

**METROPOLITAN HEALTH INSURANCE FUND
DESIGNATING AUTHORIZED DEPOSITORIES FOR FUND ASSETS
AND ESTABLISHING CASH MANAGEMENT PLAN FOR 2025**

BE IT RESOLVED that the following Cash and Investment Management Plan be and is hereby adopted.

b.) *Cash Management and Investment Objectives*

The Metropolitan Health Insurance Fund (hereinafter referred to as the FUND) objectives in this area are:

- b.) 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.

2.) *Permissible Investments*

Investments shall be limited to investments authorized under N.J.S.A. 40A:5-15.1 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 are as follows:

Citizens Bank
Kearny Bank
TD Bank
New Jersey Cash Management Fund
Bogota Savings Bank
Blue Foundry 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 manage the FUND's cash and investments in a manner consistent with this plan and all appropriate regulatory constraints.

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 Custodial and Operating Banks**

Custodial 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**

The Treasurer shall report to the Executive Board 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 prepared by the FUND's 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 the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- b.) 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.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Executive Board at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest 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.

The rate of interest on delinquent assessments shall be 10% per annum from the due date for any such assessment.

To assure timely payment of monthly assessments, the Fund shall implement a process of automatically initiating transfers from member entity bank accounts into the Fund accounts after detailed monthly assessment invoices are supplied to the member entities.

ADOPTED: January 16, 2025