

PASSAIC VALLEY WATER COMMISSION MEETING OF
APRIL 5, 2011
SPECIAL MEETING
(OPEN SESSION)

C O M M I S S I O N E R S P R E S E N T :

THOMAS P. DeVITA, President
RIGO SANCHEZ, Vice-President
JEFFREY LEVINE, Treasurer
MENACHEM BAZIAN, Secretary
IDIDA RODRIGUEZ
GLORIA KOLODZIEJ
ROBERT VANNOY

A L S O P R E S E N T :

JOSEPH A. BELLA, Executive Director
GEORGE T. HANLEY, Counsel
JAMES G. DUPREY, Director of Engineering
JAMES J. GALLAGHER, Personnel Director
YITZ WEISS, Comptroller
LOUIS AMODIO, Administrative Secretary

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PRESENT FROM BROWN & BROWN
Dominick Cinelli
Colleen Coyle
David Feuerstein
Keith Furlough (Dig Insurance)

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PRESENT FROM CONNER STRONG

Randy L. Barber

Kristine Klepper, CEBS

Sean Critchley, Esq.

Jessica Tracy, GBDS

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MR. AMODIO: On the roll.

(Roll call was taken, all Commissioners respond in the affirmative)

MR. AMODIO: You have a quorum.

The time is 9:42 a.m.

All of the requirements of the Open Public Meetings Act have been met. Commission meeting notices have been furnished to all Commissioners, city clerks of Paterson, Passaic, and Clifton, North Jersey Herald News. The Record - Passaic County edition and Commission's executive staff with a copy posted on the main bulletin board at the Clifton facility.

would you please rise.

Commissioner Rodriguez, would you please please lead us in the Pledge of Allegiance.

Do we have Mr. Cinelli?

PRESIDENT DeVITA: Welcome, everyone.

MR. AMODIO: Everyone, please give their names.

MS. COYLE: Colleen Coyle, Brown & Brown.

MR. CINELLI: Dominic Cinelli, Brown &
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Brown.

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MR. FEUERSTEIN: David Feuerstein, Brown & Brown.

MR. FURLOUGH: Keith Furlough, D-i-g Insurance.

MR. CINELLI: Good morning, everybody. Thank you for the opportunity to come before you again to present our qualifications to continue as the insurance broker on the health insurance for Passaic Valley Water Commission.

Most of you are used to Tom Fletcher being here. Unfortunately, Tom is at a health reform conference out of the state and unable to be here today, but Colleen Coyle is a member of our team of Brown & Brown, who is familiar with this account.

And what we'll continue to do here today is explain to you a brief overview of what we have done over the past few years for the Commission.

Do you want us to go through this again?

PRESIDENT DeVITA: The purpose is for the Commissioners to ask you questions and for you to make a presentation. So I would say you may want to.

MR. CINELLI: Okay. Good. Thank you.

COMMISSIONER RODRIGUEZ: Dominick, if I

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may, because as the Chair, what I wanted to do is

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to bring in the two firms and have you present to the entire body. It's only fair if we're going to make a decision for the entire Water Commission, it's very important that our colleagues get the benefit of the presentation that we had the benefit of. It was a great presentation, just have them have the presentation, too. Open the process up.

MR. CINELLI: Okay. How much time do we have?

COMMISSIONER VANNOY: Half hour. Hope you don't use it all.

MS. COYLE: Only a half hour? I'll have to speak quickly.

The purpose of the presentation today is just to let you know a little bit about a Brown & Brown.

I work with Tom Fletcher. I sit right across the hall from him. It's a very prestigious account for us. We love working with you. We hope we get to stay.

Some of the things about Brown & Brown, you know, basically, the topics today -- I'll speak as quickly as I can. I'm sorry.

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So you know who is Brown & Brown. How do we get paid. The ways in which we can get paid. What do you think about insurance. What do you want from us. Our service model, how we do our financial review, our renewal process, and the evaluations of your current offerings.

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If you look on the next page, this is basically our culture statement. We are the seventh largest insurance intermediary in the U.S. and we are a publicly traded company. Being a publicly traded company affords you some protections because we're audited on all of our accounts. Everything we do, we report to someone. So, being publicly traded is a good thing.

MR. CINELLI: As a side to that, as a publicly traded company, we must go out competitive each year for every one of our accounts unless we get direction from the governing body or from the Commissioners, we're happy with our program, we're staying where we are. So every year we present to you alternate proposals from every other company that's out there.

MS. COYLE: That's true. That's actually the audit --

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COMMISSIONER BAZIAN: I have a question. Is there any reason why Passaic was specifically left out?

MS. COYLE: Oh, my goodness. We're sorry. This is my fault. And the only reason I can say that -- I'm sorry.

who else doesn't have a presentation? We're just -- we're -- here you go. You can have your own.

MR. CINELLI: According to the

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Chairperson, everyone has it memorized.

MS. COYLE: So, Brown & Brown. We're 180 offices in 40 states. What's great about Brown & Brown is unlike a lot of other companies that do insurance consulting services, we're a huge company. We're a very large company with 5500 employees. We also can provide that local mom and pop services because we have, however our structure is, we have a lot of little offices in all of these different locations.

Question?

COMMISSIONER SANCHEZ: Can we get -- I want you to afford you all the energy --

MR. CINELLI: We'll get down to the business.

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MS. COYLE: What do you want to --

MR. CINELLI: I'll get down to the basics.

COMMISSIONER SANCHEZ: Get down to the basics.

MR. CINELLI: Okay. Since we've been on this account, we've been working diligently with the Commissioners here and with the staff in making sure that we deliver the best program that's out there, meeting your collective bargaining agreements and having the best cost.

As you know, you were in the State health benefit plan. We switched from the State health benefit plan to Horizon Blue Cross directly and then also from Horizon we switched to CIGNA. At no point did any of your employees have to

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jeopardize any of their benefits. I think that's a key position, especially in today's economy, because you'll be giving your Collective Bargaining Agreements with your unions now. You can use that as a leverage saying during the past couple of years when everybody was giving back, we kept the benefits equal and we were able to keep your premiums at a very favorable cost.

MS. COYLE: And if you look, within this presentation there is an overview of medical and

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RX plans. It's more towards the back, but in essence, what's happened is we kept the benefits the same and really having cost of increase, costs go up with health insurance, but since '07 to '11, it's only increased 15 percent, which is, you know, a very good -- that's a very positive thing increase. Nobody likes health insurance to increase. It goes up, but you know what, it would have gone up a lot worse had we not diligently marketed.

On the next page, a little more high level. You are with CIGNA. You did move from Horizon to CIGNA. The reason that was done was to have better networks and save in discounts. Right now you're running at \$320 per employee per month, which, again, is unheard of. If you were to go out on the Internet and try and buy health insurance today and you wanted to buy this plan on the free market, it wouldn't be \$320 per member

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per month.

Your prescription's also running very well.

Your high level plans are down.

So, I think what Dominick is saying, we kept the benefits good but we've also done a very

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fabulous job in keeping the financial.

COMMISSIONER BAZIAN: I want to understand what you said. Fifteen percent between 2007 and 2011, do you mean per annum?

MS. COYLE: No, overall.

MR. CINELLI: Overall.

COMMISSIONER BAZIAN: Cumulative.

MS. COYLE: If you look, even if you Google, you don't have to take my word for it, you go out to the free world there, people will tell you, cost of health insurance is going up nine, ten, 12 percent a year.

PRESIDENT DeVITA: When you go out into the market, you just contact everyone to see what the rates are?

MR. CINELLI: What we do is we take your benefit plan design. Okay.

PRESIDENT DeVITA: See what we have now.

MR. CINELLI: What you have. You have the max benefits. Then they take a look at the lost ratio and so forth like that and see if they can tell me competitive.

The reason we do that is number one, to get leverage to negotiate with the current

carrier, so forth. Sometimes it works, sometimes

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it doesn't. In the past year it did not work. We had to move to CIGNA. Okay. So we made sure that we get the letter from CIGNA that the benefits are equal or better to. Okay. And we did have a couple of hiccups when we made the change where some doctors were not in the network and what we were very successful in doing and David from our office, he probably fields about, how many phone calls a day?

MR. FEUERSTEIN: At least two a day.

MR. CINELLI: At least two a day and the turnaround time is about five hours in getting the answers and so forth back to the individual or going back to the doctor.

I mean, on the phone with the doctors also saying, you have to abide by their network fees and so forth like that and we've been successful.

PRESIDENT DEVITA: Isn't the loss ratio the key factor in our rates?

MR. CINELLI: Yes.

MS. COYLE: But the truth of the matter is, there are other things, you know. You definitely have to make sure, for any health plan, that the network fits. CIGNA appeared to be a better network fit. We think what's going to

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happen over the next couple of years, we're going

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be able to control your costs.

Also, CIGNA has a great, great disease management program and they also have a great wellness program.

But, yes, loss ratio is important, but we're doing everything we can by rolling out any pain management program we can roll out and also to any wellness program.

We've also carved out your prescription and put that with the Express Scripts so you can save at the counter greater discounts than also average wholesale price.

MR. CINELLI: Just from a dollar standpoint, just so you understand, beginning in February, going forward a 12-month period you'll be realizing about \$51,500 in return on a retiree drug subsidy that we implemented and got it done.

MS. COYLE: That's just the RDS.

MR. CINELLI: And so you'll have about 4,000 a month coming in.

We also applied, okay, under the New Health Reform Act for your early retirement reinsurance program. Okay. Conservatively, this Commission could get back anywhere from a quarter

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of million dollars to \$300,000 for the early retirement program.

MS. COYLE: And that's something that David, I think he's almost worked on full time.

COMMISSIONER RODRIGUEZ: When you say "get back," you mean we're going to be reimbursed?

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MR. CINELLI: Reimbursed from the Federal Government.

MS. COYLE: As long as the fund -- there is money out there.

COMMISSIONER RODRIGUEZ: As long as the fund is available.

MS. COYLE: As long as the fund stays.

COMMISSIONER RODRIGUEZ: Right.

MS. COYLE: Once the early retirement reinsurance program came out, David's full-time job, became --

MR. FEUERSTEIN: ERP program, making sure that we've applied, the Commission's been approved to accept funds and I'm working with Jim Gallagher to make sure we get the final documents signed and then we're ready to go.

MS. COYLE: We're out there already to make sure we're in there. Our claim on that money is out there until we get that back.

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I'm sorry, did you have a question?

COMMISSIONER SANCHEZ: No, no. My question is as a rule who had to apply, us or you guys?

MS. COYLE: We did it on your behalf.

PRESIDENT DeVITA: One of the things, I don't mean to go out of your sequence.

MS. COYLE: No, no. That's okay.

PRESIDENT DeVITA: One of the things that I know that we discussed with everybody was an

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audit. I think David was doing it.

MS. COYLE: Yes.

PRESIDENT DeVITA: To make sure that our employees are all our employees and coverage is correct.

MS. COYLE: Let me tell you. That is something that our firm does offer and I believe that we had planned to do that for Passaic Valley Water Commission, this coming summer?

MR. CINELLI: Yeah. We have the open enrollment in August. So we're going to do it right after that to make sure that everyone is -- a lot of times we don't hear about people who passed away, people on the plan divorced. We've had tremendous success with other entities doing

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that and making sure that we slim down some of the costs.

PRESIDENT DeVITA: Does that happen once a year?

MS. COYLE: We could do it once a year. The first year is the worst. It's the best thing you can do. We have never walked away empty handed. Never. Because there's always a retiree whose spouse died. There's no way for you to know about it. It's something that is included in our service.

The first year is the worst, you know, in terms of the employees complaining. After that it gets a little easier. I'll tell you, we did this in West New York and we found 22 dead people on

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the plan.

COMMISSIONER RODRIGUEZ: This is important because we have, in the past, we had issues also where folks, you know, should not have had -- the audit is extremely important.

MS. COYLE: It is important.

MR. CINELLI: And to --

COMMISSIONER RODRIGUEZ: That's a very progressive approach.

MR. CINELLI: And out of respect to the

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Commissioners and so forth, you guys would not know that because there is an honor system from the employee. You don't know what --

MS. COYLE: How would you know?

MR. CINELLI: You don't know when they're no longer responsible for their child --

COMMISSIONER RODRIGUEZ: Exactly, right.

MR. CINELLI: So, once we identify that and come back, then from a policy procedure standpoint we probably need to send out a memorandum to all employees saying that if you fail to notify us, there could be some type of retribution back against the employee. Because there is an honor system there. And it's no reflection on the Commission or staffing or so forth. You have to set this up.

MS. COYLE: It's the employee's obligation.

COMMISSIONER RODRIGUEZ: You have 185

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employees and then, I don't know how many retirees, but there's a lot. It's hard to keep track of them. They're not going to come in and tell you, I'm divorced. My son graduated from college. They don't do it.

PRESIDENT DeVITA: Was that ever involved

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in the part of the collective bargaining process?

MR. CINELLI: I don't think so.

PRESIDENT DeVITA: I don't mean here, I mean have ever?

MR. CINELLI: Now we're seeing it more and more. Realize, that the State of New Jersey under the State health benefit plan instituted this about two or three years ago. And we all picked up on it on a private sector with private plans to get this going. The unions can't say something we're invading their privacy or so forth.

MS. COYLE: Absolutely cannot.

MR. CINELLI: So this really picked up over the last three-year period. The first year is a lot of work to get it done, a lot of cooperation from the clients and so forth, and the employees. Once we do have it up and running, it will work.

COMMISSIONER RODRIGUEZ: I will tell you, this is something we're going to have to proceed with a lot of caution, Mr. President. There's -- very, very eerie and very weary with, you know, legislation that's being proposed, you know, Executive Orders that the Governor could or would

do. People are very nervous about health

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benefits. So, the approach is going to be very important to get that --

MS. COYLE: That's why it's so much better for us to do the audit than you.

COMMISSIONER RODRIGUEZ: And I think that was a good question because the union, you don't want them getting up at arms.

MS. COYLE: They called our office and they want to know what's happening with their forms when they send them back. So the truth of the matter is, in our office there's two or three people that handle that and they're destroyed after we see them.

COMMISSIONER RODRIGUEZ: The morale here is, for the, I would say 90 percent of the time, really, really good. So we wouldn't want that interrupted because, you know, people are very scared.

MR. CINELLI: I think you bring up a good point. We made changes here three times. Okay. And I think, you know, it's a combination of identifying it to the employees and the employees coming back. There have not been any -- you haven't had 20, 30 people here showing up saying, what are you doing to us. So I think those

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changes --

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MS. COYLE: I know that we're running out of time.

Delta there's no increase. That's something we were able to negotiate for you.

Some of the other things, in addition to the dependent audits, we do have and if you're agreeable, the ability to roll out a web site for your employees so they can log on and see their benefits and request personal time off, change their address. And basically this information -- even do open enrollment through our web site.

This information, it's a secure web site, they would log on with their name and their password. They would even be able to be advised of things that are going on; things you want them to know that maybe aren't even related to health benefits; things that we need as a company to tell or as an organization, to tell them about that we're required to do so by law.

The employees then will be able to check their benefits. Open enrollment we can download it and send it right over to the carriers. So, there's a lot more than just a dependent audit. And, also, too, that site could help us with our

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disease management program, our wellness program, and, you know, identifying people and encouraging them to get active in taking care of themselves.

Also --

PRESIDENT DeVITA: What's the disease management program?

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MS. COYLE: Oh, the disease management program is basically we're looking for, you know, not -- the truth of the matter is, we can't influence somebody a high level plan. We can't influence somebody who already has cancer. I mean, we can a little bit, but what the disease management would be is somebody with diabetes. Let's start taking care of yourself. What we can save off admissions if we can get somebody active with their diet, insulin, checking their blood sugar. Most of it is lifestyle and noncompliance. Especially -- even asthma. You think asthma doesn't cost money. Asthma costs money if somebody, you know, doesn't get their asthma under control.

So the disease management programs are really targeted, you know, in keeping people as healthy as they possibly can.

COMMISSIONER LEVINE: Do you have copies

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of the current benefits and copies of quotes from other people, like, what the State plan would be this year?

PRESIDENT DeVITA: Not yet.

MR. CINELLI: No, not yet. It's in August, okay, so, 90 days prior.

COMMISSIONER RODRIGUEZ: Not only that, they would have to be --

PRESIDENT DeVITA: They haven't been awarded.

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MR. CINELLI: We've had that in the past year.

COMMISSIONER LEVINE: That's what I'm saying.

MR. CINELLI: And CIGNA was still the best proposal for the benefits.

COMMISSIONER LEVINE: I just want to know how the State plan was this year.

MR. CINELLI: What's good about August, if you recall, we moved our renewal up in August, at that time the State comes out with their rates for that year. Okay.

COMMISSIONER LEVINE: Right now, Passaic Valley water Commission hasn't decided on what plan we're actually going on.

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MR. CINELLI: Correct, correct.

COMMISSIONER LEVINE: Do you have last year's numbers? Do you have last year's CIGNA plan that we currently have?

MR. CINELLI: We can get that for you. CIGNA was the best --

COMMISSIONER LEVINE: Yeah, I know. I was on that committee last year.

PRESIDENT DeVITA: Jeff, didn't we review all of that before we elected it?

COMMISSIONER LEVINE: When? Last year?

PRESIDENT DeVITA: Yes.

COMMISSIONER LEVINE: Yeah. Last year we looked at all four different plans before we elected it.

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MS. COYLE: We'll a hundred percent do that again.

COMMISSIONER LEVINE: We're not locked in?

MS. COYLE: No, no, no, no.

MR. CINELLI: You would like to stay with the current carrier and avoid a change, however, if it comes to dollars and cents and the benefits, we'll make a change. Okay. And whatever company that is, you got to make.

There are a private sector carriers that

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we have out there that in the last five years have changed five times. Okay. Six hundred lives, 800 lives, you have to do it. It's a lot of work. But everything comes down to dollars and cents.

PRESIDENT DEVITA: When you select somebody, your representative, they got to go out and shop for you.

COMMISSIONER RODRIGUEZ: That shopping takes time.

MS. COYLE: It takes about four months.

COMMISSIONER LEVINE: I'm just trying to figure. I thought last year we did it different. They all went out and shopped and gave us numbers.

MS. COYLE: That's not the best way and I'll tell you why, because what happens is, we can do a better job. The more competitive quotes we get, the better job we --

COMMISSIONER RODRIGUEZ: Plus, that's not fair -- first of all, let me just explain to you.

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A lot of towns and municipalities and the public entities do that and it's really not fair to Brown & Brown or otherwise. They're not designated as your broker. What they're going to bring you is estimates. It's not fair --

COMMISSIONER LEVINE: I agree. I just

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thought that's how we did it last year.

MS. COYLE: It's not the best way. What happens is if there's more than one broker involved in the marketing, the carriers become -- they're not making concessions for anybody. So, it's a good point and I get --

COMMISSIONER LEVINE: I --

COMMISSIONER RODRIGUEZ: What they do is give you -- no one can -- no one --

COMMISSIONER LEVINE: I understand this a hundred percent. You don't have to explain it. I could have sworn that's how we did it last year.

COMMISSIONER KOLODZIEJ: Can we move? I'm sorry. They can debate this after.

PRESIDENT DEVITA: We're cross-talking, which we said we weren't going to do.

COMMISSIONER BAZIAN: I have two questions.

Question number one, could you explain to the Board how you are compensated? What your rates of compensation are, things like that. Let's deal with that.

MR. CINELLI: We are compensated directly through the insurance carrier through CIGNA. I

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believe our compensation is 2.25 percent. And I

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believe in the last couple of years that's been the lowest that's ever been presented by other insurance brokers. And we, in the last two years, we have reduced that each year. So every time it's up, we've reduced that commission to offset that increase.

So usually if someone's at three percent and the premium goes up ten percent, they get three percent on an additional ten. We have reduced our commission each year.

COMMISSIONER BAZIAN: Right. The question is, does your rate affect us? You're being paid by the insurance company?

MR. CINELLI: No. We have the ability to reduce our rate; okay; because we're a public company.

COMMISSIONER BAZIAN: Do we care?

MR. CINELLI: Yeah, you do because if I'm at two and a half or two and a quarter, you're getting that quarter percent. It's about \$10,000, give or take.

COMMISSIONER BAZIAN: That will show up in our rates?

MR. CINELLI: Yeah. That will show up in your rates.

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COMMISSIONER LEVINE: who gets that?

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MR. CINELLI: That's 10,000 less you're paying a year.

COMMISSIONER LEVINE: So of the competition, decide how much they --

MR. CINELLI: The insurance companies will probably have a stipulation in there they're not going to let you compete against each other on the rates, you know. That rate of two and a quarter percent is a fair rate in the marketplace.

MS. COYLE: The insurance companies often have a standard. That's below the standard.

COMMISSIONER LEVINE: Are they allowed to go below?

MS. COYLE: It depends on what market, what carrier. But we've been able to say this is what we're getting paid.

COMMISSIONER RODRIGUEZ: You have to think the kind of work that a broker does and I'm sorry, Menachem, that's a lot of work. They do a lot of work.

COMMISSIONER BAZIAN: I have one more question.

Here's what it comes down to. I'm sure as soon as we're done with you we're going to have

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another company coming in. They're going to give us a proposal as well. Can you just tell us in the generic, what Brown & Brown can bring to the table? Why we should continue with Brown & Brown? You've gone through all your services. Just a quick paragraph why Brown & Brown as opposed to

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somebody else?

MR. CINELLI: I think it's pretty simple. We've been here for a six or seven-year period. We haven't slipped up. We've done everything this Commission has asked us to do and more. Each year we're bringing to the Commission new ideas.

We're on top of the new health reform legislation done by President Obama that can generate in excess of \$200,000 to this Commission.

We have done a good job in conveying to the employees any changes.

I really believe from a service standpoint that if there's any claim issues or any service issues, they're resolved very quickly. That's the key.

Listen, we know who our competitors are. They're very good. They know who we are. They have the same type of respect for us. The key is when you're on an account, what have you done not

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to deserve to get the account again. And I say this with a lot of confidence. I don't think there's any reason why Brown & Brown or the service team that we have put together should be jeopardized in getting reappointed. I think when you guys say, "jump," we say, "how high?" This is a prestigious account for us. We want to continue.

I want to say this to you. If we were at a question about what this Commission has done, I

could tell you there would be no negative publicity for your Commission. Because you guys have done everything right. Okay. You have not just said we're just renewing --

COMMISSIONER RODRIGUEZ: Let me just interject. That's exactly why you're here and we're having an open and fair process, because I think that has to start happening. And it's very important and I think that's going to be the future of any entity. Because these -- let me finish. These kinds of conversations and not -- you've done a phenomenal job here, although my chiropractor is not on CIGNA --

MR. CINELLI: You're probably the only Commissioner that didn't call us about your

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chiropractor. Give us a call.

COMMISSIONER RODRIGUEZ: No, listen. On a very serious note, you've done an excellent job. I just think that a fair and open process is very important and in light of everything that's going on, and I welcome it and I, you know.

MR. CINELLI: In our business, a fair and open is usually every three years. When I used to work at the Port Authority, every three years they used to do a fair and open. You need some stability in the marketplace and so forth.

And you would know in August, if we're reappointed again, and we don't have one of the companies' quote, you're going to say, why didn't you get a quote. Then we didn't do our job.

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MS. COYLE: One last thing I want to mention to you. Also, all of the services we provide, there's nothing a la carte. Our fees and service, whatever we're asked to do, we do. The web site, the dependent audits, it's nothing that's going to be additional costs and a lot of other brokers are doing those types of things for an additional fee.

PRESIDENT DeVITA: Any other Commissioners have any questions?

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COMMISSIONER SANCHEZ: I just want to say one thing. Do you guys know that our payroll has gone down \$1.6 million. I just want to highlight that point because we're talking about payments and everything else. It's something that we don't have control. I want to tell you our payroll has gone down the last five years I would say.

MR. WEISS: In terms of employees?

COMMISSIONER SANCHEZ: The payroll.

COMMISSIONER LEVINE: Does this have to do with insurance?

COMMISSIONER SANCHEZ: I just want to bring out.

COMMISSIONER LEVINE: Thank you for that point.

Let's move on.

PRESIDENT DeVITA: Do you have anything else you want to say to us? Present to us?

MR. CINELLI: No. Thank you, again, for

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the opportunity.

PRESIDENT DeVITA: Dominick, if you guys get selected, can we have Colleen instead of you?

COMMISSIONER BAZIAN: I second that motion.

MR. CINELLI: I would have been not

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offended if you said don't bring Tom anymore.

PRESIDENT DeVITA: Any other questions?

Thank you very much.

MS. COYLE: Thank you for seeing us.

COMMISSIONER RODRIGUEZ: Thank you for coming.

PRESIDENT DeVITA: We have to talk about a schedule when we're going to go over pay to play. We were talking about next week's regular meeting we won't have time.

COMMISSIONER LEVINE: Are we going to talk about fishing, too?

COMMISSIONER KOLODZIEJ: We can talk about anything because our agenda is structured so.

Maybe we can do the other business while we're waiting.

PRESIDENT DeVITA: We've got to select a date to go over the pay for play. Okay. Now, we have a meeting April 13th, which is next week, okay. A regular meeting.

COMMISSIONER VANNOY: Next Wednesday.

PRESIDENT DeVITA: So our dates were the 27th or the 4th of May. I don't know what's...

COMMISSIONER BAZIAN: I'm not good for the
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27th or 28th. My flight gets in 3:30.

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PRESIDENT DeVITA: Does it have to be a
wednesday?

MR. AMODIO: No.

COMMISSIONER KOLODZIEJ: If everybody else
can make it on the 4th, I don't need to be here.

COMMISSIONER VANNOY: I make my schedule
around you guys; so.

PRESIDENT DeVITA: I have nothing to do
anyway.

COMMISSIONER KOLODZIEJ: Tuesday, May 3rd.

MR. AMODIO: Tuesday, May 3rd.

PRESIDENT DeVITA: Strictly pay for play.
Tuesday, May 3rd, pay for play.

Everybody's good? Everybody knows.

MR. AMODIO: 9:30.

PRESIDENT DeVITA: Fishing. Our normal
fishing starts Memorial Day.

MR. AMODIO: Yes, it started Memorial Day
weekend.

PRESIDENT DeVITA: On weekends it cost us
25,000.

COMMISSIONER SANCHEZ: How often do we do
it, Louis, every weekend?

MR. AMODIO: It was every Saturday and
then it was the first Saturday and Sunday of the

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month.

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COMMISSIONER SANCHEZ: Say that again.

MR. AMODIO: It was every Saturday from Memorial Day to Labor Day, and then the first Sunday of every month.

So, you would have the first Sunday in June. First Sunday in July. First Sunday in August.

(Recess)

PRESIDENT DEVITA: All right. Let's go back on the record.

We were discussing fishing and the question came up about overtime. Okay. Can you explain how the overtime works up there? Who works there, et cetera, and whether we can cut it down.

MR. GALLAGHER: By virtue of the contract, the employees that work at the reservoir are working their sixth day on Saturday and their seventh day on Sunday, which translates to time and a half on every Saturday and double time on Sundays for rank and file.

The order with seniority, by way of the

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contract, seniority prevails. So the higher paid individuals are the first to be chosen.

PRESIDENT DEVITA: To be chosen to work?

MR. GALLAGHER: They would provide us with a list and then we would work off the list based on seniority.

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COMMISSIONER SANCHEZ: What qualifications do they need to work over there?

MR. GALLAGHER: None. Basically, you're the monitor at the gate to make sure they have a fishing pass. After that, other than being able to dial 911.

COMMISSIONER SANCHEZ: That's it?

COMMISSIONER LEVINE: Who got overtime last year? Who got the overtime mostly? Do you have a list?

MR. GALLAGHER: There was no individual. It was --

COMMISSIONER LEVINE: Can we put some of the people on four days a week and let that be their regular workday, maybe the maintenance department, and let them do it. Someone can take a day off so we don't do overtime, if we just do Saturdays and Sundays so there's no overtime?

COMMISSIONER BAZIAN: Jim, there's a

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provision in the contract that specifically states that they only get overtime on Saturday or Sunday if that's not their regular scheduled workday. So, the Commissioner's question is well taken. If we can schedule people for Saturday and/or Sunday, so that's part of their five days, then we don't pay overtime. If I'm reading that --

MR. GALLAGHER: That would be an interpretation of the contract, yes. You can do it for rank and file.

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PRESIDENT DeVITA: Is there any way we can cut that down, the overtime?

MR. GALLAGHER: That would cut down the overtime for eight hours or seven hours --

PRESIDENT DeVITA: Would there still be some overtime?

MR. GALLAGHER: Well, it depends on the operations of the --

COMMISSIONER SANCHEZ: Listen to the Board. We don't want overtime.

COMMISSIONER KOLODZEIJ: Right.

MR. GALLAGHER: Then you'd have to allow the employee to be able to open and then close let's say a half hour on either side and you would have to have a provision of at least two people

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there because they would still be entitled to a half hour for lunch.

PRESIDENT DeVITA: So there would be some overtime?

MR. GALLAGHER: No. I'm saying as long as you worked it within that eight hour period.

COMMISSIONER SANCHEZ: Why don't we have that employee put up a sign, "Out for lunch half hour, be back"?

MR. GALLAGHER: Because you have people there all day.

COMMISSIONER BAZIAN: You're going to have people already there.

PRESIDENT DeVITA: Hold it.

Can I make a suggestion? Can I make a

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suggestion?

We have a meeting next week. Can you come back and tell us exactly what we have to do and not have to do and how much overtime, if anything?

COMMISSIONER KOLODZIEJ: I'm looking for a plan with no overtime. I'm not going to vote for this unless we eliminate overtime.

PRESIDENT DEVITA: You're going to let us know whether we can work something out to have fishing on Saturdays and when?

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MR. AMODIO: One Sunday --

COMMISSIONER VANNOY: Just real quick.

COMMISSIONER LEVINE: Let me ask a question.

PRESIDENT DEVITA: One at a time. Wait.

COMMISSIONER LEVINE: I was in the middle when everybody started chiming in. Lunch, when are they required to have a half hour? After how many hours?

MR. GALLAGHER: After four hours.

COMMISSIONER LEVINE: After four hours they have to get -- what if we do two four hour shifts with the guys so that --

MR. GALLAGHER: Well, you still have to make up the rest of their day.

COMMISSIONER LEVINE: They can make up the rest of their day during the week or something.

MR. GALLAGHER: Then they're moving from point A to B.

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PRESIDENT DeVITA: why don't you make up the plan. Let us know how we can do it, if we can do it without paying overtime.

MR. GALLAGHER: You want to do it every Saturday and one Sunday per month.

COMMISSIONER BAZIAN: Just a question.

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Last year the original plan was to go Saturdays only. I have requested that we have some Sundays because there are people who can't do it. The year before that, it was Saturdays and Sundays.

PRESIDENT DeVITA: Always been.

COMMISSIONER BAZIAN: Always been. If we do this, if we're talking about scheduling people, I'll pose this question to Jim to think about. If we're talking about changing people's regularly scheduled workday, so, if we create a four Saturday and one Sunday per month scheme, I'm wondering if scheduling, changing somebody's schedule for one week out of the month could be problematic; and whether it's not going to cost us any overtime anyway, whether or not we just go back to the way it was before with the Saturdays and Sundays?

PRESIDENT DeVITA: He can give us both scenarios.

MR. GALLAGHER: The only overtime that I can foresee is if the employee who was scheduled to work Saturday or Sunday called out sick.

COMMISSIONER LEVINE: what about summer
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help? Can they do that?

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MR. GALLAGHER: We've had problems. Over the years the kids have driven the cars into the lake.

COMMISSIONER KOLODZIEJ: Listen, I asked for a plan. I think you can do this without -- I don't want to micromanage. So, try to give us a plan where there's no overtime. I think we can stay with every Saturday and one Sunday per month. I can't imagine that you have that many people using that that you would have to justify going back to where we were.

And please think about retirees who just want to come back and make a few bucks, and they're adult, whatever. It's a summer classification. Not for kids, but for adults.

COMMISSIONER LEVINE: Can we do that?

COMMISSIONER KOLODZIEJ: I would think so. City of Clifton uses retirees because they can make up to a certain amount of money per year.

COMMISSIONER SANCHEZ: That's another good idea.

COMMISSIONER RODRIGUEZ: That's an excellent idea.

COMMISSIONER KOLODZIEJ: They got a vested interest. Making a few bucks and they're gone.

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MR. GALLAGHER: That would be a new

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appointment, I mean, for the summer.

COMMISSIONER BAZIAN: That does entail an additional cost. If we reschedule employees --

COMMISSIONER KOLODZIEJ: I don't care which way he figures a plan. I'm just throwing out a suggestion with no overtime.

PRESIDENT DEVITA: Last year we paid \$18,600 in overtime.

COMMISSIONER VANNOY: For fishing.

PRESIDENT DEVITA: And you got to also realize if we are able to get the retired people, if for some reason it rains and it's not open, you don't have to pay them, right?

MR. GALLAGHER: That would be correct. If you brought regular employees, you would just reassign them.

COMMISSIONER KOLODZIEJ: Either way, as long as we eliminate overtime.

COMMISSIONER BAZIAN: Mr. President, just one last point.

I went one Sunday to go fishing with my family and there was another family there. They were from Paterson. And I asked them what their thoughts were. And they had said something that I

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hadn't considered. A family of really not much in the way of means, they looked forward to be able to go up to the reservoir on a Saturday or on a Sunday especially, and go fishing. Because that was something that they can do with their children. They don't have, perhaps, some of the

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abilities that we have to go away on vacation and go someplace else and this is something that they look forward to. And it's on that basis from that conversation that if we can save this program, I would like to.

COMMISSIONER VANNOY: I think we can save it.

PRESIDENT DEVITA: Let's let Jim come back to us. All right. As long as we don't have to pay a lot of overtime and still use it.

Now, we have representatives from Conner Strong.

welcome.

If you can tell us your names.

MR. CRITCHLEY: Thank you very much for having us back. We appreciate the opportunity to once again discuss our capabilities as your insurance broker.

My name is Sean Critchley. I'm a

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relationship manager. Essentially I assist the team in facilitating whatever is needed on behalf of our clients. Geographically, I'm located in this area so I can be Johnny On the Spot, and I really do whatever they ask me to do.

MR. BARBER: I'm Randy Barber, also Conner Strong. I'm on the employee benefits team. I'm Vice-President Business Development Executive. I work out of all of our offices from Saddle Brook, Parsippany, down to Marlton.

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I've been in the group health life disability business for about 20 years now. Been working at Conner Strong going on six years.

MS. KLEPPER: Hi, I'm Kris Klepper. I'm a Senior Vice-President and one of our practice leaders in our employee benefits practice.

I also work out of all of our New Jersey offices, Parsippany and Saddle Brook and Marlton, which is our corporate headquarters.

And I'm going to lead the employee benefits team that would work on your account and all the people that would service all the day-to-day work. So I'll be, you know, the main point of contracts, hearing all the people that interface with the team.

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MS. TRACY: Hi, I'm Jessica Tracy. I work on our data analytic team and I also have been working as the coordinator for the past two and a half years to implement our wellness program.

MR. BARBER: All right. Thanks, again.

Again, we appreciate you guys having us come out again. We were here previously and we just want to come back and answer any questions. We know that you have a time frame, so we want to, you know, make this time the best use for you. We know we got 20 minutes and we have some time to answer questions; so.

Pretty much we brought back the same presentation that we had before and we're willing to go through it as much as you like, but, you

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know, I kind of would like to make this open, kind of answer your questions. If there are any specific questions you'd like us to cover, then we'd be more than happy to do that as well.

Just a little bit for the folks who weren't here last time. We're Conner Strong. Our firm was founded in 1959. We have grown from a small property casualty benefits company to the 33rd largest consultants and brokerage firm in the country right now.

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We were part of Commerce Bank previously. We were their insurance division and within the last three or so years, we diverted from Commerce Bank and we're our own independent brokerage and consulting firm now.

I mentioned we're based in Marlton. We have offices throughout the State including up here in Saddle Brook as well as in Parsippany. We have an office in Toms River and our headquarters is in Marlton.

We place about a billion dollars in business annually for both employees benefits as well as property and casualty.

We have about 300 or so associates that work for the firm of which about 100 are totally dedicated to employee benefits. Three of us here are on the employee benefits side. Sean kind of does a little bit of both, between property and casualty and benefits. But, again, we have 100 or

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so people that handle employee benefits also.

we handle business nationally. we have clients throughout the United States in all 50 states. we do about, I'd say half of our business is public entity. we do a lot of private entity as well and we think that's important because, you

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know, having a diverse portfolio of clients kind of gives us, you know, an opportunity to share some of those ideas and what we're doing on the private side with, you know, our clients on the public side as well. so we have a good cross mix of clients.

MR. CRITCHLEY: Can I add one thing?

Of that, I would say almost \$400 million of that is related to health benefits premium. so we control a sizable block of health benefits premium and well in excess of 90 percent of that is placed either with the Blue Cross Blue Shields of the world, the Aetnas of the world, the CIGNAS of the world.

So, we as an entity place quite a bit of business within those companies within New Jersey, where, you know, what I'm saying, placing that hundred million dollars worth of premiums, Blue Cross Blue Shield, that's why Blue Cross Blue Shield of New Jersey, doesn't mean we deal with other entities. So, we have a significant deposited in those traditional placement bags that most other people don't.

MR. BARBER: All right. Just to kind of
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break that down. We have about a thousand or so

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clients. About 250 of those are primarily property and casualty. We've got another 250 that are employee benefits. So, again, half of our business, property casualty/half employee benefits. And the other 500 or so are joint insurance funds and are health insurance funds. I think we talked a little bit about that as well.

We do a lot of business on the property casualty side through joint insurance funds. And we also have a very sizable health insurance fund. So, that's kind of how our business shapes up.

But in the terms of the weight, about 75 percent of that business is strictly dealing with groups like yourself, not part of funds, just private clients that we handle outside of the funds. So, only about 25 percent or so of our business are in those joint insurance funds or health insurance funds.

So some of our, you know, our growth goals. We're a very healthy company financially. And I think that's important, you know, when you're looking at a partner, somebody that you're going to work with for the foreseeable future. There's been a lot of turmoil in our industry, and we've been a very stable company. In fact, from

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2010-2011 we've grown by about four percent. And

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that may not seem like a lot, but, you know, most of our competitors that we're finding in the industry were not growing. We've seen some of our competitors off at least five or so percent. We just wanted you to know we're continuing to grow. We have very healthy targets for growth this year as well. So, we're doing very well.

Just in terms of some of our clients. Again, we do a lot of public and private. In terms of some of our biggest public clients, we work with the County of Essex as their consultant. Paterson schools. The City of East Orange. We have the entire Camden County and we do a lot of work for a lot of the counties.

A lot of studies we're doing now the counties are looking to kind of merge all of their insurance programs together. So we're doing that statewide. So we're involved in that.

We work with the Ocean County Utilities Authority as well as the Gloucester County Utilities Authority.

In terms of the private side, Drexler University is one of our biggest clients. The Sun Bank, Care One Nursing Home facilities, Robert

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Wood Johnson.

Just a little sample, just again, to give you an idea of the private and public sector we work with.

That's a little bit in terms of our firm.

I could kind of run through the slide

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again. If you guys have any specific areas you want us to deal with, please let me know so we can kind of manage your time the best.

We came out last time, you know, we talked about our firm and how much we invest into our clients and, you know, page five kind of just talks about high level.

We consider ourselves, you know, primarily a family owned business that's based in Marlton, New Jersey. But we do feel that, you know, we have national firm resources. We spent a lot of money and put up a lot of our resources into our clients and, you know, we've hired a lot of people coming from major consulting firms. Most recently, Kris coming over from Aon Hewitt. A lot of our people have come from major insurance carriers or some of the larger consulting firms.

So, again, you know, we feel like we're still a small family company, but we have a lot of

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national resources that we give to all of our clients.

MR. CRITCHLEY: May I?

One of the things, one of the main things from our perspective is that we do not commoditize insurance. We realize insurance is a dynamic thing that's ever changing. It's important to obviously match a program to a client's needs but you have to have the ability to and the willingness to invest the time and resource to

understand the client's specific needs, the demographics, the collective bargaining issues, the wellness capacity, the claims experience. The reality is, it's easy for a broker to secure a proposal. It's difficult for a broker to secure a proper proposal, because you have to be willing to invest the time and resource to be willing to understand the specific needs. And as Randy gets into that, that's what we really do.

Insurance is not one size. A lot of times people commoditize it. You want health, here's health insurance. It's not specifically designed for a client's needs. And although we do do a lot of business in the public entity sector, we look at each client as if it's the first time we looked

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at that client, because although you may have similar industry types, no two clients are the same. If you ever make the mistake of assuming they're the same, you're doomed to create gaps in coverage.

PRESIDENT DEVITA: I have a question. How do you learn about us, what our needs are? What do you do?

MS. KLEPPER: I think what the main thing is what we would come in and as a team and we'd bring a bunch of our resources and meet with you and really learn. Number one, get all the information about your current plans and work with your current carriers. Get all of the financial information and do a deep dive, as much

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information as we can absorb from your carriers; look at your census data; try to understand what your population is; who's the makeup of your population, you know, males, females, you know, how many kids, you know, just to see kind of what the needs are in insurance. Are the plans that you have in place meeting the needs of the members that you have? So, try to get, you know, a lot of data gathering, which really doesn't involve a lot of your time.

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And then come in and, you know, we would do what I would call as a consultative review. We do a deep dive of the data. Look at the plans and then really assess. Does this kind of meet the needs and do some benchmarking, you know, to see where this stacks up with everything.

And then sit down with you and, you know, kind of interview you and say, you know, is this meeting your needs? Are the employees happy? Is this meeting your budgetary needs? You know, how are the -- you know, what are your goals for this year? Next year? You know, the next, the next two or three years? And where do you want to take the plans? Do you want to look at, you know, wellness initiatives?

A lot of plans are, you know, people are focused on, well, we can't sustain the high cost of health care plans and, you know, it's just, you know, absolutely unsustainable. But we can't

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keep, you know, charging our employees more on their co-pay and their deductible. You know, we can't keep doing that to our employees because we're not increasing their pay. So, what else can we do.

we got to look at what's driving the

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health care costs. We need to start looking at the data and looking at, you know, our people. And a lot of it is based on people's behavior. So, you know, we need to start -- how can we start impacting behavior in terms of wellness and what diseases are impacting your population and can we address getting the population healthier.

So, you know, health care, you know, is really like, you know, Sean said, it's not modified. We really, what are the actual things that are driving your health plan costs and it's not the same as, you know, the company down the road or the, you know, every governmental entity. Everybody's different. It's what's driving your health plan cost.

So, we really need to look at the data in your plan, talk to your carriers. You can put in, you know, asthma management and disease management programs but if you don't have anybody in your plan that's having those diseases, well, that's not going to impact your cost.

So we really need to match up, you know, exactly what's going to impact your cost and, you know, get the best plans that are going to, you

know, happen.

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PRESIDENT DeVITA: I'm sorry, so you get all this data and you compile it and you meet with people and find out what we need. Then where do you go?

MS. KLEPPER: Then --

PRESIDENT DeVITA: Shop?

MS. KLEPPER: Then we can go to the market, right, and then we can shop for what makes the most sense. Then we can go to the market and say, here's what our client wants. Okay. Our client needs, you know, whatever plan design. We can look at what plan designs. If you want to look at, you know, fully insured plans, self-insured plans, if you want to look at going into, you know, we could also have you look at a health insurance fund or independently so we would have that as one of our options.

But we'd also look at going out to the market just, you know, with you independently as your market and say, here's the data that we have. Okay. Here's the client's needs and go out and get quotes.

MR. CRITCHLEY: One additional thing that's an important component of that is as a public entity, having unions as employees, you

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have possibly collective bargaining issues that

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you have to contend with. And the reality is most of these contracts go for three years. So, you only have one bite of the apple every three years to do anything to modify those types of benefits. I mean, as costs are increasing and deductibles are still and co-pays are still at a low end, we work hand in hand with you to deal with these collective bargaining issues. Meaning, we will sit with you side by side as you're meeting with the unions, negotiating these types of issues, whether it's increasing co-pays, different networks, different platforms, letting you understand and know what the impact is.

Even before that, when we have dealt with collective bargaining issues and changing plan designs within the public sector, we come to realize that the most important thing is getting out in front of it, meaning, meeting with the unions, which we do all the time and let them know, this the state of the health insurance program. We cannot afford to continue to pay these increasing rates without some kind of change.

Although the unions are not very happy

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about it, which is understandable, the fact that you address it early on and kind of demand your expectations, we have found you generally have greater success in convincing them that in lieu of some kind of, you know, seizure financially, we must make changes. And we're trying to make them

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as benign as possible. But to suggest we can maintain one and five dollar co-pays for the next however many years, it's untenable. People are living longer. Cost care is going up. People are retiring earlier. So the entities are maintaining the same pull from the employee population year after year, but the costs are going up. At some point something has to give.

So we really chant in the cause of going shoulder to shoulder with our clients in the collective bargaining process because that is where you can impact. Because you only have once every three years and if you don't make the changes then, you have to wait another three years. So that's something we work very closely with the clients.

MS. KLEPPER: And there's a lot of things that you can do with the collective bargaining and there's so many things that can impact health care

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cost that are good things, like wellness, disease management programs that can be viewed as beneficial, that are not necessarily take aways. I mean, still, it's making changes and viewed as change, but they can be viewed as good things and, you know, can be positioned that way.

So we can help you with, you know, strategizing on how to work with the unions and sitting with you and positioning it that way.

When we go to the, you know, to the market

for your health plans, we also look at, you know, disruption to your employees. We don't want them to be disrupted by their doctors having to travel crazy distance of miles or anything. We're looking at, you know, who your employees are currently going to, you know, doctors. Making sure that if we're looking at, you know, different health plans, that those doctors are in the other health plans and if they're not, that we're making sure, you know, we're going to communicate, you know, what issues are at stake so we're up front in saying, you know, what particular hospital isn't in one network versus another. We're at least, you know, if you know what the issues are and you know you need to make a decision because

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sometimes if a particular hospital isn't in the network, even though there's savings, you might say, forget it, we can't go down that route.

MR. BARBER: The key with the collective bargaining is we're there to support you. We want to keep you informed. We want you to be aware of what's going on in -- what's going on here with the State in terms of, you know, what Senator Sweeney and what the Governor is proposing. We always want to be ahead of the game. And I think that's really something that we add to the table.

You know, we've solicited information from clients. We've done a public entity benchmarking survey that we sent out to all the public entities in the State last year. So we've probably got

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about 25 percent response and we built -- and it's something that we give to you that we've solicited the responses from public entities throughout the State to get the feedback on what kind of plans they have, what kind of contributions their employees pay. So getting that sort of information in your hands to help you make informed decisions is very important.

Actually, just last week, you know, we're trying to be at the forefront of what, again,

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Senator Sweeney and the Governor is proposing. Our feeling is that they're going to be looking to go out to all the public entities, whether they're in the State plan or not, and start asking folks to get rid of these high plans that they have.

There's some people out there -- again, we don't know anything about your plan now because we haven't gotten the information, but there are a lot of your peers out there that are still in traditional indemnity plans. They're in very rich PPO plans with five dollar co-pays and zero dollar mail-in order drugs. So, you know, we know that the way the legislation is headed, it's going to be looking to, you know, restrict some of these rich plans.

So we've done some modeling and actually published last week, we put together about six or so kind of sort of plans, ideal plans that we think that the Governor and Senator Sweeney are

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leaning towards. We're actually sending all that information out to our clients to keep them ahead of the curve.

So, again, when it comes to the whole collective bargaining process, we want to make sure that we look at your agreement. A lot of

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times you can get advice on which carriers to switch to, whether to go back to the State plans, whether to make changes, but if your collective bargaining agreement doesn't allow you to make those changes, from an eligibility standpoint, I mean, you guys may have certain coverages that you're allotted as Commissioners that making a change may disrupt that.

So we can't sit here and say that we have all the answers because we don't know enough about you. But if we were selected, that's one of the things that we would make sure, we would know your collective bargaining agreement inside and out. We would take a look at all of your plan information, make sure that you're in the right plan.

I know you recently switched to CIGNA. We want to see how that's going. Interview your employees.

You're going to laugh, one of the first questions I asked when I actually dropped the proposal off when I met with a couple of the people was, I asked a couple of questions, you know, I said, who you guys with. We just left

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Horizon, went to CIGNA. We don't like CIGNA. So,

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those are a couple of things that you may not even be aware of. You know, doing employee surveys, getting feedback from the employees themselves, how are they viewing the change to CIGNA. You may think that you save a little bit of money, but again, I mean, just chatting with a couple of people. But, you know, 75 percent of the employees feel like they loved Blue Cross, you know, that's things that you need to know. You need to know how your people are thinking.

So what we do know is you're with CIGNA. We know that more than half of your population are retired. So, that's an opportunity for us to do some more work. From what I wrote in my notes from the last meeting, you got 220 retirees; 180 employees. So, what can we do to impact that? Are there other plans that we could put your retirees in, maybe some Medicare supplement plans that, you know, you can possibly save some money in. You know, can we help you out with your Medicare Part D filings? That's something we do standard.

As Kris mentioned, every group is unique. All the demographics of each group are totally different. We need to learn a lot more about your

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group before we come in here and start saying we

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can do this and that.

What we do know is, you're with CIGNA. If we're given the opportunity to work with you, we're going to look at all the markets. We're going to look at the traditional market, self-insurance, fully insured and, you know, we'll look at the health insurance funds. I mean, we don't know what the right answer is. We'll present all the options to you and take it from there.

But, again, you know, getting the data is very important. Learning more about your group is the most important thing.

MR. CRITCHLEY: One other thing. One of things you mentioned, this ever changing world, legislatively, statutorily, where national health, things are constantly changing. We have a compliance attorney on staff whose main thrust is reviewing any and all legislative and statutory changes or modifications to ensure that our clients are complying.

That is something that is very rare in the industry, but we realize that unfortunately, every time you open up the paper there's some kind of a

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change or modification in the national health plan platform. There's something in the State health benefit fund, although, not in there but how it's going to impact things going forward. You have OPRA issues. You have HIPAA issues. So it's important for us to make sure our clients are

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aware of compliance issues and letting them know how to State comply and how we can assist them in being complying.

MR. BARBER: I know we're running out of time but, you know.

COMMISSIONER KOLODZIEJ: I have two quick questions. And the third question I'm going to save for my colleague to my right.

The first one, I'm ready to assume that you are a publicly traded company, correct?

MR. BARBER: No, we are not.

COMMISSIONER KOLODZIEJ: You're not. Okay.

The second thing, how are you compensated for these wonderful services that you have just outlined for us?

MR. CRITCHLEY: It's all included, depending on how the Commission is set up, whether it be commissioner fee, which can be negotiated.

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It is part of our service. If we are fortunate enough to be awarded the ability to act as your consult, you know, it's not a la carte. You're not buying things. It's what we offer.

And I can assure you this, whatever we say we do, we do. You know, it's not something that we talk about conceptionally. If we're talking about wellness, we're talking about the portal, that kind of stuff. You will get that. You will receive that. It's real.

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MR. BARBER: Just in terms, if your questions are more towards what we would earn, that's something that, you know, we'll work out.

COMMISSIONER RODRIGUEZ: That is the question.

PRESIDENT DeVITA: I don't know if it's what you earn, the question is how do you get paid?

MR. BARBER: That is extremely flexible. Typically, your commissions are built into your program. We could keep it as is. I mean, we didn't -- we weren't asked in your proposal to come up with a cost. Typically, we would. But that's totally negotiable. We typically would come up with a fee.

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COMMISSIONER RODRIGUEZ: The question is -- the question is this. The question is, as a broker/consultant, slash, slash, slash, whatever, do you typically get a fee from the insurance carrier? What is that?

COMMISSIONER BAZIAN: What's the rate?

COMMISSIONER RODRIGUEZ: What percentage is it?

MR. BARBER: Okay. I would need to know -- there is a rate that's built in now. We -- I don't know what is currently in your -- typically it ranges.

COMMISSIONER RODRIGUEZ: For all your services.

MR. BARBER: Typically it's three to five
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percent is what they typically put in. We've been seeing it more around three, but there's something that's in your cost with CIGNA now that's already built in. So we would accept whatever is in there. We wouldn't take anything higher and if we needed to put a cap on it, we would. I mean, that's something we can talk to you about.

COMMISSIONER SANCHEZ: I have a question. Besides the three percent or whatever you get back from the carrier, are you looking to get any

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additional commission fee?

MR. BARBER: No, not at all. Not at all. And I may not be explaining it right.

There is typically built into your rates that you're paying CIGNA, there is a load for commission. It's probably around three, four percent. That's what the standard in the industry would pay. What we're telling you is, we would not charge you anything more. Whatever is currently in there is what we'd accept. We would be willing to put a cap on it because typically your insurance costs go up each year. So, we don't need to make an increase every time your renewal goes up.

PRESIDENT DEVITA: So whatever CIGNA is currently paying, you'll accept that?

MR. BARBER: Yes.

MR. CRITCHLEY: Yes.

MR. BARBER: There's no additional cost

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for you at all. Whatever is in there now is exactly what we would accept.

MR. KEPPLER: Or if you would prefer to carve that out and pay a fee, we could do that as well.

MR. BARBER: We can have the carrier say,

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you know what, take all the commission out, the water Commission would rather pay us a monthly fee. We could do that instead.

MR. CRITCHLEY: And it would never be -- it's either/or. So, it would either benefit commission with the fee or commission with no fee.

PRESIDENT DeVITA: All right. Thank you.

MR. BARBER: I don't feel that I'm --

COMMISSIONER RODRIGUEZ: You answered it. I needed to know the rate. Commissioner Menachem --

MR. BARBER: That's something that we fully disclose, very transparent. We would finalize that --

PRESIDENT DeVITA: Thank you.

MR. CRITCHLEY: There's complete transparency.

PRESIDENT DeVITA: Any other questions?

COMMISSIONER BAZIAN: I have two questions. I actually have a third question. Would the Commission mind if I pop Commissioner Sanchez over the head?

Seriously, though, two questions for you. One, could you give us an idea of what your

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experience has been in average in terms of rate

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increases for your public clients over the last three to five years? What is your experience in terms of rate increases?

MS. KLEPPER: Rate increases on their overall health --

COMMISSIONER BAZIAN: Yes, health industry.

MS. KLEPPER: Depends on the size of the group. So, you know, in general, we've been seeing, you know, on fully insured cases in, you know, last year was a bad year. I would say we saw some cases 25, 30 percent rate increases.

COMMISSIONER RODRIGUEZ: This is with the State?

MS. KLEPPER: No, not necessarily. No, not -- so anybody who is in the State plan, the State plan had an increase of I think eight and a half percent, prior year was 25 percent.

But, you know, in general, the health care trend has been, you know, if you look nationally, the health care trend has been increasing at about ten to 12 percent over the last few years.

PRESIDENT DeVITA: Doesn't depend on the lost ratio and all that?

MS. KLEPPER: It does.

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PRESIDENT DeVITA: Isn't that a big

factor?

COMMISSIONER RODRIGUEZ: You have to take an entity like this, that's a very broad question, but an entity like this.

MS. KLEPPER: If you look at nationally, that's what health care trend costs are going up then you have to bring it down to what your group is looking for and what your health care costs are and what's impacting your group. Your group might be impacted by some high cost claim in and things that are impacting. You know, you might have a couple of bad years; so.

PRESIDENT DEVITA: That's a tough question to answer.

MS. KLEPPER: It is a tough question to answer. You might be hurt with some, you know. But it could be all over the map. But in general, what we're seeing, you know.

PRESIDENT DEVITA: You got one more, Menachem.

MR. CRITCHLEY: Can I add? When we're talking about the ten and 12 percent as Commissioner DeVita said, the lost experience, I mean, when you come in above or below trend, in a

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lot of ways it's determined by what your lost experience, your wage experience has been.

Someone whose running -- a group that's running very well, you try to negotiate below that. So, that's kind of the middle of the road. But then the specific experience of a client who

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will drive it one way or the other, and it's the broker's responsibility, the consultant's responsibility to mitigate that increase, drive down the cost and negotiate on behalf of them and design a plan that takes advantage of what we can take advantage of.

COMMISSIONER BAZIAN: My second question is. It's one I asked the other company.

we have, obviously, an incoming broker. Okay. What I'm going to ask you very pointedly, let's assume that they've done a good job. Let's assume that. You're coming to us and you're saying, switch to Conner Strong. If you can put, please, in a concise form for the Commission and for me and the Commission, why change to Conner Strong, bottom line. What does Conner Strong bring to the table? What are we gaining by coming to Conner Strong? This is the ultimate question to answer.

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COMMISSIONER RODRIGUEZ: Take your time because that's a very loaded question and it's a great question.

COMMISSIONER BAZIAN: It is the question.

COMMISSIONER RODRIGUEZ: Thanks a lot.

COMMISSIONER KOLODZIEJ: That's the question.

MR. BARBER: I appreciate that and it was something that I was going to bring up when I got the floor again.

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I mean, you are working with somebody now and ultimately you need a reason in order to make a change and we really feel that the experience we have, the people that you'd be working with. I mean, you know, I mentioned Kris. Just the, you know, the level of experience that we have in consulting businesses and public entities I think is untouched in this industry.

I mean, we have some very experienced people that have been working, like I mentioned earlier, with some of the largest consulting firms in the country; the largest carriers here in New Jersey. There are underwriters that have worked for Horizon Blue Cross and some of the major carriers. So that intellectual capital that we

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bring to the table, I feel is without peer and, you know, in this market.

MS. KLEPPER: Let me interject on that.

MR. BARBER: Sure.

MS. KLEPPER: I just came. I just started here. I came from 15 years out of Aon and I worked -- I was one of the consultants on the State health benefit plan. And the reason that brought me here was the people and the talent that we have, because it's an incredible group of people. A lot of people who worked, underwriters at insurance companies that we know how they play the games internally. The resources, and a lot smaller group of, you know, not coming from a big company, but the focus is on the clients. And

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that's what I'll say.

When I left Aon, the focus was not on clients anymore. It was more on operational, cut backs and sales and everything.

And the focus is on delivering optimum results for our clients. So I think that's what I've been impressed with, and granted, I've only been here for two months, but it's been an incredible change for me coming from, you know, another entity to here. It's the people and the

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focus on clients is just so overwhelming. And the focus on our own people is, you know, is so forthright.

MR. CRITCHLEY: May I?

One thing, also, our willingness to invest the time and money and resources to understanding our clients. As I said, we don't commoditize insurance. You have to do it. I mean, what we're talking about, our benefit portal, which is our web site that you'd be available to design exclusively for the commission, wellness programs, compliance attorneys, and things like that. Those are things that we include in our service platform that cost our client nothing. They're a cost to us. But we understand and appreciate the only way that we can service our clients well is to know them.

And when you deal with compliance officers, they're a unique perspective. wellness

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program is a unique perspective. Analyzing that provides a unique perspective and when you bring that all together, at the end of the day our understanding of the inner workings of our client is second to none. It's best in class. And with that we can then design a program for you to

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consider if it meets your needs. But at the end day, it will be designed against the backdrop of intermittent and complete understanding of all things related relative to the company.

MR. BARBER: Any consultant or broker can take that three percent commission and shock your plan each year. We feel that for the money that we're going to earn, we're going to give you much more.

Sean talked about the web site. You know, I have to throw these things, you're giving me two minutes.

PRESIDENT DeVITA: Take three or four.

MR. BARBER: I hate being a car salesman. Every one of our clients gets a customized web site, employees benefit web site. And we sit down with you and construct. It has all your benefits, statements. It has your contributions. It could tell you when the company picnic is. But we load it with information so that no one is coming to Mr. Gallagher asking him questions 24/7. We can put all that on your web site.

We have a customer service unit that's staffed in our office that comes with this. We've

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got eight talented people that are answering

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phones all day handling any kind of questions that you may have on your life, disability, dental, your medical, whatever programs you have, they can take those calls. They're all documented, automated. Give you reports each month showing you what type of questions we're getting.

People may not know enough about they're co-pays. We can tell you specifically, we got 30 calls from people that don't know their co-pays. That comes free with our services.

We do employee benefit statements. We have a whole department that does marketing, that does open enrollment guides. These are first class open enrollment guides that we'll put together detailing all your plan designs that get passed out to the employees.

We do customer surveys. I mentioned a couple of people I talked to. We can survey your employees to see what their thoughts are about the plan. All this comes with whatever we're going to earn on your plan. All this comes with it.

I brought Jessica out here. I want her to maximize her time. She's our wellness champion. That's something that we meet with, even for our own company, we're big in the wellness. You can't

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even go to the bathroom in our company without

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seeing a poster talking about, you know, the Biggest Loser Program that we're doing. We just rolled out a really big wellness initiative to all our public entity accounts and our health insurance accounts talking about wellness.

So, we can give Jessica the floor just for a minute because you get all this stuff if you hire us.

MS. TRACY: Just to go over real quick about what the program is about. As Randy just mentioned, we just launched this for our entire health insurance platform on April 1st. You get, each employee gets a full blown HRA and this HRA will develop a personal wellness report that tells you where you're doing well and what changes you should make to become more healthy. And in addition, it will tell you the amount of years you can add back on your life if you make these changes and they'll be recommendations as how to make these changes.

There's is an interactive wellness portal. There's self-directed health lessons that you can go on and look at videos to learn about diabetes or any other programs that you would like to talk

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about. There's a whole food and exercise diary that if you want to lose a certain amount of weight, certain amount of pounds, you go on that and tell them where you are at now, where you would like to be, they'll tell you how many calories you can eat for each day and you can go

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in there and search whatever you ate. Say if you had a hamburger from Wendy's. You put that in there and it tells you how many calories that is and it will deduct it from your day's amount. And then if you did housecleaning for a half hour, it would add that back in so you can track it. There's so many health resources in there that you can read up on as well.

I mentioned the videos.

There's also a social networking tool on there called "My Community." And you have access to the entire on-line network. So anyone that uses this program, they support each other. They post, you know, what they did. "I quit smoking" and you can comment on it. You can upload that onto your Facebook or Twitter page.

There's also a text message reminder so you can put in your cell phone number and say I want you to remind me at 5:00 to take my medicine.

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It will send an alert to your cell phone to take your medicine or drink more water or take a walk, whatever you need to do.

Each employee also gets a dedicated personal health coach and that's one coach that they work with and if for some reason they don't like that coach, they can change that coach. But they get one person to help them develop a plan to work on these goals. You select goals and it will help you. They'll send you stuff. They'll send

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you stuff on resources and plans on how to change those goals. They'll reach out to you. If your employees aren't calling a coach, they'll make outreaches. They'll send e-mail outreaches to call them to really get people involved in this program.

Additionally, there is, whoever would work on handling this program here, they get access to the on demand portal. And that's a portal where you can go on and you can choose to have the reporting with the health insurance fund. You can look at your reporting, see how many people are participating; how many people are using the coach. You can see if you have at least 50 or more employees are participating, it will tell you

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how many people have, say, diabetes. How many people are smoking. And it will track that throughout the years of the program.

Am I getting too long?

MR. BARBER: The key to this is, this is what we do.

COMMISSIONER SANCHEZ: We liked her.

PRESIDENT DEVITA: She doesn't take a break.

COMMISSIONER RODRIGUEZ: Can I ask you? Are you proposing a whole comprehensive? I mean, is there a fee for that?

MS. TRACY: This fee can be built into the program.

COMMISSIONER RODRIGUEZ: There's a
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wellness fee, is that what you're saying?

MS. TRACY: If you go into the health insurance fund, there will not be --

COMMISSIONER RODRIGUEZ: Okay.

MS. TRACY: If you go separately, there's a small fee and that fee, you can never get that fee --

MR. BARBER: It's a very small fee. We're talking like maybe a couple of bucks, three dollars per month. It's something that we would

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work out. It would be very transparent. We'd show you how this all breaks down.

I mention this because this is what we do. We live this. I mean, you all have this in your packet. We don't just talk this. This guy was here with me last time, you know, this is fighting diabetes in the workplace. The business of quitting smoking. Addressing weight issue. This is what we provide to our clients. We live this stuff. We have people that are writing these reports, these white pages that we're sending out to our clients. So, we're not just talking the talk.

MS. KLEPPER: There's a lot of resources as well on wellness stuff. So if you weren't prepared to invest in, you know, putting together a --

COMMISSIONER RODRIGUEZ: I have another question. In terms of that IT piece, is that

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part --

MR. BARBER: Yes. Everybody gets that free.

MS. KLEPPER: Yes. And there's health content on that.

MS. TRACY: You also get an underwriting

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team and the analytics networks on your information as well and with that you get the data warehouse that will house all your needs and information and with that we can work on, if we have to make any changes, we can analyze how much it will save you, how much it will cost. We have an actuary software where if you want or are thinking about making lifetime changes, you can go to your union, we'll develop relative values for these plans. I can give you an actual savings, estimated savings for these changes which may help when you're going to the union to explain how much the changes may actually save you.

COMMISSIONER BAZIAN: I just want to make sure I understand this. You maintain a warehouse of all plans information that we have?

MS. TRACY: Yes, we have a data warehouse. It will have all of your information.

MS. KLEPPER: We would get a fee from your health plan and vetted into this warehouse that we can do manipulation of the data, understand what your cost drivers are.

COMMISSIONER BAZIAN: I like -- I'm -- that's what I do. My concern, and I'm not going

to get into it now, I'm just going to throw this

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out there. That raises a whole bunch of different concerns for me in terms of privacy issues, security of the data. That could be an entirely different discussion itself. So, I'm just saying.

MS. TRACY: You don't have to worry about that. It's completely secure.

MS. KLEPPER: We have -- you don't have to send us the data.

PRESIDENT DeVITA: Any other questions?

MR. CRITCHLEY: Can I add one?

PRESIDENT DeVITA: You may.

MR. CRITCHLEY: I'm sorry.

Just following up on what Randy said about the phone calls. When we receive calls from the enrollees, another way for us to learn about the client is, everything is documented. Every phone call is documented. Every issue is documented from beginning to end. And that's how you identify trends, whether it be people being unaware of their co-pay or there's frequency relative to a type of claim, that's one of the things we've done. It allows us for assisting the employees. Allows us to understand the client a little more readily. Because we are gathering all this information that most people have scattered

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all over the place. We're bringing in one

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warehouse and it allows us to really with greater focus.

PRESIDENT DeVITA: Okay. Understood.

MR. BARBER: A lot of this, there's 30 something slides. We could have gone through it, it would have taken us all day. A lot of these things that we just brought up is in the presentation and we're prepared to talk about it. If you have any questions after looking at it, please ask us. There's a whole section on reporting and the trends that we, you know, we analyze and the whole wellness and the member advocacy.

You know, again, we want to take those questions that are coming to your HR director and boggle him down and we want to help out. We want to take those calls. We want to communicate to the employees.

Every employee gets an ID card with our information, with CIGNAs, all your vendors. They have all the numbers right on one card. It will be on the web site. So all that's provided in our standard services.

PRESIDENT DeVITA: Thank you very much.

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MR. TRACY: One thing real quick.

You do get a reporting package. I know the data is very important to people, especially you, as you mentioned. You do get a reporting package to show, I don't know, as Randy, whether you're fully insured or self-insured, but it will

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show you where you're claims are running at. It will compare that to actual trend. It will show what plans changes, where we project you to be. So it's a full reporting package that you get as well.

MR. BARBER: Thank you.

PRESIDENT DeVITA: Thank you for coming. Very informative.

Thank you very much.

(Recess)

PRESIDENT DeVITA: Let's call the meeting to order.

All right. We're here to vote; make a decision on health care.

We had two very excellent presentations, I think. Very informative. One from Brown & Brown. One from Conner Strong.

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So, we'll entertain a motion, I guess.

Any discussion on this? Anybody want to talk about it?

COMMISSIONER KOLODZIEJ: Just a comment here.

I was blown away by both of them, to tell you the truth. By nature, if somebody is doing a good job, you reward them by giving them the contract. But the energy from this new young firm just blew me away. Even though they're not

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publicly traded; even though the rate that they were throwing out was high, but they will work with us, I'm saying it's impressive. I'm really torn. I need to hear from the rest of you on your thinking.

COMMISSIONER VANNOY: I thought both presentations were good. Me being a salesman and working hard and I know when I take care an of account, I know I want to stay there and be rewarded. That doesn't happen all the time for whatever reason. But, again, if they're doing a good job, that's priority number one. If they're saying we say, "jump" and they say "how high?" I think that carries a lot of weight.

Again, I was impressed with the last,

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especially, because I'm the one needs to be losing weight. I did like that whole program.

COMMISSIONER LEVINE: I think they were both good. But I think, like I said, they haven't -- they've been doing what we've been asking. I think we should ask them, if we are going to give one more year, by listening to that application and taking some of the points like the retirement plan, which I liked. I don't even know if they do, putting them in a different plan to try to save health care. They were both real good presentations to me.

PRESIDENT DeVITA: I agree.

COMMISSIONER SANCHEZ: Can I?

I think they were both good presentations.

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I just think that Brown & Brown, because of the time they been here they are able to be more definite and --

PRESIDENT DeVITA: Specific.

COMMISSIONER SANCHEZ: -- Specific. And so, therefore, I feel comfortable staying with them on board.

PRESIDENT DeVITA: I think Conner Strong has some very good ideas.

COMMISSIONER VANNOY: I can take some of

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the ideas.

PRESIDENT DeVITA: I wrote them all down. And I think the fact that they're here and they're kind of familiar with this is a good thing. I think when questions are asked, they're answered right away. I know that. I think Conner Strong will probably do the same.

I think if Brown & Brown is going to be who we're going to select for at least another year that --

COMMISSIONER VANNOY: This is year to year, correct?

PRESIDENT DeVITA: I think then what we have to do, some of the ideas from Conner Strong were excellent, and I think we got to make sure, as you said, Bob, that we check about medical care supplements and compliance officers and I know we have a wellness thing, blah, blah, blah, but it's something definitely and I know Brown said they do

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have a web site.

COMMISSIONER BAZIAN: Employee benefits site.

PRESIDENT DeVITA: All right; so. Idida.

COMMISSIONER RODRIGUEZ: I was impressed

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with both. But I will tell you, Conner Strong is way out there and I don't know that we're, you know, it's almost like --

COMMISSIONER VANNOY: We're not ready for them yet.

COMMISSIONER RODRIGUEZ: I'm not saying we're not ready. I think we can take on anybody. I like Dominick a lot, I do. Whenever I call Dominick, he's been very responsive.

I will tell you one thing that made me very uncomfortable about Conner Strong and I'm going to put it out there. The young man said that he spoke to, I guess he knows people that work here, and asked about the insurance. Now, I don't know --

COMMISSIONER KOLODZIEJ: Good sales.

COMMISSIONER RODRIGUEZ: But, you know what, that made me a little uncomfortable. I kind of looked like, who the heck did he talk to. And also, I liked the whole web site idea. I like the tailoring of the web site but we don't even have our damn web site up and going; so.

COMMISSIONER KOLODZIEJ: We're working on it.

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COMMISSIONER RODRIGUEZ: No, no. I'm

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comfortable with Brown & Brown. I like the idea of opening up the process and bringing people in. I think no one in this day and age should feel that they're the in person. It's also good. It's competitive, you got to compete even if you are the good person.

COMMISSIONER VANNOY: Also keep people on their toes.

COMMISSIONER SANCHEZ: They have good ideas.

COMMISSIONER RODRIGUEZ: They have innovative ideas. They have innovative ideas. My only problem was, and I already voiced it before, I'm going to voice it again, you know, the setup of Brown & Brown and that whole sub, the whole sub that was there, but aside from that, Brown & Brown is a great company.

COMMISSIONER LEVINE: I think also Conner Strong gave a great presentation. What I felt different I thought about Brown & Brown was a little bit more sincere.

COMMISSIONER RODRIGUEZ: They're here. They're here. They know us.

COMMISSIONER LEVINE: Even the people seemed more personable.

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COMMISSIONER KOLODZIEJ: They're getting

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to know us.

PRESIDENT DeVITA: How about a motion?

COMMISSIONER KOLODZIEJ: I want to hear from Menachem. I heard from everybody else.

PRESIDENT DeVITA: Make it quick.

COMMISSIONER BAZIAN: I liked both presentations.

COMMISSIONER VANNOY: Tell us what you like. Tell us what you like.

PRESIDENT DeVITA: Let him talk.

COMMISSIONER BAZIAN: I liked the technological discussion and data management discussion I thought was very, very interesting. If we continue with Brown & Brown, I would like to sit down with Brown & Brown. That's something that they should be offering. I think that's great.

On the flip side is that Brown & Brown has done a lot for us. I was very impressed by the fact that they said we've had a total of 15 percent increase from 2007 to 2011. Granted, my questions to Conner Strong, I could only do it in a broad question, but they were quoting eight percent from just last year alone from the State

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health benefit plan.

COMMISSIONER RODRIGUEZ: She shouldn't have been answering that question.

COMMISSIONER KOLODZIEJ: It gives us a clue how they operate.

COMMISSIONER BAZIAN: Exactly.

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So I have nothing against Conner Strong.

Two points, Commissioner. I have nothing against Conner Strong. I thought it was a very good, very strong presentation. All right. I liked them a lot. I just don't see a reason to change.

I think we're getting very good service. Brown & Brown is very proactive. I liked what I heard about the filing with the Federal government for the early retirement reimbursement program. I think that's very good. That's going to save us 250 to \$300,000 a year.

COMMISSIONER VANNOY: Is that our kickback? Not kickback, reimbursement.

PRESIDENT DEVITA: Bob, Bob it's a reimbursement we get from the Federal government.

COMMISSIONER RODRIGUEZ: As long as the funds are there.

PRESIDENT DEVITA: It's not a kickback.

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COMMISSIONER BAZIAN: The point is, they do the filing. They were proactive when they took care of it.

COMMISSIONER RODRIGUEZ: They're a great firm.

COMMISSIONER BAZIAN: And that's important.

COMMISSIONER KOLODZIEJ: Before you make the motion, how do we get those points that we want? They need to be taken back to Brown & Brown

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and be part of our contract. So one of them is that site. What's the other thing?

COMMISSIONER LEVINE: Can we make a motion pending the approval of the committee people and the committee people can come back --

PRESIDENT DeVITA: Why do we need?

COMMISSIONER KOLODZIEJ: For these to follow through on these.

PRESIDENT DeVITA: If I make a suggestion, I don't think the committee needs to meet again. What I would like to do is, if we're going to approve Brown & Brown, I would like to also let Brown & Brown know that in addition to whatever they do, we are interested in them exploring for us the Medicare supplement; make sure they have a

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compliance attorney; the data stuff; the employee web site; the wellness program.

COMMISSIONER BAZIAN: They have a wellness program. But the web site and all of that is very interesting.

PRESIDENT DeVITA: I think it's different than what they presented.

What I would like to do if we approve them, we'll give them something telling them this is what we want them to explore. They said they're all for us.

COMMISSIONER VANNOY: Exactly. We say "jump," they say, "how high."

COMMISSIONER RODRIGUEZ: This could be a pilot for them.

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COMMISSIONER KOLODZIEJ: Correct. We're they're most prestigious.

PRESIDENT DeVITA: So, let's entertain a motion.

COMMISSIONER VANNOY: Move.

COMMISSIONER BAZIAN: Second.

On the roll.

(Roll call was taken, all Commissioners respond in the affirmative)

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MR. AMODIO: Motion approved Brown & Brown.

COMMISSIONER RODRIGUEZ: Thank you for taking the time out and we learned a lot.

PRESIDENT DeVITA: Pay for play meeting.

MR. AMODIO: Tuesday, May 3rd, 9:30. Special meeting, pay-to-play only.

MR. HANLEY: Just so I make sure. Pay-to-Play, 9:30, Tuesday the 3rd. Regular meeting, Wednesday, the 18th. Is that accurate, 9:30?

PRESIDENT DeVITA: Our next meeting is April 13th.

MR. AMODIO: Our next meeting is April 13th, 9:30 a.m., next Wednesday.

MR. HANLEY: Okay. Yes, I have that.

MR. AMODIO: May 18th would be the May meeting.

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MR. HANLEY: May 18th is the regular meeting for May.

Thank you.

COMMISSIONER RODRIGUEZ: 9:30.

MR. AMODIO: Correct, 9:30.

PRESIDENT DeVITA: So next Wednesday is

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the 13th at 9:30.

May 3rd, 9:30.

Anything else?

COMMISSIONER BAZIAN: Motion to adjourn.

COMMISSIONER KOLODZIEJ: Second.

Meeting adjourned.

All in favor.

11:36 a.m.

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C E R T I F I C A T E

I, LYNANN DRAGONE, License No. XI01388, a Certified Court Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate transcript of the meeting at the time and the date hereinbefore set forth.

I further certify that I am neither attorney nor Counsel for, nor related to or employed by any of the parties to the action in which this meeting was taken.

I further certify that I am not a relative or employee of anyone employed in this case, nor am I

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financially interested in this action.

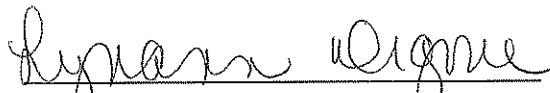
LYNANN DRAGONE, CCR
Certified Court Reporter

C E R T I F I C A T E


I, LYNANN DRAGONE, License No. XIO1388, a Certified Court Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate transcript of the meeting at the time and the date hereinbefore set forth.

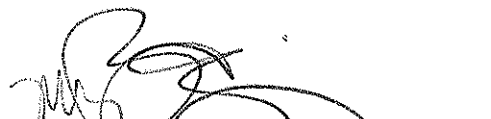
I further certify that I am neither attorney nor Counsel for, nor related to or employed by any of the parties to the action in which this meeting was taken.

I further certify that I am not a relative or employee of anyone employed in this case, nor am I financially interested in this action.


LYNANN DRAGONE, C.S.R.
Certified Court Reporter

APPROVED: MAY 3, 2011


THOMAS P. DE VITA
PRESIDENT


MENACHEM BAZIAN
SECRETARY