

**MONMOUTH MUNICIPAL JOINT INSURANCE FUND
MINUTES
OCTOBER 8, 2020
TELECONFERENCE
1:30 P.M.**

Meeting Called to Order by Chairman Rogers. Open Public Meeting Statement read into the record. Chairman Rogers noted that the Zoom meeting participation information had been posted on the JIF website.

ROLL CALL OF 2020 EXECUTIVE COMMITTEE:

Tom Rogers	Chairman	Boro of Rumson	Present
Bryan Dempsey	Secretary	Spring Lake	Present
EXECUTIVE	COMMITTEE	MEMBERS	
Thomas Nolan		Boro of Brielle	Present
Anthony Mercantante		Middletown	Present
Laurie Roth		Allentown	Present
Jonathan Capp		Marlboro Township	Present
Lori Cole		West Long Branch	Absent

ALTERNATE EXECUTIVE COMMITTEE MEMBERS:

Jeffry Bertrand		Wall Township	Present
Lorraine Carafa		Sea Girt	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director /Administrator	Perma Risk Management Services	Stephen A. Sacco	Present
Attorney	Cleary, Giacobbe, Alfieri, & Jacobs	James Cleary, Esq.	Present
Treasurer		Steven Mayer	Present
Claims Service	Qual-Lynx	Gemma Armenia	Present
Safety Director	JA Montgomery Consulting	Paul Shives	Present
Risk Management Consultants	The Danskin Agency Conner Strong & Buckelew	Charles Casagrande Mike Avalone	Present Present
Auditor	Hulsart & Company	Rich Hellenbrecht	Absent
Actuary	Actuarial Advantage	Kyle Mrotek	Present
Underwriting Manager	Conner Strong & Buckelew	Ed Cooney	Present

ALSO PRESENT

Joseph Hrubash, PERMA
 Robyn Walcoff, PERMA
 Jason Thorpe, PERMA
 Jennifer Conicella, PERMA
 Donna Phelps, Oceanport
 Patricia Linszky, Farmingdale
 Lisa Gallo, QualCare
 Sean Kelly, RMC
 Dominick Cinelli, RMC
 Peter Soriero, RMC
 John Casagrande, Danskin Agency
 Alison Kelly, Danskin Agency
 Joe Mirarchi, JA Montgomery
 Michael Brosnan, JA Montgomery

APPROVAL OF MINUTES: September 10, 2020

MOTION TO APPROVE OPEN MINUTES FOR ABOVE REFERENCED MEETING

MOTION: Commissioner Roth
SECOND: Commissioner Nolan
VOTE: Unanimous

CORRESPONDENCE

None.

TREASURER

Mr. Mayer referred to the Bills List contained within the Agenda Packet.

FUND YEAR	AMOUNT
October Bills List	
2019	\$ 140.94
2020	\$ 213,326.60
TOTAL	\$ 213,467.54

MOTION TO APPROVE RESOLUTION #33-20 APPROVAL FOR PAYMENT OF OCTOBER 2020 BILL LIST

MOTION: Commissioner Capp
SECOND: Commissioner Roth
ROLL CALL VOTE: Unanimous

EXECUTIVE DIRECTOR:

FINANCE COMMITTEE - The Finance Committee held a Budget workshop on October 6, 2020. A verbal report will be provided.

2021 BUDGET PROCESS - Mr. Sacco reported that the Finance Committee held a Budget workshop on October 6, 2020 via Zoom teleconference. He then referred to the proposed 2021 Budget as recommended by the Finance Committee that was distributed prior to the start of the meeting. Mr. Sacco cautioned that the budget numbers are still subject to change between introduction and adoption as Perma and the Risk Management Consultants are still confirming member data. He noted that the largest increases on the budget are the POL/EPL Premium and the Cyber premium, which are increasing by 9.96% and 100% respectively. Mr. Sacco explained that both increases are being driven by claim activity. He added that the Cyber premiums for all local JIFs in the MEL system are increasing by 100%. Mr. Sacco continued to review the various budget line items and advised that the overall proposed budget being recommended by the Finance Committee has an increase of 1.8%. He thanked the Finance Committee for their assistance with preparing the proposed budget and asked if there were any comments or questions on the budget. Chairman Rogers commented that during the budget workshop the Finance Committee had a long discussion on the various line items, especially POL/EPL and Cyber. Chairman Rogers suggested that members who have not had a chance to work with Mr. John Casagrande on the Cyber Compliance Program should contact him for assistance. Mr. Sacco added that Chairman Rogers formed an EPL Claim Review sub-committee. He advised that the sub-committee will meet with EPL carrier and the Underwriting Manager once in 2020 and then on a quarterly basis beginning in 2021. Mr. Sacco asked if there were any further comments or questions on the proposed budget. Hearing none, Mr. Sacco asked for a motion to introduce the proposed 2021 budget and schedule a public hearing.

MOTION TO INTRODUCE THE 2021 BUDGET FOR THE MONMOUTH MUNICIPAL JOINT INSURANCE FUND IN THE AMOUNT OF \$16,155,445 AND SCHEDULE A PUBLIC HEARING FOR NOVEMBER 12, 2020.

MOTION: Commissioner Nolan
SECOND: Commissioner Capp
ROLL CALLVOTE: Unanimous

2020 DIVIDEND - Mr. Sacco reported that the Finance Committee is recommending a dividend of \$1,000,000. He then referred to Resolution # 34-20 that was distributed prior to the start of the meeting for the Board's consideration.

MOTION TO ADOPT RESOLUTION # 34-20 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$1,000,000.

MOTION: Commissioner Capp
SECOND: Commissioner Nolan
ROLL CALLVOTE: Unanimous

AMENDED 2020 FISCAL MANAGEMENT PLAN (FMP) - Mr. Sacco referred Resolution # 35-20 amending the 2020 Fiscal Management Plan of the Monmouth JIF. He noted that one of the signatories from Qual-Lynx has retired and the individual's name is being removed from the FMP for security purposes.

MOTION TO ADOPT RESOLUTION # 35-20 AMENDING THE 2020 MONMOUTH MUNICIPAL JIF FISCAL MANAGEMENT PLAN.

MOTION: Commissioner Capp
SECOND: Commissioner Nolan
ROLL CALLVOTE: Unanimous

MEL 2021 REPRESENTATIVE – Mr. Sacco reported that the MEL's nominating committee will begin its deliberations for the November meeting. He noted that the Fund should nominate its 2021 representative and alternate to the MEL. He further noted that currently Commissioner Nolan is the Fund's MEL representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE MEL AND TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE MEL.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
ROLL CALL VOTE: Unanimous

E-JIF 2021 BUDGET MEETING – Mr. Sacco reported that the public hearing to adopt the E-JIF's 2021 budget will be held on October 21st at 10:50AM via Zoom teleconference. He advised that the Fund should nominate its 2021 representative and alternate to the E-JIF. He noted that currently Commissioner Nolan is the E-JIF representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE E-JIF AND TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE E-JIF.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
ROLL CALL VOTE: Unanimous

RESIDUAL CLAIMS FUND – Mr. Sacco reported that the public hearing to adopt the Residual Claims Fund's 2021 budget will be held on October 21st at 10:30AM via Zoom teleconference. He advised that the Fund should nominate its 2021 representative and alternate to the RCF. He noted that currently Commissioner Nolan is the RCF representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE RCF AND TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE RCF.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
ROLL CALL VOTE: Unanimous

DUE DILIGENCE REPORTS - Mr. Sacco referred the Committee to the Financial Fast Track chart as of August 31st contained within the agenda booklet. He reported that a small deficit in 2019 is being monitored, but noted that there is enough surplus in the fund years to extinguish that deficit. Mr. Sacco reported that the Fund's statutory surplus position is \$8.6 million. He referred to the Loss Ratio Analysis report and advised that claims are trending in the right direction and hopes it continues for the remainder of the year.

ATTORNEY

Mr. Cleary informed the Board that he had nothing to report for the month.

SAFETY DIRECTOR

Mr. Mirarchi reviewed the September activities and the October agenda. He referred to the various bulletins and announcements distributed to the membership since the previous meeting. Mr. Mirarchi also referred to the listing of webinar trainings sessions. Mr. Shives added that there are 7 “Protecting Children from Abuse” webinar training sessions during the month of October, with 2 of being evening sessions. He further added that this is MEL requirement for Managers/Supervisors and Elected Officials.

UNDERWRITING MANAGER

Mr. Cooney reported that his office has contacted municipal clerks of towns that are renewing their JIF membership to secure updated bond applications for statutory positions. He asked that all members scheduled to renew on January 1, 2021 submit updated applications for all bonded individuals as soon as possible.

List of Certificates made part of the Minutes.

RISK MANAGEMENT CONSULTANTS:

Mr. Avalone reviewed the various items with the Risk Management report distributed prior to the start of the meeting. He reminded the Board that the deadline for compliance in the mandatory EPL/POL program is June 1, 2021.

Mr. Casagrande reported that a Designated Employee Representative training session has been scheduled for October 15th via Zoom.

Report and Attachments of Risk Management Consultants made a part of the Minutes

MANAGED CARE:

Ms. Gallo reported that the dedicated Nurse Manager transition is now complete. She advised that the notice was provided to the membership and members should contact her if they have any questions.

Ms. Gallo referred to the Cost Savings report enclosed within the agenda packet. She informed the Committee that for the month of September, there was a savings of \$73,975 resulting in 60% savings. Ms. Gallo then referred the Board to the COVID-19 Exposure Activity Report, also enclosed within the agenda packet.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Sacco informed the Board that the Fund Actuary, Mr. Kyle Mrotek was on the Zoom call, and introduced him to the Committee.

MEETING OPENED TO PUBLIC FOR COMMENT:

None.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

EXECUTIVE SESSION

Chairman Rogers advised that Executive Session was not necessary as the PARs were reviewed by the Claims Committee prior to the meeting and are being recommended for approval as presented.

MOTION TO APPROVE PAYMENT OF CLAIMS AS RECOMMENDED BY THE CLAIMS COMMITTEE AND APPROVE MR. CLEARY’S LEGAL BILLS TOTALING \$432.

Workers’ Comp
2021212364
2019151172
2019162937

GL/AL/PR
2019147759
2019174847
2020207507
2020206878

MOTION: Commissioner Capp
SECOND: Commissioner Bertrand
ROLL CALL VOTE: Unanimous

MOTION TO ADJOURN MEETING

MOTION: Commissioner Bertrand
SECOND: Commissioner Roth
VOTE: Unanimous

Meeting Adjourned at: 1:24 P.M.

NEXT MEETING: November 2020
Wall Township Municipal Building
2700 Allaire Road
Wall, NJ 07719
1:30 P.M.

Secretary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 33-20

OCTOBER 2020

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Monmouth County Municipal Joint Insurance Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001959			
001959	FAIRVIEW INSURANCE AGENCY	RED BANK - RMC FEE BALANCE 2019	0.52
001959	FAIRVIEW INSURANCE AGENCY	KEYPORT - RMC FEE BALANCE 2019	140.42
			140.94
		Total Payments FY 2019	140.94

FUND YEAR 2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001960			
001960	QUAL-LYNX	OUTSIDE ADJ 10/20	6,706.16
001960	QUAL-LYNX	CLAIM ADJ SERVICES 10/20	47,121.79
			53,827.95
001961			
001961	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 10/20	15,990.17
			15,990.17
001962			
001962	QUALCARE, INC.	WORKERS COMP-ACCESS/UM 10/20	17,244.17
			17,244.17
001963			
001963	PERMA	LOSS FUND MGT 10/20	2,867.75
001963	PERMA	ADMIN FEE 10/20	32,455.92
			35,323.67
001964			
001964	THE ACTUARIAL ADVANTAGE, INC.	ACTUARY FEE 10/20	3,708.67
			3,708.67
001965			
001965	CLEARY GIACOBBE ALFIERI & JACOBS, LLC	LEGAL SERVICES 9/20	11,400.50
			11,400.50
001966			
001966	STEPHEN M. MAYER	TREASURER FEE 10/20	1,725.50
			1,725.50
001967			
001967	ASBURY PARK PRESS	ACCT:ASB-040013 - AD - 8.30.20	129.50
			129.50
001968			
001968	BOWMAN & COMPANY LLP	PAYROLL AUDITOR 9/20	16,042.00
			16,042.00
001969			
001969	ALLSTATE INFORMATION MANAGEMNT	ACCT#410 - ARC & STOR - 8.31.20	59.52
			59.52
001970			

001970	DANSKIN INSURANCE AGENCY INC.	RMC FEE 10/20	43,981.58
			43,981.58
001971	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 10/20	1,021.00
			1,021.00
001972	EXECU-TECH, INC.	WEBSITE 10/20	200.00
			200.00
001973	THE CANNING GROUP LLC	QPA SERVICES 8/20	650.00
			650.00
001974	BORDEN PERLMAN	MILLSTONE RMC - 2020	12,022.37
			12,022.37
		Total Payments FY 2020	213,326.60
		TOTAL PAYMENTS ALL FUND YEARS	\$213,467.54

Chairperson

Attest: _____

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

RESOLUTION NO. 34-20

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE MONMOUTH MUNICIPAL
JOINT INSURANCE FUND
AUTHORIZING REFUND OF THE CLOSED YEAR'S AND 2016 FUND YEAR'S
SURPLUS ACCOUNTS**

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the **Monmouth Joint Insurance Fund**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from any claim fund that has been completed for not less than twenty-four months. Based upon this requirement, surplus monies in the Closed Year Accounts are eligible for refunds at the discretion of the FUND, the Department of Banking and Insurance and the Department of Community Affairs.

2. The Executive Committee has balanced the interests of the member authorities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the FUND Actuary are conservative, and because the Banking & Insurance Department and the State regulations require a calculation based on the ratio of paid claims to claim reserves creating a margin of error, it is the conclusion of the Executive Committee that \$800,000 can be refunded from the Closed Fund Years surplus account, \$200,000 can be refunded from the 2016 Fund Year surplus account, and \$206,598 from the E-JIF for a total dividend of \$1,206,598 surplus can be refunded at this time.

Closed Year Account	\$ 800,000
2016	\$ 200,000
E-JIF	\$ 206,598
Total	\$ 1,206,598

3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2019. The aforementioned refund monies shall be allocated, as required and necessary, from the Closed Year Accounts.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member municipalities for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

MONMOUTH MUNICIPAL JOINT INSURANCE FUND

RESOLUTION NO: 35-20

MONMOUTH MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")

AMENDING FISCAL MANAGEMENT PLAN

FOR THE 2020 FUND YEAR

WHEREAS, THE FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

WHEREAS, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.) ; and

NOW, THEREFORE BE IT RESOLVED, THE FUND's Executive Committee that:

- I.** All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution:

Thomas Rogers	CHAIRMAN
Bryan Dempsey	SECRETARY
Steve Mayer	TREASURER
Thomas Nolan	COMMISSIONER

- II.** All funds for Claims payments shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution,

Steve Mayer	Treasurer
Alice H. Lihou	Qual-Lynx
David S. Ruber	Qual-Lynx

FOR WIRE TRANSFERS - that the FUND does hereby require that Investors Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.

- III.** The Cash and Investment Policy attached herewith, shall be adopted.

- IV. The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment with a grace period for the first (1st) assessment installment paid to be January 31, and the second (2nd) assessment installment paid to be July 31.
- V. Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.
- VI. In accordance with the MEL's Retrospective Rating Program, the FUND does hereby transfers the aggregate excess contingency line item collected with 2020 Fund assessments to the Aggregate Loss Fund Contingency Account.

Adopted this 8th day of October, 2020.

**MONMOUTH MUNICIPAL JOINT INSUTRANCE FUND
2020 CASH MANAGEMENT AND INVESTMENT POLICY**

- 1.) *Cash Management and Investment Objectives*

The Monmouth Municipal Joint Insurance Fund (hereinafter referred to as the FUND) objectives in this area are:

- a) Preservation of capital.
- b) Adequate safekeeping of assets.
- c) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e) Maximization of total return, consistent with risk levels specified herein.
- f) Investment of assets in accordance with State and Federal Laws and Regulations.
- g) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i) Stability in the value of the FUND's economic surplus.

2.) **Permissible Investments**

Investments shall be limited to investments authorized under N.J.S.A. 40A:5-1.1 Joint Insurance Funds and Chapter 38, Joint Insurance Funds, Subchapter 1. Investments 5:38-1.1, 5:38-1.2 and 5:38-1.3 of the New Jersey Administrative Code.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories include but are not limited to:

Investors Bank

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall identify the investment that is the most advantageous to the fund, unless otherwise directed by the FUND. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-16.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.)* The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.)* The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims impress accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.