

# **SOUTH JERSEY PORT CORPORATION**



## **BOARD OF DIRECTORS MEETING SEPTEMBER 25, 2018**

### **AGENDA ITEMS REQUIRING BOARD ACTION**

- A. RESOLUTION 2018-9-0054: APPROVAL OF INSURANCE RENEWAL FOR WORKERS' COMPENSATION & EMPLOYER'S LIABILITY**

### **SUPPLEMENTAL BOARD INFORMATION**

- B. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- C. PORT SECURITY UPDATE**
- D. PAULSBORO MARINE TERMINAL PROJECT UPDATE**

**PUBLIC SESSION FOR QUESTIONS / COMMENTS**

### **CLOSED SESSION AND/OR ADJOURNMENT**



**ACTION ITEM:**

**A. RESOLUTION 2018-9-0054: APPROVAL OF INSURANCE RENEWAL FOR WORKERS' COMPENSATION AND LIABILITY**

South Jersey Port Corporation's (SJPC) Workers' Compensation & Employer's Liability policy renews November 4, 2018. The incumbent carrier, New Jersey Manufacturers Insurance Company (NJM), has quoted a renewal cost, excluding any upfront dividend, of \$622,698, (subject to audit). Although there is an increase in the overall estimated payroll of approximately 1.9% and an increase in SJPC's Experience Modification Factor from .987 to 1.133, the renewal cost decreased this year over last year primarily due to a decrease in the New Jersey Workers Compensation Classification Rates as issued by the New Jersey Compensation Rating & Inspection Bureau. As NJM does not provide commission to brokers, this figure does not include Conner Strong & Buckelew's Service Fee of \$29,403, reflecting the standard commission amount that would be received in the marketplace for placement of this policy on behalf of South Jersey Port Corporation.

The NJM option does again include a potential dividend return of up to 15% of the total audited premium, excluding state surcharges. Typically a dividend is paid out upon completion of a policy audit and is never guaranteed as dividends are subject to declaration by an insurance company's Board of Directors. As a show of continued good faith, NJM has again agreed to provide 10% (\$58,398) of the overall potential 15% dividend upfront by lowering the premium installment payments made by SJPC. Additional details are provided in our proposal.

Upon factoring the policy cost of \$622,698, Conner Strong & Buckelew's Service Fee of \$29,403 and up front Dividend of 10% (\$58,398), the NJM Renewal Cost is \$593,703. This figure represents a decrease of \$1,369 compared to last year's cost of \$595,072. Conner Strong & Buckelew, SJPC's Insurance Broker, performed an extensive marketing effort on behalf of the Port last year which resulted in savings of \$179,220. As a result of prior efforts, combined with a favorable NJM renewal option and a positive relationship between NJM's Claims Team and SJPC, Conner Strong & Buckelew recommends that SJPC renew with New Jersey Manufacturers Insurance Company at an estimated annual renewal cost of \$593,703.

**RECOMMENDATION:**

Staff recommends Board Approval of the recommendation from Conner Strong & Buckelew to approve the Workers' Compensation & Employer's Liability Policy renewal policy with New Jersey Manufacturers Insurance Company at a cost of \$593,703, effective November 4, 2018.



**INFORMATION ITEM:**

**B. MARKETING COMMITTEE REPORT**

Phoenix/Artlip Communications will present the Marketing Report.



**INFORMATION ITEM:**

**C. SECURITY UPDATE**

The security update is prepared by Mr. Jay Jones, Deputy Executive Director / Facility Security Officer.

**U.S. COAST GUARD AMSC MEETING:** The USCG Sector Delaware Bay Area Maritime Security Committee meeting was held on Friday, September 14<sup>th</sup>. A presentation was made by Ms. Krista Valenzuela, Senior Cyber Threat Intelligence Analyst NJ Cybersecurity & Communications Integration Cell, and AMSC Cyber Subcommittee Chair, on the advanced persistent threat (APT) group HIDDEN COBRA/Lazarus Group, attributed to the North Korean government. There was a discussion regarding recent maritime cyber incidents.



**INFORMATION ITEM:**

**D. PAULSBORO MARINE TERMINAL PROJECT UPDATE**

Updates for the Paulsboro Marine Terminal project are provided by the Gloucester County Improvement Authority.



## **MATTERS INVOLVING LITIGATION, PERSONNEL & SPECIAL MATTERS**

The subject matter is covered by one or more of the following legal exemptions:

- Matters made confidential by state, federal law or rule by court.
- Disclosure would result in an unwarranted invasion of individual privacy, unless the person affected consents in writing.
- Disclosure would impair the body's right to receive federal or state funds.
- Collective bargaining.
- Lease or acquisition of property, setting of banking rates, investment of public funds if disclosure would harm the public interest.
- Investigations into violations of law.
- Strategies to protect public security.
- Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege. The threat of litigation must be more than theoretical for this exemption to apply.
- Personnel matters affecting employees of the public bodies, unless all parties request or consent to a public hearing. Prior to discussion of personnel, affected employees must be given notice, known as a Rice notice, which gives the employee the right to request a public hearing.
- Proceedings that could result in a suspension, civil penalty, or loss of a license or permit.

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### **1. COUNSEL'S REPORT**

### **2. PERSONNEL**

#### **a. Local 1040**