**  
**(CYBER JIF)**  
**2023 Plan of Risk Management**

**BE IT RESOLVED** by the Cyber JIF's Commissioners that effective January 1, 2023, the 2023 Plan of Risk Management shall be:

Definitions:

"Commissioners" mean: The Board of Fund Commissioners or Executive Committee thereof as appropriate

"Cyber Risk" means: A peril in the electronic information environment by which injuries, damages and other losses ensue. The exact definition of "cyber risk" or similar terms for any line of insurance coverage shall be the definition in the excess insurance or reinsurance policy purchased by the Cyber JIF unless superseded by the policy issued by the Cyber JIF.

"Member" means: A joint insurance fund that has joined the Cyber JIF

**The Perils or Liability to be Insured Against**

Cyber Risk

The actual coverage terms and conditions are defined in the statute (N.J.S.A 40A:10-36 et seq), the regulations (N.J.A.C. 11:15-2.0 et. seq.), the Cyber JIF by-laws, this Plan of Management and individual policy documents issued by the Cyber JIF and/or commercial insurers providing primary or excess coverages as the case may be.

**The Limits of Coverage**

Limits are provided to each member in its policy and are not publicly disclosed in the Plan of Risk Management because of security concerns.

**The amount of risk to be retained by the Cyber JIF**

Cyber Risk: \$350,000 less the member's deductible.

**Coverage to be purchased from a commercial insurer**

Excess insurance is purchased from AXA XL for coverage excess of the FUND's retention.

**Reinsurance to be purchased**

The Cyber JIF does not purchase reinsurance.

**The amount of unpaid claims to be established**

The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. The Cyber JIF also establishes reserves recommended by the Fund's Actuary for claims that have been incurred but not yet reported so that the **CYBER JIF** has adequate reserves to pay all claims and allocated loss adjusted expense liability.

Claims reserves are subject to regular review by the Cyber JIF's Executive Director, Fund Attorney, Commissioners, and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages.

### **The method of assessing contributions to be paid by each member of the Joint Insurance Fund when applicable**

No later than October 1<sup>st</sup> of each year, the Cyber JIF 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 the basis that it does not recognize investment income or discounting of claim reserves and administrative expenses associated with that fiscal year. The budget shall be reviewed by an actuary who shall comment on its adequacy and shall recommend changes.

A copy of the Fund's proposed budget shall be made available to each member at least two (2) weeks prior to the time of 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.

No later than December 31<sup>st</sup> of each year the Commissioners shall adopt by majority vote the budget for the Fund's adoption for the upcoming fiscal year.

A copy of the adopted budget and actuarial certification shall be filed with the Department of Banking and Insurance and the Department of Community Affairs within 30 days of its adoption.

An adopted budget may be amended by majority voter of the Commissioners.

A copy of any amendment to the budget shall be filed with the Department of Banking and Insurance and the Department of Community Affairs and each member within 30 days of adoption which either individually or cumulatively with other adopted budget amendments changes the total budget five (5) percent from the original budget of the latest filed amended budget.

The total amount of each member's annual assessment shall be certified by majority vote of the Commissioners to each member prior to the beginning of the next fiscal year.

The annual assessment shall be paid to the Fund in installments, to be determined by the Commissioners which shall conform with N.J.A.C. 11:15-2.15 (a).

In the event the final budget passed in December necessitates changes in the annual assessment, the second installment shall be adjusted to reflect this difference.

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 by fund year in which the member participates.

The Commissioners may adopt a capping formula which limits the increase of any member's assessment from the preceding year to the Cyber JIF wide average increase plus a percentage selected by the Commissioners. The total amount of each member's annual assessment is certified by majority vote of the Cyber JIF's Commissioners at least one (1) month prior to the beginning of the next Fund year.

The Treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust account by Fund year for each type of coverage in which the member participates.



If a member joins the Cyber JIF or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.

The Cyber JIF's Commissioners may by majority vote levy upon the members JIFs assessments wherever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Cyber JIF's Fund's claim, loss retention or administrative accounts to assure the payment of the Cyber JIF's obligations. All supplemental assessments are charged to the participating member entities by applicable Fund year and shall be apportioned by the year's assessments for that line of coverage.

In the event the year end audit shows that the Cyber JIF is in a negative position on an all-year statutory basis, the Commissioners shall adopt a supplemental assessment sufficient to offset the deficiency.

Should any member fail or refuse to pay its assessments or supplemental assessments or should the Cyber JIF fail to assess funds required to meet its obligations, the Chairperson, or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Banking and Insurance and the Commissioner of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Cyber JIF's Commissioners.

### **Procedures governing loss adjustment and legal expenses**

The Cyber JIF engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Fund Attorney, as well as the claims department of the Cyber JIF's insurers/reinsurers. Every three years, the Cyber Jif's internal auditors also conduct a claims audit.

Each member is provided with a claims reporting procedure and appropriate forms.

### **Procedures for the closure of Joint Insurance Fund years, including the maintenance of all relevant accounting records**

The Cyber JIF will utilize the Municipal Excess Liability Residual Claims Fund (RCF) to facilitate the closure of Fund years.

Upon the transfer of outstanding liabilities of a Fund year to the RCF, the Cyber JIF will adopt a resolution closing that year and transfers all remaining assets to the closed Fund year account. This amount will be allocated by member using the same procedure as is used to calculate a dividend. Each month, interest is credited to the closed Fund year account by member.

Each year, the Commissioners will determine if a dividend is appropriate from the closed Fund year account and will make application to the Department of Banking and Insurance as appropriate. In the event an open Fund year incurs a deficit, the Fund's governing body will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member-by-member basis.

In the event a member leaves the Cyber JIF, the Commissioners may assess the member an amount not exceeding three (3) years stranded costs that the Fund incurs as a result of the members withdraw. Stranded costs are those expenses incurred by the Cyber JIF that would otherwise have been paid from the withdrawing member's assessments had the member remained in the Cyber JIF.

The dividend of any member that is no longer a member of the Cyber JIF and that member's share of the closed fund year account shall be held in escrow until the later of the tolling of the statute of limitations for all potential claims incurred during the membership period or the closure of all incurred claims by the Fund during the period of membership. A former member may apply to the Commissioners for a return of that member's remaining share of the closed Fund year account no sooner than when five (5) years have passed since the last Fund year in which the member participated has been closed. The Commissioners will decide on the former member's request after evaluating the likelihood of any additional assessments from the RCF.

All dividends from the RCF will be deposited in the closed Fund year account on a member-by-member basis.

The Cyber JIF will retain all records in accordance with the record retention program.

**Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.**

The general approach in estimating the loss reserves is to project ultimate losses for each Fund year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Actuary chooses a "select" estimate of ultimate losses.

The following is an overview of the two actuarial methods used to project the ultimate losses.

1. Paid Loss Development Method - This method uses historical incident year paid loss patterns to project ultimate losses for each incident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid and may underestimate ultimate losses if provisions are not included for very large open claims.
2. Case Incurred Loss Development Method - This method is like the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

**The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22**

\$25,000

\$100,000 Emergency Authority upon the joint authorization of the Fund Attorney and Executive Director. Whenever this procedure is used, the claim shall be reported to the Commissioners at their next meeting.

Adopted by the Commissioners this 6th day of January, 2023:

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**Cyber JIF CHAIRPERSON**

**ATTEST:**

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**Cyber JIF Secretary**

**RESOLUTION NO. #6-23**  
**OF THE NEW JERSEY CYBER RISK MANAGEMENT FUND TO**  
**ESTABLISH REMOTE MEETING PROCEDURES APPLICABLE**  
**DURING A DECLARED STATE OF EMERGENCY**

**WHEREAS**, on March 9, 2020 in response to COVID-19, Governor Phil Murphy issued Executive Order 103, which declared a state of emergency that has been extended by the Governor and remains in full force to this day; and

**WHEREAS**, by way of additional Executive Orders, the Governor has established extensive social distancing protocols to protect the health, safety and welfare of New Jersey citizens; and

**WHEREAS**, in accordance with the Executive Orders relating to COVID-19 and the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. (“OPMA”), local government units, including the New Jersey Cyber Risk Management Fund (“Fund”), have continued to hold public meetings via remote platforms to ensure the continued operation of local government with participation by the public, in a way that limits public health risk; and

**WHEREAS**, in March 2020, the New Jersey Department of Community Affairs, Division of Local Government Services (“DLGS”) issued “Local Operational Guidance – COVID-19: Guidance for Remote Public Meetings in New Jersey,” which provided specific guidance regarding holding remote public meetings under the OPMA; and

**WHEREAS**, on September 24, 2020, the DLGS issued Local Finance Notice 2020-21 (“LFN 2020-21”), which provided a synopsis of newly promulgated emergency regulations N.J.A.C. 5:39-1.1 through 1.7, which establish standard protocols for remote public meetings governed by the OPMA and held during a Governor-declared state of emergency; and

**WHEREAS**, LFN 2020-21 additionally stated that the emergency regulations presently in effect are proposed for permanent adoption in the October 19, 2020 New Jersey Register, with comments submitted no later than November 18, 2020; and

**WHEREAS**, under emergency regulation N.J.A.C. 5:39-1.4(h), a local government unit is required to adopt by resolution standard procedures and requirements for public comment made during remote public meetings, as well as for public comments submitted in writing ahead of the remote public meeting.

**WHEREAS**, although the emergency regulations requiring this resolution expired on January 1, 2022, the Fund desires to memorialized standard procedures and requirements for public comment for remote meetings for 2023.

**NOW THEREFORE BE IT RESOLVED** that the Executive Director’s Office of the Fund, does hereby resolve and agree to adopt the following procedures regarding public comments during remote public meetings:

1. Public comments for a remote public meeting shall be limited to 5 minutes for each speaker

and may be made during the designated public comment section of the meeting or submitted in writing to the Executive Director's Office of the Fund no later than four (4) hours prior to published start time of the remote meeting. Written public comments must be emailed to the Executive Director's Office at: [catek@permainc.com](mailto:catek@permainc.com) & [nancyg@permainc.com](mailto:nancyg@permainc.com) or mailed to the Executive Director's Office at: 9 Campus Drive – Suite 216, Parsippany, NJ 07054. Written public comments may not be submitted via any other form of electronic communication.

2. Written public comments submitted via email or mail must include the individual's name, full address and contact information (telephone number and/or email address), as the Executive Director's Office reserves the right to verify the submitter's identity.
3. Written public comments submitted in accordance with this resolution shall be read into the remote meeting record at the end of the last public comment section, subject to the time limit in place for in-person comments. Written public comments containing profanity or vulgarity will not be read into the record. The chair and/or presiding officer of the remote meeting reserves the right to read similar or duplicative comments into the record in a summary fashion and will do so uniformly for all similar/duplicative comments.
4. Members of the public who submit written public comments regarding a specific agenda item that is scheduled for public hearing (such as a budget or bylaws amendment, etc.), should designate the agenda item and title to which their written public comments apply. Written public comments received after the four (4) hour deadline set forth by this resolution will not be read into the record or become part of the meeting record.
5. The procedures and requirements for making public comments during a remote meeting, along with an explanation of the audio muting function of the electronic communications platform being used, shall be announced at the beginning of the remote public meeting.
6. With respect to public participation at a remote public meeting, the following procedures shall be incorporated:
  - a. A member of the public who has submitted written comments prior to the meeting in accordance with this resolution, attends the remote public meeting, and wishes to participate during the public comment portion, will be deemed and treated as having already had the floor once.
  - b. If a member of the public disrupts a remote public meeting, the chair and/or presiding officer of the remote public meeting shall facilitate a dialogue with that member of the public to the extent reasonably permitted by the electronic communications technology.
  - c. The chair and/or presiding officer of the meeting shall mute or continue muting, or direct appropriate staff to mute or continue muting, the disruptive member of the public and warn them that continued disruption may result in their being prevented from speaking during the remote public meeting or removed from the remote public

meeting. Disruptive conduct includes sustained inappropriate behaviors such as, but not necessarily limited to, shouting, interruption and use of profanity.

- d. A member of the public who continues to act in a disruptive manner after receiving an initial warning shall be muted while other members of the public are allowed to proceed with their questions or comments. If time permits, the disruptive individual shall be allowed to speak after all other members of the public have been given the opportunity to make comment. Should the person remain disruptive, the individual may be muted or kept on mute for the remainder of the remote public meeting, or removed from the remote public meeting.
  - e. The chair and/or presiding officer of the remote meeting shall reserve the right to take necessary action to protect the rights of the public to participate in the remote public meeting.
7. If this resolution conflicts with any other policy or procedures of the Fund, the terms herein shall prevail.

This Resolution shall take affect immediately.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary

**Resolution No. 7-23**

**NEW JERSEY CYBER RISK MANAGEMENT FUND  
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH AXA  
XL FOR PRIMARY CYBER SECURITY LIABILITY COVERAGE**

**WHEREAS**, there is a need for primary Cyber Security Liability coverage for the New Cyber Risk Management Fund (FUND); and

**WHEREAS**, the Fund has sought and received proposals in accord with N.J.S.A. 19:44A-20.4 et. seq.; and

**WHEREAS**, the New Jersey Cyber Risk Management Fund's Underwriting Manager is recommending award to AXA XL for primary cyber security liability coverage in the amount of \$1,963,775.00; and

**WHEREAS**, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

**WHEREAS**, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. seq. must be complied with and attached to this resolution; and

**WHEREAS**, AXA XL will submit a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that AXA XL has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit AXA XL from making any reportable contributions through the term of the contract, and

**WHEREAS**, the Fund Administrator has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

**WHEREAS**, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2023 budget in the amount of \$1,963,775.00:

Line Items:      Cyber Security Liability

**NOW, THEREFORE, BE IT RESOLVED**, that the New Jersey Cyber Risk Management Fund authorizes the Executive Director to enter into a contract with AXA XL for the 2023 budget year for primary cyber security liability coverage in the amount of not to exceed \$1,963,775.00.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
date

**RESOLUTON #8-23**  
**AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES**  
**CONTRACT WITHOUT COMPETITIVE BIDDING TO**  
**DORSEY & SEMRAU P.C.**  
**TO PROVIDE LEGAL COUNSEL SERVICES FOR THE**  
**NEW JERSEY RISK MANAGEMENT FUND**

**WHEREAS**, there exists a need for legal counsel services to be rendered to the New Jersey Cyber Risk Management Fund (“FUND”); and

**WHEREAS**, the FUND wishes to retain Ms. Sue Sharpe, Esquire of Dorsey & Semrau P.C to perform such services; and

**WHEREAS**, the fee for services under this contract shall be \$50,000 annually; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. §40A:11-1 et seq.) requires that the resolution authorizing the award of contract for professional services without competitive bids and the contract itself be available for public inspection.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund that:

1. The contract with Sue Sharpe, Esquire of Dorsey & Semrau P.C is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.
2. Dorsey & Semrau P.C shall provide special legal counsel services to the FUND.
3. A notice of this action shall be printed once in the legal newspaper of the FUND as required by law.
4. A copy of this Resolution shall be provided to Fund Treasurer and to Dorsey & Semrau P.C - 714 Main Street – Boonton, NJ 07005 for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**RESOLUTON #9-23**  
**AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES**  
**CONTRACT WITHOUT COMPETITIVE BIDDING TO**  
**CONNER STRONG & BUCKELEW COMPANY**  
**TO PROVIDE UNDERWRITING MANAGER SERVICES FOR THE**  
**NEW JERSEY RISK MANAGEMENT FUND**

**WHEREAS**, there exists a need for underwriting manager services to be rendered to the New Jersey Cyber Risk Management Fund (“FUND”); and

**WHEREAS**, the FUND wishes to retain Conner Strong & Buckelew to perform such services; and

**WHEREAS**, the fee for services under this contract shall be \$50,000 annually; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. §40A:11-1 et seq.) requires that the resolution authorizing the award of contract for professional services without competitive bids and the contract itself be available for public inspection.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund that:

1. The contract with Conner Strong & Buckelew is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.
2. Conner Strong & Buckelew shall provide underwriting manager services to the FUND.
3. A notice of this action shall be printed once in the legal newspaper of the FUND as required by law.
4. A copy of this Resolution shall be provided to Fund Treasurer and to Conner Strong & Buckelew - TRIAD1828 CENTRE, 2 Cooper St, Camden, NJ 08102 for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date



**RESOLUTON #10-23**  
**AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES**  
**CONTRACT WITHOUT COMPETITIVE BIDDING TO**  
**CHARLES CUCCIA**  
**TO PROVIDE TREASURER SERVICES FOR THE**  
**NEW JERSEY RISK MANAGEMENT FUND**

**WHEREAS**, there exists a need for treasurer services to be rendered to the New Jersey Cyber Risk Management Fund (“FUND”); and

**WHEREAS**, the FUND wishes to retain Charles Cuccia to perform such services; and

**WHEREAS**, the fee for services under this contract shall be \$25,000 annually; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. §40A:11-1 et seq.) requires that the resolution authorizing the award of contract for professional services without competitive bids and the contract itself be available for public inspection.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund that:

1. The contract with Charles Cuccia is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.
2. Charles Cuccia shall provide treasurer services to the FUND.
3. A notice of this action shall be printed once in the legal newspaper of the FUND as required by law.
4. A copy of this Resolution shall be provided to Charles Cuccia 211 Westminster Place – Lodi, NJ 07644 for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**RESOLUTON #11-23**  
**AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES**  
**CONTRACT WITHOUT COMPETITIVE BIDDING TO**  
**THE ACTUARIAL ADVANTAGE**  
**TO PROVIDE ACTUARIAL SERVICES FOR THE**  
**NEW JERSEY RISK MANAGEMENT FUND**

**WHEREAS**, there exists a need for actuarial services to be rendered to the New Jersey Cyber Risk Management Fund (“FUND”); and

**WHEREAS**, the FUND wishes to retain The Actuarial Advantage to perform such services; and

**WHEREAS**, the fee for services under this contract shall be \$25,000 annually; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. §40A:11-1 et seq.) requires that the resolution authorizing the award of contract for professional services without competitive bids and the contract itself be available for public inspection.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund that:

1. The contract with The Actuarial Advantage is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.
2. The Actuarial Advantage shall provide treasurer services to the FUND.
3. A notice of this action shall be printed once in the legal newspaper of the FUND as required by law.
4. A copy of this Resolution shall be provided to The Actuarial Advantage 227 Market Street, Suite B Camden, NJ 08102 for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**RESOLUTON #12-23**  
**AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES**  
**CONTRACT WITHOUT COMPETITIVE BIDDING TO**  
**NISIVOCIA LLP**  
**TO PROVIDE AUDITOR SERVICES FOR THE**  
**NEW JERSEY RISK MANAGEMENT FUND**

**WHEREAS**, there exists a need for auditor services to be rendered to the New Jersey Cyber Risk Management Fund (“FUND”); and

**WHEREAS**, the FUND wishes to retain Nisivoccia LLP to perform such services; and

**WHEREAS**, the fee for services under this contract shall be \$25,000 annually; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. §40A:11-1 et seq.) requires that the resolution authorizing the award of contract for professional services without competitive bids and the contract itself be available for public inspection.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund that:

1. The contract with Nisivoccia LLP is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.
2. Nisivoccia LLP shall provide auditor services to the FUND.
3. A notice of this action shall be printed once in the legal newspaper of the FUND as required by law.
4. A copy of this Resolution shall be provided to Nisivoccia LLP Mt. Arlington Corporate Center 200 Valley Road-Suite 300 Mt. Arlington, NJ 07856-1320 for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**RESOLUTON #13-23**  
**AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES**  
**CONTRACT WITHOUT COMPETITIVE BIDDING TO**  
**CB CLAIMS LLC**  
**TO PROVIDE CLAIMS ADJUSTING SERVICES FOR THE**  
**NEW JERSEY RISK MANAGEMENT FUND**

**WHEREAS**, there exists a need for claims adjusting services to be rendered to the New Jersey Cyber Risk Management Fund (“FUND”); and

**WHEREAS**, the FUND wishes to retain CB Claims LLC to perform such services; and

**WHEREAS**, the fee for services under this contract shall be \$25,000 annually; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. §40A:11-1 et seq.) requires that the resolution authorizing the award of contract for professional services without competitive bids and the contract itself be available for public inspection.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund that:

1. The contract with CB Claims LLC is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.
2. CB Claims LLC shall provide claims adjusting services to the FUND.
3. A notice of this action shall be printed once in the legal newspaper of the FUND as required by law.
4. A copy of this Resolution shall be provided to Nisivoccia CB Claims LLC – 50 South Franklin Turnpike – Ramsey, NJ 07446 for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**Resolution #14-23**  
**AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES CONTRACT**  
**WITHOUT COMPETITIVE BIDDING TO**  
**SEAN P. CANNING, QPA OF THE CANNING GROUP LLC TO PROVIDE**  
**QUALIFIED PURCHASING AGENT SERVICES**  
**FOR THE NEW JERSEY RISK MANAGEMENT FUND**

**WHEREAS**, there exists a need for services of a Qualified Purchasing Agent duly licensed through the State of New Jersey to be rendered to the New Jersey Cyber Risk Management Fund (“FUND”); and

**WHEREAS**, the FUND wishes to retain Sean P. Canning, QPA of The Canning Group LLC to perform such services; and

**WHEREAS**, the fee for services under this contract shall be \$15,000 annually; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N.J.S.A. §40A:11-1 et seq.) requires that the resolution authorizing the award of contract for professional services without competitive bids and the contract itself be available for public inspection.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund that:

1. The contract with Sean P. Canning, QPA of The Canning Group LLC, is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.
2. Sean P. Canning, QPA of The Canning Group LLC shall provide Qualified Purchasing Agent services to the FUND.
3. A notice of this action shall be printed once in the legal newspaper of the FUND as required by law.
4. A copy of this Resolution shall be provided to Sean P. Canning, QPA of The Canning Group LLC 45 S Park Place 183 – Morristown, NJ 07960 for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**RESOLUTION No. 15-23**  
**of the**  
**New Jersey Cyber Risk Management Fund**

**APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS**

**WHEREAS**, the New Jersey Cyber Risk Management Fund (hereinafter the Fund) found it necessary and appropriate to obtain certain professional services and other extraordinary and other unspecifiable services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.) for the 2023, 2024 and 2025 Fund years with an option to extend for a 4<sup>th</sup> and a 5<sup>th</sup> year, unless otherwise noted; and,

**WHEREAS**, NJSA 40a11-16 (6) allows for a contract duration of three (3) years; and,

**WHEREAS**, the Fund resolved to award Professional Service Agreements commencing January 1, 2023 in accordance with a fair and open process pursuant to NJSA 19:44A-20.4 et. seq.; and,

**WHEREAS**, a notice soliciting proposals was published in the Star Ledger 2022 and Courier Post 2022 issue of the November 4<sup>th</sup> edition; and,

**WHEREAS**, responses were received from professional service providers and service organizations on December 7, 2022

**WHEREAS**, the Fund Treasurer has indicated that sufficient funds exist for the award of these contracts in the usual and customary accounts.

**WHEREAS**, the Board of Fund Commissioners of the New Jersey Cyber Risk Management Fund resolve to appoint the Fund Professionals – noted below – to three year terms commencing on January 1, 2023 and ending on December 31, 2025 (unless otherwise noted) at its January 2023 Reorganization Meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

- 1.) **Perma Risk Management Services** is hereby appointed as **Administrator, David N. Grubb as Executive Director and Joseph Hrubash as Co-Executive Director and as agent for process of services**. **\$382,550** is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of **\$125,000** has been appropriated in the Administration Line Item of the 2023 budget. Fund year 2023 is the first of three-year term.
- 2.) **Risk Program Administrators of Arthur J. Gallagher Risk Management Services, Inc** is hereby appointed as **Deputy Administrator, Paul Forlenza as Deputy Executive Director, as agent for process of services**. **\$150,000** is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of **\$50,000** has been appropriated in the Administration Line Item of the 2023 budget. Fund year 2023 is the first of three-year term.

- 3.) **Risk & Loss Managers** is hereby appointed as **Planning Consultant**. **\$45,906** is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of **\$15,000** has been appropriated in the Administration Line Item of the 2023 budget. Fund year 2023 is the first of three-year term.

All professionals and service organizations appointed pursuant to this resolution shall service in accordance with the professional services contracts on file in the field office.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Fund Commissioners does hereby appoint Fund professionals for the Fund Year 2023.

**NOW THEREFORE BE IT FURTHER RESOLVED**, which will be entered into, a copy of which are or will be on file in the Fund office, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07504.

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Chairperson

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Dated

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Secretary

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Dated

**NEW JERSEY CYBER RISK MANAGEMENT FUND  
BILLS LIST**

Resolution No. 16-23

JANUARY 2023

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the New Jersey Cyber Risk Management Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Fund.

**FUND YEAR 2023**

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
XL	CYBER SECURITY PREMIUM 2023	981,887.50 <b>981,887.50</b>
CB CLAIMS	CLAIM ADJUSTING SERVICES 1/23	2,083.33 <b>2,083.33</b>
PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 1/23	10,416.67 <b>10,416.67</b>
THE ACTUARIAL ADVANTAGE	FUND ACTUARY FEE 1/23	2,083.33 <b>2,083.33</b>
CHARLES CUCCIA	TREASURER FEE 1/23	2,083.33 <b>2,083.33</b>
CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 1/23	4,166.67 <b>4,166.67</b>
THE CANNING GROUP LLC	QPA FEE 1/23	1,250.00 <b>1,250.00</b>
ARTHUR J. GALLAGHER RMS, INC.	DEPUTY EXECUTIVE DIRECTOR	4,166.67 <b>4,166.67</b>
	<b>Total Payments FY 2023</b>	<b>1,008,137.50</b>
	<b>TOTAL PAYMENTS FUND YEARS</b>	<b>1,008,137.50</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated: \_\_\_\_\_

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims

\_\_\_\_\_  
Treasurer