

RESOLUTION 2011-#8
RESOLUTION TO RENEW MEMBERSHIP IN THE

NEW JERSEY PUBLIC HOUSING AUTHORITY

JOINT INSURANCE FUND

WHEREAS, Public Housing Authorities in the State of New Jersey are permitted to join together to form a Joint Insurance Fund as permitted by NJSA 40A:1036; and 42 U.S.C. 14-37 et.seq.; and

WHEREAS, the statutes regulating the creation and establishment of a Joint Insurance Fund contain elaborate restrictions and safeguards concerning the safe and efficient administration of the public interest entrusted to such fund; and

WHEREAS, the governing body of the Salem County Housing Authority has determined that membership in the Joint Insurance Fund is in the best interest of the Authority.

NOW THEREFORE, BE IT RESOLVED, that the governing body of the Authority does hereby resolve and agree to renew its membership in the NJPHA Joint Insurance Fund, effective January 1, 2012 to expire on December 31, 2014 for the purpose of establishing the following types of coverage:

1. Workers' Compensation and Employer's Liability;
2. Liability, other than motor vehicle;
3. Property Damage, other than motor vehicle;
4. Motor Vehicle.
5. Public Officials Liability/Employment Practices Liability

BE IT FURTHER RESOLVED that Isaac A. Young is authorized to execute the application for membership and the accompanying certification on behalf of the Authority and

BE IT FURTHER RESOLVED that the governing body is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying their membership in the FUND as are required by the FUND'S Bylaws and to deliver same to the Administrator of the FUND with the express reservation that said document shall become effective only upon the applicant's admission to the FUND following approval by the FUND, passage by the Authority of a Resolution Accepting Assessment and approval by the New Jersey Department of Insurance and the Department of Community Affairs.

AYES Commissioners Sorrell, Rosario, Santos, Brown, Davis

NAYS None

ABSTAIN None

ABSENT Commissioners Moore, Fields

By: _____

Date _____

Isaac A. Young
May 25, 2011

**INDEMNITY AND TRUST AGREEMENT
FOR THE
NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND**

THIS AGREEMENT, made this 25th day of May 2011, in the County of Salem, State of New Jersey, By and Between, New Jersey Public Housing Authority Joint Insurance Fund referred to as "FUND," and the governing body of the Salem Housing Auth., a duly constituted public housing authority hereinafter referred to as "**Authority**."

WITNESSETH:

WHEREAS, several **Authorities** have collectively formed a Joint Insurance Fund as authorized pursuant to NJSA 40A:10-36 et seq., and the administrative regulations promulgated pursuant thereto; and

WHEREAS, the **Authority** has agreed to continue to be a member of the FUND in accordance with the Bylaws of the FUND and in consideration of such obligations shall share in the benefits derived by the membership of the FUND;

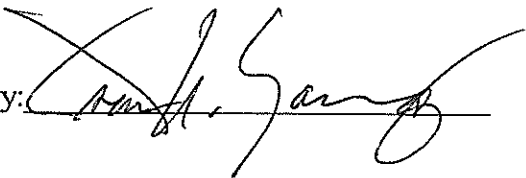
NOW THEREFORE, it is agreed as follows:

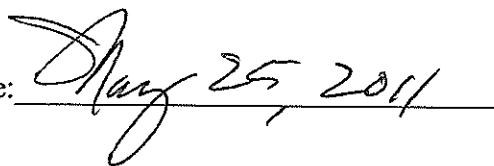
1. The **Authority** accepts the FUND's Bylaws as approved and adopted and agrees to be bound by and to comply with each and every provision of the said Bylaws and the pertinent statutes and Administrative Regulations pertaining to same.
2. The **Authority** agrees to participate in the FUND with respect to the types of insurance listed in their Resolution authorizing their application to the Fund.
3. The **Authority** agrees to remain a member of the FUND for a period, the commencement of which shall begin on January 1, 2012, and expire on December 31, 2014.
4. The **Authority** certifies that it has never defaulted any claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to the date hereof.
5. In consideration of membership in the FUND, the **Authority** agrees that it shall jointly and severally assume and discharge the liability of each and every member of the FUND, all of whom as a condition of membership in the FUND shall execute a verbatim counterpart of this agreement and by execution hereof the full faith and credit of the **Authority** is pledged to the punctual payments of any sums which shall become due to the FUND in accordance with the Bylaws thereof, this Agreement or any applicable Statute. However, nothing herein shall be construed as an obligation of the **Authority** for claims and expenses that are not covered by the FUND, or for that portion of any claim or liability within the individual **Authority** retained limit or in an amount which exceeds the FUND's limit of liability.
6. If the FUND in the enforcement of any part of this Agreement shall incur necessary expense or become obligated to pay attorney's fees and/or court costs, the **Authority** agrees to reimburse the FUND for all such reasonable expenses, fees, and costs on demand.

7. The **Authority** and the **FUND** agree that the **FUND** shall hold all monies in excess of the individual **Authority** retained loss fund paid by the **Authority** to the **FUND** as fiduciaries for the benefit of **FUND** claimants all in accordance with NJAC 11:15-2.1 et seq.
8. The **FUND** shall establish separate Trust Accounts for each of the following categories of risk and liability:
1. Workers' Compensation and Employer's Liability;
 2. Liability, other than motor vehicle;
 3. Property Damage, other than motor vehicle;
 4. Motor Vehicle.
 5. Public Officials Liability

The **FUND** shall maintain Trust Accounts aforementioned in accordance with NJSA 40A:10-36 et seq., NJSA 40:5-1 and such other statutes as may be applicable. More specifically, each of the aforementioned separate Trust Accounts shall be utilized solely for the payment of claims, allocated claim expense and excess insurance of reinsurance premiums for each such risk or liability or as "surplus" as such term is defined by NJAC 11:15-2.2.

9. Each **Authority** being a member of the Fund shall be obligated to execute this Agreement.

By: 

Date: 

NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND
250 Pehle Avenue, Suite 701
Saddle Brook, New Jersey 07663
Telephone (201)587-0555 Fax (201)587-8662

May 12, 2011

Isaac Young
Salem Housing Authority
205 Seventh Street
Salem, NJ 08079

RE: New Jersey Public Housing Authority JIF Membership Renewal

Dear Executive Director:

A check of our records indicates that your Housing Authority's membership in the New Jersey Public Housing Authority Joint Insurance Fund is scheduled to expire on December 31, 2011. Accordingly, we ask that you please adopt the enclosed Resolution and Indemnity and Trust Agreement extending your Authority's membership for another three (3) years.

HUD and NJ DCA have approved the JIF as an acceptable non-profit insurance entity from which Public Housing Authorities can obtain coverage without a cumbersome and time-consuming bidding process. A copy of the approval letter from HUD is attached for your review.

The New Jersey Public Housing Authority JIF was formed to help Public Housing Authorities deal with the increasing cost and unavailability of Workers' Compensation coverage. The JIF is currently offering its members a Workers Compensation rates lower than the commercial market and the JIF has reduced costs through effective claims management, managed medical care, loss prevention and safety programs. These savings have produced profits from surplus funds that have been returned to the members as dividends. The JIF has returned a total of \$3,700,000 to its members since 1998 and the Fund's financial condition is excellent.

The JIF is comprised of eighty-nine (89) individual Housing Authorities throughout the State of New Jersey currently receiving Workers' Compensation coverage, and has also been successful in expanding its coverages to include Property, Boiler and Machinery, General Liability, Auto Liability, Public Officials and Employment Practices Liability. The current all-lines program has seventy-three (73) members that are enjoying cost savings and superior coverage without the bidding requirements in an insurance market where others are experiencing significant increases. Please choose to renew your membership now so that you will be able to continue your participation in this worthwhile program.

Additionally, each member Authority of the JIF is entitled and encouraged to take advantage of the broad range of safety-related training programs offered by the MEL Safety Institute (MSI). Each employee of the member Housing Authority is entitled to attend any one of the numerous training programs offered at varied locations throughout the State, at no charge to the member entity. A member Authority can simply log onto the MEL's website, select the desired training class, and register their participating employees all from the web page (www.NJMEL.org).

Please complete the enclosed documents and return them to the office of the Fund's Executive Director (PERMA) **by September 1, 2011**. Thank you in advance for your prompt response, and should you have any questions, please feel free to contact myself or Stephen Sacco at PERMA (201) 518-7032 or the Fund's Marketing Director, Jack Warren at (201) 943-6000.

Very truly yours,

New Jersey Public Housing Authority Joint Insurance Fund

William G. Cottman, Jr.

William G. Cottman, Chairman NJPHA JIF

Enclosures

Cc: Frank Borin, Esquire
Risk Management Consultants



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

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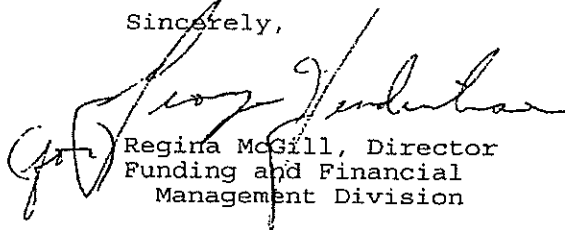
Mr. Stephen Sacco
New Jersey Public Housing
Joint Insurance Fund
Park 80 West Plaza One
Saddle Brook, New Jersey 07663

Dear Mr. Sacco:

The purpose of this letter is to confirm that the New Jersey Public Housing Authority Joint Insurance Fund is recognized by the Department of Housing and Urban Development as an insurance organization that is controlled by public housing authorities (PHAs). Furthermore, the Fund is qualified under HUD regulations as being substantially equivalent to a "financially sound and responsible insurance company", and chartered to provide insurance in the State of New Jersey. The bidding requirements of the Annual Contributions Contract are waived for any PHA that joins this organization for the period of time the PHA remains a member of the program.

Should you have any questions regarding this matter, please contact Arthur Methvin of my staff at (202) 708-1872.

Sincerely,

A handwritten signature in dark ink, appearing to read "Regina McGill", is written over the typed name and title.

Regina McGill, Director
Funding and Financial
Management Division