

TOWNSHIP OF LOWER, COUNTY OF CAPE MAY, STATE OF NEW JERSEY

RESOLUTION #2012-10

TITLE: APPOINTMENT OF JIF RISK MANAGEMENT CONSULTANT

WHEREAS, the Governing Body of the Township of Lower is a member of the Atlantic County Municipal Joint Insurance Fund, a self insurance pooling fund, following a detailed analysis and;

WHEREAS, the Bylaws of said Fund require that each municipality appoint a RISK MANAGEMENT CONSULTANT to perform various professional services as detailed in the Bylaws and;

WHEREAS, the Bylaws indicate a fee not to exceed six percent (6%) of the municipal assessment which expenditure represents reasonable compensation for the services required and was included in the cost considered by the governing body and;

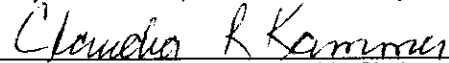
WHEREAS, N.J.S.A. 40A: 11-5 (1) (m), specifically exempts the hiring of insurance consultants from competitive bidding as an extraordinary unspecifiable service; and

WHEREAS, the experience, knowledge of public insurance and risk management issues and judgmental nature required of a Risk Management Consultant's are clearly an extraordinary unspecifiable service which therefore render competitive bidding impractical;

NOW, THEREFORE, be it resolved that the governing body of the Township of Lower does hereby appoint Marsh & McLennan Agency as its Risk Management Consultant in accordance with 40A:11-5 for a fee of Two and one half percent (2.5%) of the combined ACMJIF & MELJIF net assessment amount as per their proposal; and,

BE IT FURTHER RESOLVED that the governing body is hereby authorized and directed to execute the Consultant's Agreement annexed hereto and to cause a notice of this decision to be published according to N.J.S.A. 40A: 11-5 (1), (a), (i).

I hereby certify the foregoing to be a resolution adopted by the Township Council on January 4, 2012.

  
\_\_\_\_\_  
Claudia R. Kammer, Township Clerk

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD	X		X			
DOUGLASS		X	X			
LARE			X			
BECK			X			

**RISK MANAGEMENT CONSULTANT AGREEMENT**  
**ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND**

This Agreement, entered into this 4<sup>th</sup> day of January, 2012, between the TOWNSHIP OF LOWER (hereinafter referred to as the "Municipality") and MARSH & McLENNAN AGENCY, LLC, a Corporation of the State of New Jersey, and Barbara Weigand, the responsible agent, having their principal office located at 510 Bank St., Ste. 200, Cape May, NJ (hereinafter referred to as the "Consultant").

**WHEREAS**, the Consultant has offered the services to the Municipality as the Professional Risk Management Consultant as required in the Bylaws of the Atlantic County Municipal Joint Insurance Fund; and

**WHEREAS**, the Municipality desires to contract for these professional services pursuant to the resolution adopted by the Mayor and Council of the Municipality at a meeting held on \_\_\_\_\_;

**NOW THEREFORE**, the parties in consideration of the mutual promises and covenants set forth in this Agreement, agree as follows:

1. For and in consideration of the compensation set forth in Paragraph 3 of this Agreement, the Consultant hereby agrees to provide Professional Risk Management services to the Municipality as follows:
  - A) The Consultant shall assist the Municipality in identifying its insurable exposures and shall recommend professional methods to reduce, assume or transfer the risk of loss.
  - B) The Consultant shall assist the Municipality in understanding and selecting the various types of coverage available from the Atlantic County Municipal Joint Insurance Fund.
  - C) The Consultant shall review with the Municipality any additional types of coverage that the Consultant believes the Municipality should purchase that are not available from the Fund. The Consultant shall purchase and bind any additional types of coverage authorized by the Municipality.
  - D) The Consultant shall assist the Municipality in the preparation of applications, statements of values and other documents requested by the Fund. However, this Agreement does not include any appraisal work by the Consultant.
  - E) The Consultant shall review the Municipality's annual assessment as prepared by the Fund, and shall assist the Municipality in the preparation of its annual insurance budget.
  - F) The Consultant shall review the loss and engineering reports for the Municipality, and shall assist the Safety Committee in its loss containment objectives within the Municipality.

- G) The Consultant shall attend and actively participate in the Municipality's Safety Committee activities and meetings, and shall present information to the Safety Committee on Safety related topics.
- H) The Consultant shall attend the Municipality's Member Accident Review Panel meetings and assist the Municipality in determining the cause of accidents. The Consultant shall suggest any remedial actions necessary to avoid future accidents.
- I) The Consultant shall assist the Municipality in determining the necessary training for each employee in each Municipal Department based upon the employee's job description and in accordance with OSHA and other governmental regulations.
- J) The Consultant shall assist the Municipality in scheduling employee training, both internal and external, including the tracking of course attendance and completion of course requirements.
- K) The Consultant shall assist the Municipality with the timely and accurate reporting of all claims, which shall include the establishment and implementation of claims reporting procedures.
- L) The Consultant shall assist, when requested by the Municipality and/or the Claims TPA, with the investigation of claims filed against the Municipality.
- M) The Consultant shall review the Municipality's loss data on a regular basis and prepare reports to the Municipality on recent losses, open claims, and loss trends.
- N) The Consultant shall review the performance of the Municipality's Claims TPA on a quarterly basis including reserving practices, adjuster claim counts, and supervisor file review.
- O) The Consultant shall assist the Municipality by reporting to the Fund changes in exposures including the deletion and addition of vehicles, equipment, and properties and the contracting of Municipal services to third parties.
- P) The Consultant shall assist the Municipality and Fund professionals in the annual renewal process including the gathering and verification of exposure data.
- Q) The Consultant shall order Certificates of Insurance from the Fund.
- R) The Consultant shall review Certificates of Insurance received by the Municipality.
- S) The Consultant shall review proposed contracts between the Municipality and organizations and contractor's to verify that the appropriate indemnification and hold harmless language is contained in the Contract and that the Certificate of Insurance Guidelines are being followed.
- T) The Consultant shall evaluate and advise the Municipality on the risk management aspects of public events being staged or sponsored by the Municipality.
- U) The Consultant shall review the annual coverage documents to verify the accuracy of the policies.
- V) The Consultant shall respond to questions regarding coverage from the Municipality's officials.

- W) The Consultant shall actively attend and participate on the Fund Subcommittees as authorized by the Fund Bylaws.
  - X) The Consultant shall regularly attend the Monthly Executive Committee meetings of the Fund.
  - Y) The Consultant shall execute and file with the Municipality, as part of this agreement, and the Executive Director's office a copy of the Atlantic County Municipal Joint Insurance Fund Confidentiality Agreement.
  - Z) The Consultant shall at least twice annually, prepare and present a written report to the Governing Body of the Municipality outlining the Municipality's Insurance and Safety Program.
  - AA) The Consultant shall assist the Municipality with the settlement of claims, with the understanding that the scope of the Consultant's involvement does not include the work normally performed by a public adjuster.
  - AB) The Consultant shall perform any other services required by the Fund's Bylaws.
2. The term of this Agreement shall be for a period of one (1) year commencing the first day of **January, 2012**, or from the effective date of coverage, unless this Agreement is terminated as set forth in Paragraph 5 of this Agreement.
  3. The Municipality authorizes the Fund to pay its Consultant, as compensation for services rendered, an amount equal to a dollar amount of \_\_\_\_\_ (\$ \_\_\_\_\_) or **Two & one-half** percent (**2.5** %) of the Municipality's annual assessment as promulgated by the Fund. Said fee shall be paid to the Consultant within thirty (30) days of the payment of the Municipality's assessment to the Fund. The Consultant shall receive no other compensation or commission for the placement or servicing of any municipal coverage with the Fund.
  4. For any type of coverage that is authorized by the Municipality, to be purchased outside of the coverage offered by the Fund, the Consultant shall receive as his full compensation, the normal brokerage commissions paid by the insurance company. The premiums for said policies shall not be added to the Fund's assessment in computing the fee outlined in Paragraph 3 of this Agreement.
  5. Either party may cancel this Agreement at any time by notifying the other party, in writing, of their intention to terminate this Agreement. The termination shall be effective on the ninetieth day after service of the notice. The compensation provided for in Paragraph 3 shall be pro-rated to the date of termination.

ATTEST: Claudia R. Kammer MUNICIPALITY: Michael E Beck

ATTEST: Jeanne M. Clement CONSULTANT: Barbara Weigand

DATE: 1-4-12

**ATLANTIC COUNTY  
MUNICIPAL JOINT INSURANCE FUND**

**RISK MANAGEMENT CONSULTANT CONFIDENTIALITY  
AGREEMENT**

**WHEREAS**, the Atlantic County Municipal Joint Insurance Fund, in order to properly discharge its duties and obligations, must consider and discuss certain confidential information regarding specific general liability (property, automobile, trip and fall, and civil rights), Workers' Compensation, Employment Practices Liability, Public Officials Liability and other types of claims against Member Municipalities, and certain confidential information regarding any Member Municipalities' claims history, loss ratios, litigation strategies, safety history, assessment strategies and renewal information; and

**WHEREAS**, the discussion of claims against Member Municipalities, the evaluation of the factual and legal issues relating to said claims, and the discussion of settlement, liability, authority and other issues surrounding said claims must remain confidential in order to best respect the privacy of the individuals involved and/or to preserve the tactical and strategic defense of actual and/or pending litigation arising out of said claims; and

**WHEREAS**, the discussion of claims history, loss ratios, litigation strategies, safety history, assessment strategies and renewal information must also remain confidential in order to best protect the interest of the Fund and its Member Municipalities; and

**WHEREAS**, any discussion relating to said claims may take place at meetings of the Fund Commissioners, meetings of the Executive Committee, meetings of the Claims Committee, meetings of the Safety Committee, meetings of the Coverage Committee, meetings of the EPL/POL Committee, meetings of the Finance Committee or directly with one or more of the representatives of the Member Municipality, Assigned Defense Counsel designated by the Fund and/or Fund Professionals; and

**WHEREAS**, the undersigned will, from time to time, participate in the consideration, evaluation, and discussion of claims, litigation strategies, assessment strategies, safety history, loss ratios and renewal information in order to provide their assistance and expertise to the Atlantic County Municipal Joint

- has a direct or indirect financial interest or personal involvement that might reasonably be expected to impair my objectivity or independence or judgment; and
- d. I shall not undertake any employment or service, whether compensated or not, which might reasonably be expected to prejudice my independence or judgment in the exercise of my responsibilities to the Member Municipality which I represent and to the Atlantic County Municipal Joint Insurance Fund; and
  - e. Neither I or any business organization in which I have an interest shall represent any person or party other than the Member Municipality which I represent and the Atlantic County Municipal Joint Insurance Fund in connection with any claim against any Member Municipality and the Atlantic County Municipal Joint Insurance Fund; and
  - f. I shall not, at any time or in any manner, disclose, convey, transmit, copy or otherwise make available any information and/ or document(s) not generally available to the members of the public which I receive or acquire by reason of my position as an RMC for a Member Municipality and the Atlantic County Municipal Joint Insurance Fund for the purpose of securing financial gain, directly or indirectly, for myself or for any other person;
3. I will use caution and discretion in the storage and/or disposal of any information or documents received, directly or indirectly, by me or by virtue of my relationship to the Member Municipality and the Atlantic County Municipal Joint Insurance Fund.