

**NEW JERSEY CYBER RISK MANAGEMENT FUND
OPEN MINUTES
MARCH 21, 2024**

VIA TELECONFERENCE – 3:30 PM

Chairwoman Tozzi called the meeting to order. Executive Director read the statement of compliance open public meeting act.

ROLL CALL OF 2024 FUND COMMISSIONERS

Joy Tozzi - Chair	East Windsor - Mid-Jersey JIF	Present
Adam Brewer - Secretary	Pequannock Township – Morris JIF	Present
Megan Champney	City of Summit- Suburban Municipal JIF	Present
Steve Rovell	Belleville Twp – Suburban Metro JIF	Present
Jim Gant	Sea Girt Borough – Monmouth JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Bernard Rutkowski	Toms River MUA - NJUA JIF	Present
Marc Schrieks	Lodi Borough – South Bergen JIF	Present
James Pacanowski	Ventnor City, Atlantic JIF	Present
Ted Preusch	Upper Saddle River - Bergen JIF	Present
Meghan Jack	Riverside Twp- Burlco JIF	Absent
Casey Wagner	Woodbridge - Central JIF	Present
Matthew Martin	Hopewell Township BOFC – FIRST JIF	Present
Diane Lapp	Manchester Twp – Ocean JIF	Present
Frank Elenio	Ridgefield Borough – PAIC JIF	Present
Susan Danson	Maple Shade - PMM JIF	Present
John Clarke	New Brunswick Housing Authority- NJPHA JIF	Absent
James Ulrich	Clark Township – NJSI JIF	Present
Michael Razze	Pittman Borough - Trico JIF	Present

PROFESSIONALS PRESENT:

Executive Director/Admin.	PERMA Risk Management Services Joseph Hrubash, Cathleen Kiernan
Deputy Executive Director	Risk Program Administrators Paul Forlenza, Kamini Patel
Claims Adjustor	CB Claims LLC Chris Botta, Esq.
Chief Financial Officer	PERMA Risk Management Services Pauline Kontomanolis, CPA
Attorney	Dorsey & Semrau Sue Sharpe, Esq., Frederick Semrau, Esq.
Underwriting Manager	Conner Strong & Buckelew Edward Cooney
Claims Manager	PERMA Risk Management Services Robyn Walcoff, Esq.
Planning Consultant	Risk Loss Managers Barbara Murphy

Treasurer

Chuck Cuccia

Actuary

The Actuarial Advantage
Kyle Mrotek

ALSO PRESENT:

Joe Criscuolo, East Brunswick, Central JIF

Matthew von der Hayden, Ocean JIF Alt. Cyber Commissioner

Stacey Ehling, Princeton Strategic Communications

Brian Lau, D2 Cybersecurity

Don Sciolaro, PIA Agency

Chuck Hartsoe, PEGAS

Lindsay Klein, Acrisure

Patti Fahy, Acrisure

Robin Racioppi, Acrisure

Tom Merchel, Conner Strong & Buckelew

Jonathon Tavares, Conner Strong & Buckelew

Katie Walters, Conner Strong & Buckelew

Jaclyn Lindsey, Conner Strong & Buckelew

Chuck Casagrande, Danskin Insurance Agency

John Casagrande, Danskin Insurance Agency

Alison Kelly, Danskin Insurance Agency

Dave Grubb, Perma Risk Management Services

Steve Sacco, Perma Risk Management Services

Tracy Lopez, Perma Risk Management Services

Sandra Cantwell, Perma Risk Management Services

MINUTES: Included in the agenda were the open minutes of January 18, 2024.

MOTION TO APPROVE JANUARY 18, 2024:

Moved: Commissioner Schrieks

Second: Commissioner Wolk

Vote: Unanimous

EXECUTIVE DIRECTOR REPORT:

Banking Services: Executive Director said the first agenda item to recommend appointing a new banking service provider would be tabled to allow the MEL as the lead to act first. The MEL was meeting the next day to decide on the appointment. Assuming the MEL does appoint a new banking service provider, the Cyber JIF will make its own decision if they deem it beneficial to follow the MEL's lead in appointing the new service provider. This will be revisited at the Cyber JIF's May meeting.

Cyber Security Framework: Executive Director said the Cyber Security Framework was distributed to all members by the Underwriting Managers team and is also available on the Cyber JIF website in the secure documents section which requires a member login. For those who did not receive an email invitation to create a login, members are encouraged to request a login on the website. Assistant Executive Director said there is an approval process where anyone requesting a login that was not already approved will be forwarded to the appropriate Executive Director for clearance. Executive Director confirmed with Chairwomen Tozzi that another email will be sent out to members to remind them to create their login for the Members section of the Cyber website.

Cyber Website Statistics: Executive Director said the Fund's website manager Stacey Ehling, from Princeton Strategic Communications, was in attendance to give an overview of the activity on the Cyber JIF Website based on

her agenda report It was reported that a wave of registrations on the Cyber Website after the Underwriting Manager sent an email notifying members of the updates to the Cyber Security Framework.

Ms. Ehling said the website is seeing a lot of activity and metrics show that most viewers will stay on their selected page for several minutes before clicking elsewhere on the site. The report shows analytics tracking from January 14, 2024 through March 12, 2024. The website has had 506 users visit the site with 64.7% engagement. The login page tracked 534 views in the stated timeframe, and the Secure Documents page was accessed 157 times.

In response to Chairwoman Tozzi, Ms. Ehling said 788 logins have been created, although not all of them have been activated. The numbers for each 'Group' or 'JIF' listed in the report shows the number of logins created for each JIF, however they may not all be active.

Cyber Controls: Executive Director said Brian Lau, our representative from D2 Cybersecurity, was in attendance and requested Mr. Lau give an overview of his report included in the agenda. Mr. Lau said current enrollment is good with 320 out of 503 members actively training and 328 members receiving vulnerability assessments. D2 will continue to reach out to members that have not yet responded to get them set up. Members that have opted out of services because they already are utilizing a contracted vendor are also noted in his report. Regarding flexibility with the length of training, Mr. Lau said D2 recommends a minimum of 60 minutes because of the amount of content to be covered but would discuss modifications to the length and also peppering the quiz questions throughout the training rather than holding them until the end. Changes, if necessary, could be implemented at contract renewal in the September timeframe.

Commissioner Shrieks said his DPW workers have email addresses but have sporadic use of a computer in their jobs. For this type of employee, training is often provided on various subjects in a group format and credit given for attendance, with no testing. Mr. Lau said the exercises provide the hands-on tools that will change behaviors. and instill the knowledge. Assistant Executive Director said the DPW workers have access but may be less of a risk, given their limited access, and suggested training could be given with someone to lead group interaction for the exercises. Mr. Lau said if the JIF deemed it acceptable, D2 can give completion status to employees that attend a group training. Mr. Merchel said this would be like how MSI training is handled and should only be offered to employees who have limited access to computers. In response to Assistant Executive Director, Underwriting Manager said he would find group training for employees with limited access acceptable for the Minimum Cyber Compliance Standards checklist.

In response to Mr. Schrieks, Mr. Merchel said it is correct to provide email addresses for all employees, including if they have only limited access, as they are still a vulnerability when they access the network.

Mr. Hrubash said the appropriate Fund professionals will continue the discussion and be prepared to share the recommendations with the Board at our next meeting. Commissioner Shrieks said he would like to participate in the discussion. Commissioner Wagner said for accountability, a handout could be given to the group training participants to complete after the training.

In response to Mr. Merchel, Mr. Lau said when a trainee fails an exercise, they are prompted on the mistakes and given an opportunity to view a video at the bottom of the screen, but they cannot force the trainee to view the video before proceeding.

In response to Commissioner Champney Mr. Lau said the training is not currently offered in other languages but he will research the effort to do so. Mr. Lau confirmed that the training does have close captioned for deaf employees.

In response to Commissioner Pacanowski, Mr. Lau said D2 reports provide information on what users have clicked on in error and what phishing attempts and scenarios they are failing. Ms. Patel said the Atlantic JIF is receiving training and phishing exercises from another vendor and will address this request offline.

JIF Reimbursements: Executive Director said the Cyber JIF has processed reimbursements to those JIFs that had contracts for Cyber Training and/or External Vulnerability Scanning in 2023. The matter of reimbursements for Funds

with contracts in place for 2024 is a topic for discussion. Commissioners have raised the concern for paying for services if a local JIF procurement does not follow the local public contracts law. The QPA and Fund Attorney have differences in opinion with the local JIF's attorney on their procurement of these services but feel it is up to the discretion of Board of Commissioners to approve the reimbursement for 2024. Executive Director said the recommendation is to approve the reimbursement as the local JIFs followed the advice of their attorney on the procurement, their pricing is lower than the Cyber JIF, and the 3 local Funds are committed to utilize the Cyber JIF contracts in 2025. In response to the Executive Director, Fund Attorney confirmed that although he and the Fund QPA could not endorse the procurement, they see it as the Fund's prerogative to accept reimbursement should the Board decide to.

Fund Attorney said the amount of reimbursement should be stated before accepting a motion. Deputy Executive Director gave amounts totaling slightly less than \$50,000 and said this amount is not expected to change. Assistant Executive Director said the JIF contract is structured differently but will calculate payments using the same formula used last year. Commissioner Brewer asked if the Executive Director could prepare a resolution with final total amounts to present at our next meeting. Chairwoman Tozzi confirmed with the Fund Attorney that the decision and any reimbursement was not required today and could wait until next month.

Fund Attorney said today the Board should clarify if they will consider the reimbursement, notwithstanding the condition to clarify the procurement process, which was set forth last year. If so, then a resolution with calculations could be prepared for the next meeting. In response to Commissioner Schrieks, Fund Attorney said this vote would not be binding and would not approve monies; the purpose would be to give direction on whether the Board would consider removing the condition for reimbursement.

In response to Commissioner Schrieks, Executive Director confirmed this is a one-time decision for 2024 and the reimbursement is accounted for in the budget and would be less than appropriated.

Motion to approve consideration for reimbursement for 3 local JIF 2024 cyber control services, notwithstanding the procurements requirement, and ask the Fund Office to prepare a resolution with reimbursement amounts to be presented for a Board vote at the next meeting:

Motion: Commissioner Razze
Second: Commissioner Rovell
Roll Call Vote: 15 Ayes; 2 Nays (Commissioners Brewer and Tozzi), 0 Abstains

Cyber Best Banking Practice Reference: Executive Director said the following wording was shared at our last meeting by Mr. Merchel for members wishing to update their cash management plan to meet the MEL's JCMI requirement. This language ensures that should the JCMI make any changes, that every municipality does not have to amend their plans, it is automatically incorporated: "The Township will follow the MEL's JCMI Banking Best Practices governing Wire Transfers, ACH Payments and Check Issuance. The Finance Office will further confirm that its financial institutions adhere to these requirements."

Timing of Collecting Deductibles: Executive Director said the Fund's policy with XL carries a \$350,000 Member JIF deductible. Member entity deductibles are determined by each member's compliance level with the Cyber Framework security controls – but is no greater than \$50,000 plus 20% coinsurance of the next \$300,000, up to \$110,000 out of pocket. Last year, the Cyber JIF continued with the process established by the MEL – which was to bill back the deductible to the member at the conclusion of the claim. XL bills the Cyber JIF as it makes payments until its deductible is met. The recommendation is that the JIF bill back to members on a quarterly basis until the deductible is exhausted.

Motion: Commissioner Schrieks
Second: Commissioner Rovell
Vote: Unanimous

Claims Activity: Executive Director said the Claims Manager will give a high-level claim activity overview report in closed session today, as recommended by the Fund Attorney.

The deadline for Commissioners to complete Financial Disclosures is April 30th.

The next meeting will be held on May 16, 2024 at 3:30 PM via audio / video teleconference.

TREASURER: Treasurer asked for a motion to approve the February 2024 and March 2024 Bills lists:

RESOLUTION 18-24 FOR FEBRUARY 2024 VOUCHERS:

February 2024	
2023	\$31,310.83
2024	\$1,134,045.32
Total	\$1,165,356.15

RESOLUTION 19-24 FOR MARCH 2024 VOUCHERS:

March 2024	
2023	\$5,698.20
2024	\$27,915.29
Total	\$33,613.49

MOTION TO APPROVE RESOLUTION 18-24 FEBRUARY BILLS LIST AND RESOLUTION 19-24 MARCH 2024 BILLS LIST AS PRESENTED:

Moved: Commissioner Elenio
Second: Commissioner Rovell
Roll Call Vote: Unanimous

UNDERWRITING MANAGER: Underwriting Manager said the updated Cyber Risk Management program was released and is getting good attention. He encouraged everyone to continue to bring questions and comments to his office. Many of the clarifications and helpful hints they have included in the update are from the input they received over the past year.

NEW BUSINESS:
None.

OLD BUSINESS:
None.

PUBLIC COMMENT:
NONE

MOTION TO ENTER INTO CLOSED SESSION:

Moved: Commissioner Champney
Second: Commissioner Rovell
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner
Second: Commissioner

Vote: Unanimous

MOTION TO ADJOURN:

Moved: Commissioner Rovell
Second: Commissioner Wolk
Vote: Unanimous

MEETING ADJOURNED: 4:40 PM

Sandra Cantwell, Assisting Secretary for Adam Brewer, Secretary

NEW JERSEY CYBER RISK MANAGEMENT FUND BILLS LIST

Resolution No. 18-24

February 2024

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.

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

FUND YEAR 2023

<u>Check No.</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001161			
001161	PERMA RISK MANAGEMENT	2023 AATRIX 1099 FILING	59.80
			59.80
001162			
001162	ARTHUR J GALLAGHER LLC dba	LOCAL EXEC DIR. TRICO 09/23-12/23	3,390.38
001162	ARTHUR J GALLAGHER LLC dba	LOCAL EXEC DIR. ACM JIF 09/23-12/23	3,678.69
001162	ARTHUR J GALLAGHER LLC dba	LOCAL EXEC DIR. BURLCO JIF 09/23-12/23	2,550.70
			9,619.77
001163			
001163	CAMDEN COUNTY MUNICIPAL JIF	REIMB. 23 COUNT FOR CYBER TRAINING	8,230.65
			8,230.65
001164			
001164	CENTRAL JERSEY JOINT INS FUND	REIMB.23 ACTUAL COUNT CYBER TRAINING	13,400.61
			13,400.61
		Total Payments FY 2023	31,310.83

FUND YEAR 2024

<u>Check No.</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001165			
001165	APEX INSURANCE AGENCY, C/O XL INSURANCE	TECH. ERROR- OMISSION. 1ST HALF 24-25	982,645.00
			982,645.00
001166			
001166	CB CLAIMS LLC	CLAIMS ADMIN FEE 02/24	2,125.00
			2,125.00
001167			
001167	QUAL-LYNX	BANKING SERVICES 02/24 INV 53459	500.00
			500.00
001168			
001168	PERMA RISK MANAGEMENT	POSTAGE 01/24	8.32
001168	PERMA RISK MANAGEMENT	ADMINISTRATOR FEE 02/24	10,625.00
			10,633.32
001169			
001169	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 02/24	2,125.00
			2,125.00
001170			
001170	ARTHUR J GALLAGHER LLC dba	DEPUTY ADMINISTRATOR 02/24	4,250.00
			4,250.00
001171			
001171	RISK & LOSS MANAGERS, INC	PLANNING CONSULTANT Q1 2024	3,825.00

			3,825.00
001172			
001172	DORSEY & SEMRAU	1ST QTR RETAINER 2024	12,750.00
			12,750.00
001173			
001173	CHARLES CUCCIA	TREASURER FEE 02/24	2,125.00
			2,125.00
001174			
001174	CONNER STRONG AND BUCKELEW	UNDERWRITING MANAGER FEE 02/24	4,250.00
			4,250.00
001175			
001175	APPLIEDINFO PARTNERS, INC.	CYBER SEC TRAINING AND SCAN. 9/23-9/24	105,501.00
			105,501.00
001176			
001176	THE CANNING GROUP	QPA SERVICES 02/24	1,250.00
			1,250.00
001177			
001177	CONNER STRONG & BUCKELEW	SELECTIVE- SURETY BOND 3/9/24-3/9/25	2,066.00
			2,066.00
		Total Payments FY 2024	1,134,045.32
		TOTAL PAYMENTS ALL FUND YEARS	1,165,356.15

Chairperson

Attest

Dated: _____

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

Treasurer: _____

NEW JERSEY CYBER RISK MANAGEMENT FUND BILLS LIST

Resolution No. 19-24

March 2024

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.

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

FUND YEAR 2023

<u>Check No.</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001178			
001178	RISK & LOSS MANAGERS, INC	LOCAL ED COORDINATOR 09/23-12/23	1,753.59
			1,753.59
001179			
001179	P L SERVICES, LLC	LOCAL COORDINATOR FEES 09/23-12/23	3,944.61
			3,944.61
		Total Payments FY 2023	5,698.20

FUND YEAR 2024

<u>Check No.</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001180			
001180	CB CLAIMS LLC	CLAIMS ADMIN FEE 03/24	2,125.00
			2,125.00
001181			
001181	QUAL-LYNX	BANKING SERVICES 03/24 INV 53521	500.00
			500.00
001182			
001182	PERMA RISK MANAGEMENT	POSTAGE 02/24	8.96
001182	PERMA RISK MANAGEMENT	ADMINISTRATOR FEE 03/24	10,625.00
			10,633.96
001183			
001183	THE ACTUARIAL ADVANTAGE	ACTUARY FEES 03/24	2,125.00
			2,125.00
001184			
001184	ARTHUR J GALLAGHER LLC dba	DEPUTY ADMINISTRATOR 03/24	4,250.00
			4,250.00
001185			
001185	CHARLES CUCCIA	TREASURER FEE 03/24	2,125.00
			2,125.00
001186			
001186	CONNER STRONG AND BUCKELEW	UNDERWRITING MANAGER FEE 03/24	4,250.00
			4,250.00
001187			
001187	THE CANNING GROUP	QPA SERVICES 03/24	1,250.00
			1,250.00
001188			
001188	GANNETT NEW YORK NJ LOCALIQ	A# 1120276 NV 6241035-9866360 2/22/24	16.77
			16.77
001189			

001189	NJ ADVANCED MEDIA	ACCT 1000975964 AD 10831159 2/21/24	39.56
			39.56
001190			
001190	PRINCETON STRATEGIC COMM GROUP LLC	WEB HOSTING FOR YR 2024 INV 5297	600.00
			600.00
		Total Payments FY 2024	27,915.29
		TOTAL PAYMENTS ALL FUND YEARS	33,613.49

Chairperson

Attest

Dated: _____

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

Treasurer: _____