

STATE OF NEW JERSEY



DEPARTMENT OF BANKING AND INSURANCE DIVISION OF INSURANCE

David Wolf
Acting Assistant Commissioner
New Jersey Department of Banking and Insurance
P.O. Box 325
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In the Matter of the Administration of the
Middlesex County Municipal Joint Insurance Fund

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STATE OF NEW JERSEY, TO:

Middlesex County Municipal Joint Insurance Fund
Fund Commissioners
Harry J. Delgado (Chairman), New Brunswick Parking Authority
Joseph Zanga (Secretary), Borough of South River
Michael Drulis, City of New Brunswick
Frank Bellino, Borough of Carteret
Mayor Raymond Heck, Borough of Millstone

c/o Barbara Murphy, Executive Director
Middlesex County Municipal Joint Insurance Fund
1 Jocama Blvd, Suite 1C
Old Bridge, NJ 08857

The New Jersey Department of Banking and Insurance ("Department") recently became aware of actions taken by the Middlesex County Municipal Joint Insurance Fund ("Fund") on December 31, 2024 to purportedly "release" Carteret Borough, Millstone Borough (Somerset County), City of New Brunswick, New Brunswick Parking Authority, and Borough of South River from their obligation to remain members in the Fund, effective the next day January 1, 2025. N.J.A.C. 11:15-2.10 requires, among other things, that a member in a Joint Insurance Fund remain for their full term of membership and that any member withdrawing provide notice to the Fund of that intent 90 days before expiration of the term period. Withdrawal from the fund also requires notice by the Fund to the Department. The Department was not provided with either required notice, nor any other notice of these actions, nor any supporting documentation in advance. These actions are

currently being reviewed by the Department for potential violations of relevant law, including N.J.S.A. 40A:10-36 et seq. and N.J.A.C. 11:15-2 et seq.

Additionally, the Department has previously requested certain documents of the Fund that have yet to be produced.

YOU ARE HEREBY COMMANDED to appear at: 20 West State St, 8th Floor, Trenton, New Jersey 08625 on January 22, 2024, at 11 a.m., and on any and all adjourned dates, to give testimony and produce evidence before the Commissioner of Banking and Insurance, or his designee, in relation to your role in overseeing, advising and/or assisting in the administration of the Fund and service to the Board of Fund Commissions representing City of New Brunswick, New Brunswick Parking Authority, Borough of Carteret, Borough of South River and Borough of Millstone (collectively, “Current Members”), by virtue of the powers vested in the Commissioner, pursuant to N.J.S.A. 17:1-16, N.J.S.A. 40A:10-47 and N.J.A.C. 11:15-2.6(f); and

YOU ARE HEREBY ORDERED *to bring with you and to produce at that time the following described books, papers, documents, electronic media (including disks and flash drives), and other tangible things:*

1. A copy of any Proposal submitted by Barbara Murphy in response to a Request for Proposal for Executive Director of the Fund, including all Exhibits.
2. Operational and administrative information relating to the Fund’s current status:

Claims and Expenses

- 1) Listing of any reinsurance premiums due and indicate the Fund’s ability to pay them timely.
- 2) Listing of all pending claims (whether such claims are claims related to Current Members or prior members) due to be paid and to whom prior to January 1, 2025.
- 3) Listing of all expected claims (whether such claims are claims related to Current Members or prior members) due to be paid and to whom from January 2025 through March 2025.
- 4) Listing of the unpaid current expenses due and to whom prior to January 1, 2025.
- 5) Listing of the expected expenses due to be paid and to whom for January 2025 through March 2025.
- 6) Listing of all open claims in process, the name of attorney representing the Fund, and the current status of each outstanding claim.

Cash and Collections

- 1) Documentation of the cash the Fund had on hand, as of December 31, 2024, along with a listing of all outstanding checks.
- 2) Listing of the amounts of cash the Fund reasonably expects to collect and from whom, from January 2025 through March 2025.
- 3) Listing of the amounts of cash the Fund expects to collect for January through December 2025 from all regular and supplemental assessments and from which members.

Reinsurance

- 1) Statement of whether the reinsurance obtained by the Mid-Jersey Municipal Joint Insurance Fund for the Current Members would remain in place if the Current Members remained members of the (Middlesex) Fund.
 - 2) Copy of any binding quotes from reinsurers received by the Fund prior to the resolutions made by the Fund on or about December 31, 2024.
 - 3) Listing of the outstanding reinsurance recoverables and the status of collection for each.
3. Information relating to the resolutions made by the Fund on or about December 31, 2024:
 - 1) Copy of the executed "RESOLUTION CONCERNING THE MEMBERSHIP OF THE MIDDLESEX COUNTY MUNICIPAL JOINT INSURANCE FUND" and any drafts thereof that were presented to or considered by the Commissioners of the Fund.
 - 2) Copy of the executed "RESOLUTION CONCERNING CONTINUING THE CONTINUING CONTRACTS OF CERTAIN VENDORS PROVIDING PROFESSIONAL SERVICES" and any drafts thereof that were presented to or considered by the Commissioners of the Fund.
 - 3) Copies of any other executed and draft resolutions discussed at Open and Closed Sessions of the Fund's Meeting of December 31, 2024 including the potential for the Fund to reimburse Current Members for amounts paid to the Mid-Jersey JIF that would be higher than if the Current Members had remained in the Fund, as well as minutes (approved or in draft) and any notes describing the discussions.
 - 4) Certified statement describing when each Resolution was adopted, executed and signed and by whom it was adopted, executed and signed, as well as minutes (approved or in draft) and notes.
 - 5) Certified statement describing the process that was undertaken and the review of related laws in order to effect the Resolutions.
 - 6) Certified statement of the process and outcome of determining whether the resolutions present a conflict of interest in relation to any voting members and/or other parties involved in the process.
4. Information relating to the on-going Governance of the Fund:
 - 1) Certified statement of how the Fund meets the requirements as a Joint Insurance Fund pursuant to N.J.S.A. 40A:10-36 et seq. and N.J.A.C. 11:15-2 as of January 1, 2025.
 - 2) Copies of the updated Fund's By-Laws and Plan of Risk Management and the process that was undertaken and the review of related laws in order to effect governing documents as of January 1, 2025.

In lieu of a personal appearance at the scheduled deposition, production of the information requested above will be accepted.

Failure to comply with the command of this subpoena may subject you to contempt proceedings and to such other penalties as are prescribed by law.

DATED: January 15, 2025



David Wolf
Acting Assistant Commissioner
Division of Insurance
New Jersey Department of Banking and Insurance