



NJSIG

Board of Trustees Meeting

September 15, 2021



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

2021/2022 NJSIG Board of Trustees

Christopher Russo, Ed.D. Chairperson ❖2019-2022 South Business Administrator	West Windsor-Plainsboro Regional 55 Grovers Mill Road Plainsboro, NJ 08536	Christopher.Russo@ww-p.org Committees: Claims, Personnel
Dana Sullivan Vice-Chairperson ❖2019-2022 Central Business Administrator	Westfield Board of Education 302 Elm Street, Rm 101 Westfield, NJ 07090	dsullivan@westfieldnj12.org Committees: Claims, Policy
Richard J. Casey Trustee ❖2021-2022 Central Board Member	Ocean Gate Board of Education 200 W. Arverne Ave., PO Box 1039 Ocean Gate, NJ 08740	richard.casey1@comcast.net Committee: Finance
Christopher Carrubba Trustee ❖2021-2024 North Superintendent	Belvidere and Harmony Township Schools 809 Oxford Street Belvidere, NJ 07823	ccarrubba@belvideresd.org Committee:
Joseph Meloche, Ed.D. Trustee ❖2019-2021 South Superintendent	Cherry Hill Public Schools 45 Ranoldo Terrace Cherry Hill, NJ 08034	JMeloche@chclc.org Committee: Personnel
Steven K. Robinson Trustee ❖2021-2021 North Business Administrator	Livingston Township Board of Education 11 Foxcroft Drive Livingston, NJ 07039	srobinson@livingston.org Committee: Finance
Irene Le Febvre Chairperson ❖2019-2022 North Board Member	Boonton Board of Education 434 Lathrop Ave. Boonton, NJ 07005	momlefebvre@hotmail.com Committees: Claims, Policy
Stephanie Brown, Ed.D. Trustee ❖2020-2023 Central Superintendent	Milltown Board of Education Joyce Kilmer School 21 West Church Street Milltown, NJ 08850	sbrown@milltownps.org Committee: Finance
Josephine Sharpe Trustee ❖2020-2023 South Board Member	Wildwood Board of Education 4300 Pacific Avenue Wildwood, NJ 08260	jm.sharpe@hotmail.com Committee: Personnel
Jill Deitch, Esq. Executive Director	6000 Midlantic Drive, Suite 300 North Mount Laurel, NJ 08054	jdeitch@njsig.org

**New Jersey Schools Insurance Group
Trustee Terms**

6/12/2019 Board Meeting

	<u>South</u>	<u>Central</u>	<u>North</u>
<u>NJASA</u>	Joseph Meloche, Ed.D. 7/1/2019 - 6/30/2021	Gerald North 6/30/2022	James J. Jencarelli, Jr. 6/30/2021
<u>NJASBO</u>	Christopher Russo, Ed.D. 7/1/2019 - 6/30/2022	Dana Sullivan 6/30/2022	Steven K. Robinson 6/30/2021
<u>NJSBA</u>	Vacant 6/30/2020	Thomas F. Connors, Ph.D. 6/30/2022	Irene Le Febvre 6/30/2022

1/15/2020 Board Meeting

	<u>South</u>	<u>Central</u>	<u>North</u>
<u>NJASA</u>	Joseph Meloche, Ed.D. 7/1/2019 - 6/30/2021	Stephanie Brown, Ed.D. 1/15/2020 - 6/30/2020	James J. Jencarelli, Jr. 6/30/2021
<u>NJASBO</u>	Christopher Russo, Ed.D. 7/1/2019 - 6/30/2022	Dana Sullivan 6/30/2022	Steven K. Robinson 6/30/2021
<u>NJSBA</u>	Vacant 6/30/2020	Thomas F. Connors, Ph.D. 6/30/2022	Irene Le Febvre 6/30/2022

3/9/2020 Board Meeting

	<u>South</u>	<u>Central</u>	<u>North</u>
<u>NJASA</u>	Joseph Meloche, Ed.D. 7/1/2019 - 6/30/2021	Stephanie Brown, Ed.D. 1/15/2020 - 6/30/2020	James J. Jencarelli, Jr. 6/30/2021
<u>NJASBO</u>	Christopher Russo, Ed.D. 7/1/2019 - 6/30/2022	Dana Sullivan 6/30/2022	Steven K. Robinson 6/30/2021
<u>NJSBA</u>	Josephine Sharpe 3/9/2020 - 6/30/2020	Thomas F. Connors, Ph.D. 6/30/2022	Irene Le Febvre 6/30/2022

6/17/2020 Board Meeting

	<u>South</u>	<u>Central</u>	<u>North</u>
<u>NJASA</u>	Joseph Meloche, Ed.D. 7/1/2019 - 6/30/2021	Stephanie Brown, Ed.D. 7/1/2020 - 6/30/2023	James J. Jencarelli, Jr. 6/30/2021
<u>NJASBO</u>	Christopher Russo, Ed.D. 7/1/2019 - 6/30/2022	Dana Sullivan 6/30/2022	Steven K. Robinson 6/30/2021
<u>NJSBA</u>	Josephine Sharpe 7/1/2020 - 6/30/2023	Thomas F. Connors, Ph.D. 6/30/2022	Irene Le Febvre 6/30/2022

1/13/2021 Board Meeting

	<u>South</u>	<u>Central</u>	<u>North</u>
<u>NJASA</u>	Joseph Meloche, Ed.D. 7/1/2019 - 6/30/2021	Stephanie Brown, Ed.D. 7/1/2020 - 6/30/2023	James J. Jencarelli, Jr. 6/30/2021
<u>NJASBO</u>	Christopher Russo, Ed.D. 7/1/2019 - 6/30/2022	Dana Sullivan 6/30/2022	Steven K. Robinson 6/30/2021
<u>NJSBA</u>	Josephine Sharpe 7/1/2020 - 6/30/2023	Vacant 6/30/2022	Irene Le Febvre 6/30/2022

3/17/2021 Board Meeting

	<u>South</u>	<u>Central</u>	<u>North</u>
<u>NJASA</u>	Joseph Meloche, Ed.D. 7/1/2019 - 6/30/2021	Stephanie Brown, Ed.D. 7/1/2020 - 6/30/2023	James J. Jencarelli, Jr. 6/30/2021
<u>NJASBO</u>	Christopher Russo, Ed.D. 7/1/2019 - 6/30/2022	Dana Sullivan 6/30/2022	Steven K. Robinson 6/30/2021
<u>NJSBA</u>	Josephine Sharpe 7/1/2020 - 6/30/2023	Richard J. Casey 3/17/21 - 6/30/2022	Irene Le Febvre 6/30/2022

6/16/2021 Board Meeting

	<u>South</u>	<u>Central</u>	<u>North</u>
<u>NJASA</u>	Joseph Meloche, Ed.D. 7/1/2021 - 6/30/2024	Stephanie Brown, Ed.D. 7/1/2020 - 6/30/2023	Chris Carrubba 7/1/2021 - 6/30/2024
<u>NJASBO</u>	Christopher Russo, Ed.D. 7/1/2019 - 6/30/2022	Dana Sullivan 6/30/2022	Steven K. Robinson 7/1/2021 - 12/31/2021
<u>NJSBA</u>	Josephine Sharpe 7/1/2020 - 6/30/2023	Richard J. Casey 3/17/21 - 6/30/2022	Irene Le Febvre 6/30/2022

 : denotes changes made at Board meeting

 : denotes changes proposed at Board meeting



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Meeting Dates 2020/2021

July 27, 2021

September 15, 2021

October 20, 2021

November 17, 2021

January 26, 2022

March 23, 2022

May 18, 2022

June 15, 2022

All meetings will take place at the Mount Laurel Office and via GoToMeeting at 10:00 a.m. unless otherwise noted.



New Jersey Schools Insurance Group
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BOARD OF TRUSTEES MEETING
Wednesday, September 15, 2021
6000 Midlantic Drive, Suite 300 North, Mount Laurel, NJ
Meeting 10:00 a.m.

SEPTEMBER AGENDA

PUBLIC SESSION

ITEM #

1. Call to Order

In accordance with the Sunshine Law and N.J.S.A. 10:4-10, due notice of all pending meetings was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on July 28, 2021. Copies of these notices are on file with the New Jersey Secretary of State.

2. Roll Call

Stephanie Brown, Ed.D.
Richard J. Casey
Christopher Carrubba

Irene Le Febvre
Joseph Meloche, Ed.D.
Steven K. Robinson

Christopher Russo, Ed.D.
Josephine Sharpe
Dana Sullivan

3. Acceptance of the public and executive session minutes for June 16, 2021 and the public session minutes for July 27, 2021 – Board retreat.

4. Public Participation - Opportunity for public to address the NJSIG Trustees regarding specific agenda items. Each person will have five minutes to speak.

5. Sub-fund Liaisons - Reports/Comments

6. Reports:

- A. Executive Director Report
- B. Accounting/Finance Report

Jill Deitch
Michele Carosi

- C. Underwriting Report Claire King
 - D. Claims Report Sherwin Archibald
 - E. Information Technology Report Jeff Cook
7. Discussion Items:
- A. WTW Net liabilities (reserve) study, presentation Stacy Mina, WTW
 - B. Mask mandate Jill Deitch
 - C. Risk Based Capital/Surplus Study Guideline Michele Carosi
8. Action Items:
- A. WTW Net liabilities (reserve) study, adoption Michele Carosi
(**NJSIG No. 0921-1**)
 - B. Safety grant declaration Michele Carosi
(**NJSIG No. 0921-2**)
 - C. Checking accounts and new claims ratification Michele Carosi
(**NJSIG No. 0921-3**)
 - D. Refund of member contributions due to COVID-19 Jill Deitch
(**NJSIG No. 0921-4**)
 - E. Outside counsel – subro., coverage, school bd. ins. group Sherwin Archibald,
Jill Deitch
(**NJSIG No. 0921-5**)
 - F. Outside counsel – employment practices hotline Sherwin Archibald,
Jill Deitch
(**NJSIG No. 0921-6**)
 - G. Insurance brokerage services Jill Deitch
(**NJSIG No. 0921-7**)
9. New Business
10. Executive Session

EXECUTIVE SESSION

EXECUTIVE SESSION RESOLUTION

WHEREAS, N.J.S.A. 10:4-6 et. seq., (“the Open Public Meetings Act”), authorizes public entities to meet in executive session under certain circumstances; and

WHEREAS, the Open Public Meetings Act requires that the Group adopt a resolution at a public meeting to go into private session; now, therefore,

BE IT RESOLVED by the Board of Trustees of the New Jersey Schools Insurance Group that it is necessary to meet in executive session to discuss certain items involving:

- A. Litigation; and/or
- B. Matters involving attorney client privilege; and/or
- C. Matters involving pending contract negotiation; and/or
- D. Matters involving terms and conditions of employment of current public employee

BE IT FURTHER RESOLVED that any discussion held by the Board of Trustees which need not remain confidential will be made public as soon as feasible. The minutes of the executive session will not be disclosed until the need for confidentiality no longer exists.

FURTHER RESOLVED that the Board of Trustees will not return to open session to conduct business at the conclusion of the executive session.



New Jersey Schools Insurance Group
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Board of Trustees Meeting of September 15, 2021
Board of Trustees Meeting Minutes of June 16, 2021

New Jersey Schools Insurance Group's (NJSIG) Board of Trustees Meeting of June 16, 2021 at NJSIG's Mount Laurel office.

ATTENDEES

Trustees: Irene Le Febvre, Richard Casey, Steven Robinson, Dana Sullivan, Christopher Russo, Ed. D., Stephanie Brown, Josephine Sharpe;

Participants: David Rapuano, Esq. of *Archer*, Chris Carrubba (prospective board member), Phil Williams of *Willis Re Pooling*, Joanne Kirby of *Willis Re Pooling*, Jay Lynch of *Alliant/Boynton*, Latonya Brennan of *Arthur J. Gallagher & Co.*, Dan Regan of *Arthur J. Gallagher & Co.*, Casey Byrne of *J. Byrne Agency*, Jim Ridgway of *J. Byrne Insurance*, Alfred Kirk of *Conner Strong*, Gail White of *Regional Risk Managers*, Jack Zisa of *Regional Risk Managers*, Bob Gemmell of *Brown and Brown Metro*, Dominick Cinelli of *Brown and Brown Metro*;

NJSIG

Staff: Jill Deitch, Esq., *Executive Director*, Michele Carosi, *Chief Financial Officer*, Jeff Cook, *Information Systems Manager*, Claire King, *Underwriting Manager*, Debra Rice, *Client Relations/Safety and Risk Control Manager*, Sherwin Archibald, *Claims Manager*, Stephen Tucker, Esq., *General Counsel*, Beth Ferlicchi, Esq., *Assistant General Counsel*, Renee Johnson-Payne, *Executive Assistant*, Lauren Schilling, *Marketing and Communication Specialist*, Ivy Davis, *Sr. Business Development Specialist*, Joseph Semptimphelter, *Sr. Business Development Specialist*, Sameer Sarfraz, *Sr. Safety and Risk Control Rep.*, Joanne Gunter, *Sr. Safety and Risk Control Coordinator*, Jacquie Godfrey, *Safety and Risk Control Coordinator*, Leslie McMahon, *Actuarial Analyst*; Michael N Weiner, *Workers' Compensation Supervisor*

ITEM #1 CALL TO ORDER

Pursuant to N.J.S.A. 10:4-10, with a quorum present, the meeting was called to order at approximately 10:00 a.m. In accordance with the Sunshine Law and N.J.S.A. 10:4-10, due notice of this meeting was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on September 11, 2020. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Stephanie Brown, Ed.D.	√	Irene Le Febvre	√	Chris Russo, Ed.D.	√
Richard Casey	√	Joseph Meloche, Ed.D	A	Josephine Sharpe	√
James J. Jencarelli, Jr.	A	Steven K. Robinson	√	Dana Sullivan	√

ITEM #3 ACCEPTANCE OF THE PUBLIC SESSION AND EXECUTIVE SESSION MINUTES OF MAY 19, 2021.

Action Taken: M (Sullivan)\ S (Robinson)\ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to accept the May 19, 2021 public session and executive session Board of Trustees meeting minutes.

ITEM #4 PUBLIC PARTICIPATION

There was no public participation.

ITEM #5 SUB-FUND LIAISONS – Reports/Comments

Latonya Brennan of Arthur J. Gallagher & Co. thanked the NJSIG staff and leadership for their hard work and due diligence with preparing and releasing quotes during this tumultuous time.

Jack Zisa of Regional Risk Managers representing NJEIF thanked NJSIG for the relationship and support during this difficult time.

Dominick Cinelli of Brown and Brown Metro representing ERIC West thanked the Client Relations and Underwriting Department for distributing renewal quotes so quickly during their busy season.

Jim Ridgway of J. Bryne Agency representing CAIP thanked the Client Relations and Underwriting Departments for their work this renewal season. Their next virtual sub-fund meeting “Managing IEP Risks in the COVID-19 Era,” hosted by David Nash, John Worthington, Jodi Howlett and Neil Marek, will take place on June 17, 2021. Ridgway was pleased with the topic and feedback from CAIP’s May virtual sub-fund meeting regarding Title 44.

ITEM #6 REPORTS:

A. Executive Director’s Report

Jill Deitch, Executive Director, introduced Chris Carrubba, Superintendent of Belvidere and Harmony School Districts in Warren County as the prospective board member. Carrubba was highly recommended by the New Jersey Association of School Administrators (NJASA) to fill the vacancy on the Board of Trustees.

Deitch provided an overview of her report and an update on the status of NJSIG. Deitch discussed the correspondence to the members regarding NJSIG’s response to the cyber insurance market changes.

B. Accounting/Finance Report

Michele Carosi, Chief Financial Officer, provided an overview of her report and an update on the status of her department. Carosi reported that the auditors at Bowman will conduct the 2020-2021 financial audit virtually again this year. She presented an update regarding the COVID-19 member contribution returns. Carosi announced NJSIG was selected by the Department of Pension and Benefits to be audited. Both audits will run concurrently.

C. Client Relations and Safety and Risk Control Report

Debra Rice, Client Relations and Safety and Risk Control Manager, provided an overview of her report and an update on the status of her department. Rice reported five sub-funds will be coming out of

commitment this year, which is 207 members. Client Relations has been very busy with the cyber liability issue and the demands of renewal season. Rice also reported that NJSIG is going to offer virtual trainings to the school nurses on processing reports for the workers' compensation program.

Rice also noted that NJSIG will be a premier sponsor at the NJSBA Workshop in October and that it will be virtual again.

D. Underwriting Report

Claire King, Underwriting Manager, provided an overview of her report and an update on the status of her department. King commented that the renewal is going very well. She commended the Sub-fund Administrators and brokers for their patience and professionalism while dealing with the cyber market crisis.

E. Claims Report

Sherwin Archibald, Claims Manager, provided an overview of his report and an update on the status of his department.

F. Information Technology Report

Jeff Cook, Information Systems Manager, provided an overview of his report and an update on the status of his department.

ITEM #7 DISCUSSION ITEMS

A. Trustee nominations

Discussion item presented by Deitch. Deitch reported in addition to Carrubba's nomination, Joseph Meloche, Ed.D., and Steven Robinson have been re-nominated by their respective associations.

B. Board retreat dates

Discussion item presented by Deitch. Deitch announced the tentative date for the board retreat will be July 27, 2021 at 10:00 am, and there will be a virtual component.

C. NJSIG return to office

Discussion item presented by Deitch. Deitch reported Governor Murphy rescinded the stay at home orders. NJSIG employees will return to the office twice per week beginning in September. Deitch also discussed the possibility of developing a remote work policy independent of the COVID-19 pandemic in the future.

D. Sub-fund administration services

Discussion item presented by Deitch. Deitch discussed the sub-fund administration service contracts for CAIP, ERIC North, ERIC West, and NJEIF will expire on June 30, 2021. Deitch plans to extend the sub-fund administration service contracts for CAIP, ERIC North, ERIC West, and NJEIF for the two additional one-year terms, per the prior resolutions.

ITEM #8 ACTION ITEMS:

A. 2021-2022 Budget – Second Reading (NJSIG No. 0621-1)

Action Taken: M (Robinson) \ S (Russo) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to approve the 2021-2022 Budget as presented for a second and final reading.

B. 2021-2022 Plan of Risk Management – Second Reading (NJSIG No. 0621-2)

Action Taken: M (Sullivan) \ S (Robinson) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to approve the 2021-2022 Plan of Risk Management as presented for a second and final reading.

C. 2021-2022 Meeting Dates – Second Reading (NJSIG No. 0621-3)

Action Taken: M (Russo) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to approve the 2021-2022 Meeting Dates for a second and final reading.

D. NJSIG Trustee Nominations (NJSIG No. 0621-4)

Action Taken: M (Sullivan) \ S (Russo) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to renew the term for Trustee Joseph Meloche, Ed.D. for three years, to run from 7/1/2021 to 6/30/2024; to renew the term for Trustee and for Steven K. Robinson, for six months, to run from 7/1/2021 to 12/31/2021; to approve the nomination of Christopher Carrubba as the superintendent representative from the northern region of the state, to serve one three-year term, from 7/1/2021 - 6/30/2024.

E. Excess and reinsurance for the 21-22 policy year (NJSIG No. 0621-5)

Action Taken: M (Robinson) \ S (Russo) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to approve the award of contracts for excess and reinsurance for the 2021-2022 policy year to the insurance entities outlined on the resolution.

F. Contracting: Actuarial services (NJSIG No. 0621-6)

Action Taken: M (Sullivan) \ S (Russo) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to award the contract for actuarial services to Willis Towers Watson, based on the results of the committee's evaluation.

G. Checking Accts. & New Claims Ratification (NJSIG No. 0621-7)

Action Taken: M (Russo) \ S (Robinson) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to approve and ratify the checks and new claims which have been issued from accounts XXXXXXXX210 (operating account) and XXXXXXXX229 (claim account) for the period of 05/1/2021 to 05/31/2021 as shown in the online (Microscribe) version of the meeting package.

ITEM #9 NEW BUSINESS

There was no new business.

ITEM #10 EXECUTIVE SESSION

Action Taken: M (Robinson) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to go into executive session to discuss litigation, matters of attorney client privilege, etc. at 10:37 a.m.

Action Taken: M (Sullivan) \ S (Casey) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to exit executive session and go back into public session, at 11:14 a.m.

ITEM #11 DISCUSSION ITEM (CONTINUED):

E. Position grades and wage ranges

Discussion of position grades and wage ranges, how changes could impact the notified employees, and the legal implications of the wage ranges.

ITEM #12 ACTION ITEM (CONTINUED):

G. Position grades and wage ranges (NJSIG No. 0621-8)

Action Taken: M (Robinson) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to make the following changes to NJSIG's position grades and wage ranges: increase the minimum, midpoint and maximum, for position grades 8 through 16 only, by 1.3% (the social security cost of living adjustment for 2021); grade level 23 to remain by contract; grade level 22 and 7 removed as there are no applicable positions.

H. Adjourn meeting

Action Taken: M (Robinson) \ S (Sullivan) \ Carried (Affirmative Votes = Brown, Casey, Le Febvre, Robinson, Russo, Sharpe, Sullivan) to adjourn the meeting at 11:18 am.

Jill Deitch

Jill Deitch, Esq.
Executive Director



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Board of Trustees Meeting of September 15, 2021
Board of Trustees Meeting Minutes of July 27, 2021 – Board Retreat

New Jersey Schools Insurance Group’s (NJSIG) Board of Trustees Meeting of July 27, 2021 – Board Retreat, at NJSIG’s Mount Laurel office.

ATTENDEES

Trustees: Chris Carrubba, Dana Sullivan, Richard Casey, Christopher Russo, Ed. D., Steven Robinson, Stephanie Brown, Irene Le Febvre, Joseph Meloche

Participants: David Rapuano, Esq. of *Archer*

NJSIG

Staff: Jill Deitch, Esq., *Executive Director*, Michele Carosi, *Chief Financial Officer*, Jeff Cook, *Information Systems Manager*, Claire King, *Underwriting Manager*, Debra Rice, *Client Relations/Safety and Risk Control Manager*, Sherwin Archibald, *Claims Manager*, Stephen Tucker, Esq., *General Counsel*, Beth Ferlicchi, Esq., *Assistant General Counsel*, Renee Johnson-Payne, *Executive Assistant*, Ivy Davis, *Sr. Business Development Specialist*, Sameer Sarfraz, *Sr. Safety and Risk Control Rep.*

ITEM #1 CALL TO ORDER

Pursuant to N.J.S.A. 10:4-10, with a quorum present, the meeting was called to order at approximately 10:10 a.m. In accordance with the Sunshine Law and N.J.S.A. 10:4-10, due notice of this meeting was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on July 26, 2021. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Stephanie Brown, Ed.D.	√	Irene Le Febvre	√	Chris Russo, Ed.D.	√
Richard Casey	√	Joseph Meloche, Ed.D	√	Josephine Sharpe	A
Chris Carrubba	√	Steven K. Robinson	√	Dana Sullivan	√

ITEM #4 PUBLIC PARTICIPATION

There was no public participation.

ITEM #5 SUB-FUND LIAISONS – Reports/Comments

There were no sub-fund liaison reports/comments.

ITEM #6 REPORTS:

There were no management reports.

ITEM #7 DISCUSSION ITEMS

A. New Chairperson discussion - Discussion item presented by Deitch. Russo indicated that he intends on leaving the NJSIG Board of Trustees in June 2022.

ACTION ITEMS:

1. Motion to appoint Russo as Chairperson of the Board

Action Taken: M (Russo)\ S (Le Febvre)\ Carried (Affirmative Votes = Carrubba, Sullivan, Casey, Russo, Robinson, Brown, Le Febvre, Meloche) to appoint Russo as Chairperson of the Board.

2. Motion to appoint Sullivan as Vice Chairperson of the Board

Action Taken: M (Le Febvre)\ S (Meloche)\ Carried (Affirmative Votes = Carrubba, Sullivan, Casey, Russo, Robinson, Brown, Le Febvre, Meloche) to appoint Sullivan as Vice Chairperson of the Board.

DISCUSSION ITEMS (CONTINUED)

- B. Pooling discussion and the future of NJSIG** - Discussion item presented by Deitch. Archibald, King, Carosi and Tucker also contributed to the presentation.
- C. NJSIG COVID-19 2020/2021 refund** - Discussion item presented by Deitch. Trustees expressed an interest in the COVID-19 2020/2021 refund project. Deitch indicated we will begin exploring this.
- D. Cyber liability retentions** - Trustees expressed an interest in exploring cyber liability retentions and alternative options to work on this issue and help districts address increased deductibles.
- E. NJSIG Trustees' obligations** - Rapuano presented on Board of Trustee membership. This presentation was an overview of the Trustees' obligations under NJSIG's bylaws.

ITEM #8 ACTION ITEMS:

There were no other action items.

ITEM #9 NEW BUSINESS

There was no new business.

ITEM #10 MOTION TO ADJOURN

Action Taken: M (Le Febvre)\ S (Robinson)\ Carried (Affirmative Votes = Carrubba, Sullivan, Casey, Russo, Robinson, Brown, Le Febvre, Meloche) to adjourn the meeting at 11:46 am.

Jill Deitch

Jill Deitch, Esq.
Executive Director



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Board of Trustees Meeting of September 15, 2021 Executive Director Report

This school year begins with all NJSIG members returning to in-person instruction. Although there are many reasons to celebrate this return, NJSIG members continue to face difficult decisions and have plenty of challenges to confront. NJSIG is determined to support its members in meaningful ways.

We recently met with all the sub-fund administrators to ensure members are still deriving valuable benefits from sub-fund membership and to discuss the 21/22 renewal challenges in order to strategize plans for the 22/23 renewal. All of the upcoming sub-fund meetings this fall will be virtual. Meetings for the winter and spring will be decided at a later time.

Just as NJSIG's membership is returning to the classroom, NJSIG is returning to the office. Our latest COVID-19 Memorandum, attached, outlines a return to the office for all staff, for a minimum of two days a week.

Ensuring NJSIG's continued productivity was a significant consideration in deciding how many days per week employees should come into the office beginning in September 2021. My main concern with having many employees working remotely for so long is the reduced cohesion of the organization. I am concerned that conversations that spontaneously occurred while we were all together are not happening with so many of us remote. But those conversations are often where our new and best ideas are born. In the long term, losing out on those moments could lead to missed opportunities or reduced productivity.

I understand that different employees may be able to achieve different levels of productivity depending on their work environment. But working 100% remotely reduces the perceived availability of staff members to each other, and this reduces the cohesion, or interconnectedness, of our organization.

I believe that two days per week in the office for all employees will help us to regain that sense of interconnectedness that we may have lost with so many of us being remote, while still limiting the risk of spread of COVID-19 in the workplace. I also think organizational cohesion helps us create a shared sense of purpose. And for NJSIG, as a member-owned and member-controlled organization, it is particularly important that all employees have a strong sense of shared purpose. My overarching goals are always to keep providing our members with the great coverage and service that they have come to expect, while keeping our pricing as cost-effective and stable as we can.

Many employees have expressed an interest in continuing some type of remote work in the future, not related to the COVID-19 situation. I am open to considering whether a partial remote work policy could work for NJSIG in the future. I know some commercial carriers have been doing that for a while, but as a public entity, we would have some different considerations. I plan to reassess the status of operations after September.

Next, at today's meeting, our actuary from Willis Towers Watson is going to present their draft report on NJSIG's Estimated Net liabilities as of June 30, 2021. This report is prepared every year to help guide NJSIG in calculating how much money we will need to cover all of our claims obligations, for all prior years, for all lines of coverage.

Next, our claims activity on the workers' compensation line, from July 2020 to June 4, 2021, was down considerably, presumably as a result of the reduced physical operations of NJSIG's members due to remote and hybrid learning. In light of this, the Board authorized me at the July 2021 meeting to determine a manner in which to return some portion of member contributions.

I intend to send to the NJ Department of Banking and Insurance (DOBI) another request to permit NJSIG to immediately perform an initial partial refund of workers' compensation member contributions for the 2020/2021 fiscal year. This refund would be performed in accordance with N.J.A.C. 11:15-4.21(d) and paid in proportion to the member's participation in the WC fund for 2020/2021. Today, I will recommend that this refund be 10%, approximately \$6,346,945.53, for the workers' compensation line of coverage from July 1, 2020 until June 4, 2021, which is the date that the Governor signed legislation ending the COVID-19 public health emergency.

As I intend to outline in a detailed communication to DOBI, NJSIG is in a sufficiently strong financial position to offer this refund, and our decrease in claims experience supports an immediate return of member contributions on the workers' compensation

line. However, under the school board insurance group regulations (N.J.A.C. 11:15-4.21), initial refunds may not be issued until at least twenty-four months have elapsed from the end of the fiscal year. My letter will request that DOBI forgo the 24-month requirement of N.J.A.C. 11:15-4.21 – similar to last year – so that NJSIG can immediately initiate this member return for the 2020/2021 fiscal year. We will not be able to start issuing these refunds until we get approval from DOBI. I will of course keep you updated on when this request goes out to DOBI and any response that we get back from DOBI.



New Jersey Schools Insurance Group
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Mount Laurel, New Jersey 08054
www.njsig.org

Board of Trustees Meeting of September 15, 2021 Accounting/Finance Report

- ACCOUNTING DEPARTMENT PROCESSES:

- (1) **Billing & Accounts Receivable Processes:** NJSIG's Accounting Department processed \$108.5 million of 2021/2022 renewal gross member contributions and endorsements in the PeopleSoft Billing Module as of the date of this report (09/08/2021). The Accounting Department is current with all business that was bound and exported from the Underwriting system (Navrisk). In addition, the Accounting Department continues to invoice NJSIG's members in the PeopleSoft Billing system for monthly Workers Compensation installments and miscellaneous endorsements as the billing data is exported from Navrisk. The Accounting Department collected and applied \$6.7 million of members' contribution deposits (to date) for the 2021/2022 fiscal year. Collections of NJSIG member contributions are kept current with the Accounting Department's issuance of color-coded NJSIG member statements on the 15th of each month.

- (2) **Accounts Payable:** All accounts payable vouchers and payments are current. The Accounting Department processed \$475,000 of broker commissions as part of the direct bill procedures during the 2020/2021 fiscal year.

- **FINANCIAL REPORTS:**

Please find the attached final *preliminary 06/30/2021 financial reports*. I have also included the 06/03/2021 Investment & Cash reports. The attached 06/30/21 financial reports were audited and approved by the Bowman auditors, but are pending trustee resolution of any 06/30/21 safety grant declaration and/or any COVID-19 Relief Assistance program (to be determined by the Trustees as action items at the 09/15/21 meeting).

The attached *preliminary 06/30/2021 financial reports* yield a positive change in net position of \$41.0 million (prior to any safety grant or COVID-19 Relief Assistance declarations). The following are the major contributors to this strong FY2020/2021 net change in position:

- **Member Contributions** – FY2020/2021 gross member contributions of \$141.7 million were the major source of income for the fiscal year. (This \$141.7 million was slightly higher (1.4%) from the FY2019/2020 amount of \$139.7 million). FY2020/2021 gross member contributions are offset by \$(16.1) million of broker commission expenses and \$(39.7) million of reinsurance expenses. (These same FY2019/2020 expense amounts were slightly lower by 4.5% for the \$(15.4) million of broker commission expenses and 9.4% for the \$(36.3) million of reinsurance expenses.) FY2020/2021 net member contributions were \$85.9 million (\$141.7+

\$(16.1) + \$(39.7)) versus the FY2019/2020 net member contributions of \$88 million (\$139.7 + \$(15.4) + \$(36.3)), which represents a net decrease of (2.4) percentage for FY2020/2021.

- **Investment Income** - FY2020/2021 net investment income of \$1.3 million was the second largest income contributor to the net change in position. (This \$1.3 million was \$6.7 million (83.4%) less compared to the FY2019/2020 \$8.0 million of net investment income. This is primarily the result of the unfavorable investment market conditions.)
- **Claims Results** – FY2020/2021 net claim expense (paid loss expenses, changes in reserves, reinsurance recovery and subrogation income) of \$(34.4) million was the largest offset to the operating income. (This \$(34.4) million of net claims expense was (25.8%) less than the FY2019/2020 net claims expense of \$(46.3) million). Favorable FY2020/2021 net paid claims were primarily the result of a decrease in paid claim losses and increases in reinsurance recoveries and subrogation income received, coupled with actuarial reductions in claims reserves.
- **Administrative Expenses** – All other FY2020/2021 administrative expenses (including payroll/personnel expenses) of \$(11.8) million were slightly lower (9.2%) than the FY2019/2020 administrative expense (including payroll/personnel expenses and excluding safety grant expense) of \$(13.0) million.

- **SPECIAL PROJECTS:**

In addition to my standard responsibilities, I have also been working on the following special projects:

- (1) 2020/2021 Financial Audit: This was the second year that NJSIG participated in a virtual/remote audit as a result of the COVID-19 pandemic. The Accounting Department seamlessly provided the Bowman auditors with all of their requests for schedules, reports, “prepared by client” worksheets and supporting documentation for their test/audit samplings. I worked closely with the auditors to answer all questions and coordinate the collection of sample data with the Accounting Department staff, as well as other department managers. The auditors have approved the attached preliminary financial reports and will prepare their audit report for your review and approval at the October (or November) meeting. I will share with you any of their updated and/or management recommendations, prior to the presentation of the final audit report at the October/November meeting.
- (2) COVID-19 Relief Assistance and 06/30/2021 Safety Grant – Jill Deitch and I will meet with the NJSIG Board of Trustee Finance Committee prior to the 09/15/2021 meeting to review the GAAP and statutory 06/30/21 financial reports and discuss possible options, methodologies and allocations for providing members with another COVID-19 relief assistance program and/or future safety grant(s) based on the FY2020/2021 results.
- (3) 2021/2022 Budget: The 2021/2022 budget that was adopted by the Trustees at the 06/2021 meeting was filed with NJ Department of Banking and Insurance and posted on the NJSIG website. I also am in the process of uploading this 2021/2022 budget data into the PeopleSoft budget module.

This upload of data allows me to present 2021/2022 budget to actual financial data within the statements that I provide to you at each meeting.

(4) Banking/Investments – Please note that Investors Bank contacted me during May, 2021 to notify NJSIG that the interest floor (the minimum amount of interest applied to NJSIG deposits/account balance) would be reduced from .50% to .40% on 06/01/2021. This floor rate reduction is the result of the economic environment and the Federal Reserve continuing to impose low interest rates. The interest rate on the NJSIG Investors Bank account is a maximum of the Federal Funds target/index rate less 25 basis point or a minimum of .40% (formerly .50%). I have also included a worksheet that illustrates how the rates are calculated and the history of our rates since 10/2019 through 09/2021. Please also note that NJSIG’s financial advisors, Wilmington Trust, will attend the November meeting to update the trustees on NJSIG’s investment portfolio and the state of the investment market. They will also address any other potential, permissible investment options (as per the NJSIG Cash Management & Investment policy) and answer any trustee questions related to investments.

Thank you,

Michele Carosi

Chief Financial Officer

N J S I G
SUMMARY OF CASH AND INVESTMENTS
AS OF **6/31/2021**

CASH & CASH EQUIVALENTS:

Petty Cash	\$190.66
Cash Mgmt. Fund - N.J. State	\$342,652.90
Concentration Acct (TD Bank)	\$0.00
Claims Acct (TD Bank)	\$0.00
Concentration Acct (Investors)	\$218,396,439.77
Operating Acct (Investors)	(\$362,621.92)
Claims Acct (Investors)	(\$1,220,144.99)
Payroll Acct (Investors)	\$3.04
Assessmnt Collection Acct(INV)	\$0.00
Money Market (WT)	\$8,916.10

TOTALS AS OF **6/31/2021** **\$217,165,435.56**

INVESTMENTS:

(Including amortization of premiums/discounts & excluding market value adjustments)

	<u>MATURITY</u> <u>AMOUNT</u>	<u>AMORTIZED</u> <u>PREMIUM/DISCOUNT</u> <u>VALUE</u>	<u>TOTAL MARKET</u> <u>VALUE</u>	<u>% OF</u> <u>INVEST</u>
0 TO 12 MONTHS	\$89,860,000	(\$103,301)	\$90,141,033	47%
12 TO 24 MONTHS	\$100,605,000	\$0	\$100,475,461	53%
24 TO 36 MONTHS	\$0			
36 TO 48 MONTHS	\$0			
48 TO 60 MONTHS	\$0			
TOTALS	<u><u>\$190,465,000</u></u>	<u><u>(\$103,301)</u></u>	<u><u>\$190,616,495</u></u>	<u><u>100%</u></u>

TOTAL AS OF	6/31/2021	
CASH & CASH EQUIVALENTS		\$217,165,436
INVESTMENTS		\$190,616,495
TOTAL		<u><u>\$407,781,930</u></u>

**NEW JERSEY SCHOOLS INSURANCE GROUP
INVESTMENT PREMIUMS - FISCAL YEAR**

6/30/2021

VALUED AS OF:

6/31/2021

SOURCE: Wilmington Trust Statements:
Account Detailed Summary Report
Investment Detail Report

Purchase Date	Due Date	Description	Maturity /Par Value	Purchase Price	# of days held to maturity	Amortiz. Invest prem/disc
05/15/2020	09/10/2020	UNITED STATES TREASURY BILLS DTD 09/12/2019 Due/ 09/10/2020	\$0	\$0	118	\$0
07/15/2020	10/06/2020	UNITED STATES TREASURY BILLS DTD 05/05/2020 Due/ 10/06/2020	\$0	\$0	83	\$0
06/02/2020	11/03/2020	UNITED STATES TREASURY BILLS DTD 06/02/2020 Due/ 11/03/2020 (orig disc/prem = \$6698.72)	\$0	\$0	154	\$0
05/15/2020	11/12/2020	UNITED STATES TREASURY BILLS DTD 05/14/2020 Due/11/12/2020	\$0	\$0	181	\$0
06/16/2020	12/10/2020	UNITED STATES TREASURY BILLS DTD 06/11/2020 Due/12/10/2020	\$0	\$0	177	\$0
08/31/2020	01/12/2021	UNITED STATES TREASURY BILLS DTD 08/11/2020 Due/01/12/2021	\$0	\$0	134	\$0
09/30/2020	03/25/2021	UNITED STATES TREASURY BILLS DTD 03/26/2020 Due/03/25/2021	\$0	\$0	176	\$0
09/10/2020	09/09/2021	UNITED STATES TREASURY BILLS DTD 09/10/2020 Due/09/09/2021	\$5,025,000	\$5,018,268	364	\$0
01/12/2021	12/30/2021	UNITED STATES TREASURY BILLS DTD 12/31/2020 Due/12/30/2021	\$9,535,000	\$9,525,565	352	\$0
TOTAL CASH EQUIVALENTS			\$14,560,000	\$14,543,833		
06/21/2019	07/15/2020	UNITED STATES TREASURY NOTES DTD 07/15/2017 1.500% 7/15/2020	\$0	\$0	390	\$0
07/15/2019	08/31/2020	UNITED STATES TREASURY NOTES DTD 07/31/2015 1.375% 8/31/2020	\$0	\$0	413	\$0
07/18/2019	09/30/2020	UNITED STATES TREASURY NOTES DTD 09/30/2015 1.375% 9/30/2020	\$0	\$0	440	\$0
10/01/2019	01/31/2021	UNITED STATES TREASURY NOTES DTD 01/31/2016 1.375% 1/31/2021	\$0	\$0	488	\$0
01/15/2020	02/28/2021	UNITED STATES TREASURY NOTES DTD 02/29/2016 1.125% 2/28/2021	\$0	\$0	410	\$0

**NEW JERSEY SCHOOLS INSURANCE GROUP
INVESTMENT PREMIUMS - FISCAL YEAR**

6/30/2021

VALUED AS OF:

6/31/2021

SOURCE: Wilmington Trust Statements:
Account Detailed Summary Report
Investment Detail Report

Purchase Date	Due Date	Description	Maturity /Par Value	Purchase Price	# of days held to maturity	Amortiz. Invest prem/disc
03/17/2020	02/28/2021	UNITED STATES TREASURY NOTES DTD 02/29/2016 1.125% 2/28/2021	\$0	\$0	348	\$0
10/01/2019	03/31/2021	UNITED STATES TREASURY NOTES DTD 03/31/2016 1.250% 3/31/2021	\$0	\$0	547	\$0
12/31/2019	04/30/2021	UNITED STATES TREASURY NOTES DTD 04/30/2016 1.250% 4/30/2021	\$0	\$0	486	\$0
01/02/2020	05/31/2021	UNITED STATES TREASURY NOTES DTD 05/31/2016 1.375% 5/31/2021	\$0	\$0	515	\$0
10/01/2019	06/30/2021	UNITED STATES TREASURY NOTES DTD 06/30/2016 1.125% 6/30/2021	\$0	\$0	638	\$0
12/16/2019	07/31/2021	UNITED STATES TREASURY NOTES DTD 07/31/2016 1.125% 7/31/2021	\$9,600,000	\$9,514,875	593	(\$80,675)
11/15/2019	08/31/2021	UNITED STATES TREASURY NOTES DTD 08/30/2016 1.125% 8/31/2021	\$9,300,000	\$9,219,715	655	(\$72,931)
10/01/2019	09/30/2021	UNITED STATES TREASURY NOTES DTD 09/30/2016 1.125% 9/30/2021	\$9,200,000	\$9,109,797	730	(\$78,959)
10/01/2019	10/31/2021	UNITED STATES TREASURY NOTES DTD 10/31/2019 1.5% 10/31/2021	\$9,725,000	\$9,698,408	761	(\$22,329)
12/02/2019	11/30/2021	UNITED STATES TREASURY NOTES DTD 11/30/2019 1.5% 11/30/2021	\$9,200,000	\$9,175,922	729	(\$19,025)
01/31/2020	01/31/2022	UNITED STATES TREASURY NOTES DTD 1/31/2020 1.375% 1/31/2022	\$9,325,000	\$9,319,172	731	(\$4,122)
02/18/2020	01/31/2022	UNITED STATES TREASURY NOTES DTD 1/31/2020 1.375% 1/31/2022	\$9,325,000	\$9,321,357	713	(\$2,872)
10/06/2020	04/30/2022	UNITED STATES TREASURY NOTES DTD 4/30/2020 0.125% 4/30/2022	\$9,625,000	\$9,623,496	571	(\$703)
11/03/2020	09/30/2022	UNITED STATES TREASURY NOTES DTD 9/30/2020 0.125% 9/30/2022	\$4,800,000	\$4,795,688	696	(\$1,481)
11/03/2020	10/31/2022	UNITED STATES TREASURY NOTES DTD 10/31/2020 0.125% 10/31/2022	\$4,800,000	\$4,795,875	727	(\$1,356)
11/12/2020	10/31/2022	UNITED STATES TREASURY NOTES DTD 10/31/2020 0.125% 10/31/2022	\$4,900,000	\$4,895,406	718	(\$1,472)

**NEW JERSEY SCHOOLS INSURANCE GROUP
INVESTMENT PREMIUMS - FISCAL YEAR**

6/30/2021

VALUED AS OF:

6/31/2021

SOURCE: Wilmington Trust Statements:
Account Detailed Summary Report
Investment Detail Report

Purchase Date	Due Date	Description	Maturity /Par Value	Purchase Price	# of days held to maturity	Amortiz. Invest prem/disc
12/10/2020	11/30/2022	UNITED STATES TREASURY NOTES DTD 11/30/2020 0.125% 11/30/2022	\$9,400,000	\$9,396,328	720	(\$1,035)
02/01/2021	12/31/2022	UNITED STATES TREASURY NOTES DTD 11231/2020 0.125% 12/31/2022	\$9,315,000	\$9,318,275	698	\$699
03/01/2021	1/31/2023	UNITED STATES TREASURY NOTES DTD 1/31/2021 0.125% 1/31/2023	\$9,625,000	\$9,623,872	701	(\$195)
03/31/2021	1/31/2023	UNITED STATES TREASURY NOTES DTD 1/31/2021 0.125% 1/31/2023	\$3,100,000	\$3,099,273	671	(\$100)
03/01/2021	2/28/2023	UNITED STATES TREASURY NOTES DTD 2/28/2021 0.125% 2/28/2023	\$9,650,000	\$9,648,869	729	(\$188)
03/31/2021	2/28/2023	UNITED STATES TREASURY NOTES DTD 2/28/2021 0.125% 2/28/2023	\$3,100,000	\$3,098,910	699	(\$143)
3/25/2021	3/31/2023	UNITED STATES TREASURY NOTES DTD 3/31/2021 0.125% 3/31/2023	\$9,420,000	\$9,417,056	736	(\$388)
3/31/2021	3/31/2023	UNITED STATES TREASURY NOTES DTD 3/31/2021 0.125% 3/31/2023	\$3,100,000	\$3,098,668	730	(\$168)
4/30/2021	4/30/2023	UNITED STATES TREASURY NOTES DTD 4/30/2021 0.125% 4/30/2023	\$9,400,000	\$9,392,656	730	(\$926)
6/02/2021	5/31/2023	UNITED STATES TREASURY NOTES DTD 5/30/2021 0.125% 5/31/2023	\$9,650,000	\$9,646,607	728	(\$135)
6/30/2021	6/30/2021	UNITED STATES TREASURY NOTES DTD 6/30/2021 0.125% 6/30/2023	\$10,345,000	\$10,319,138	0	\$0
TOTAL US TREASURIES			\$175,905,000	\$175,529,364		(\$288,502)
			\$190,465,000	\$190,073,197		(\$288,502)

**NEW JERSEY SCHOOLS INSURANCE GROUP
INVESTMENT PREMIUMS - FISCAL YEAR**

VALUED AS OF:

SOURCE: Wilmington Trust Statements:
Account Detailed Summary Report
Investment Detail Report

			PAR VALUE AS OF:		
			6/31/2021		
			Three Year	Four Year	Five Year
Purchase			One Year To	Two Year To	To Maturity
Date	Due Date	Description	Maturity Date	Maturity Date	To Maturity
			Date	Date	To Maturity
			Date	Date	Date
05/15/2020	09/10/2020	UNITED STATES TREASURY BILLS DTD 09/12/2019 Due/ 09/10/2020	0.00		
07/15/2020	10/06/2020	UNITED STATES TREASURY BILLS DTD 05/05/2020 Due/ 10/06/2020	0.00		
06/02/2020	11/03/2020	UNITED STATES TREASURY BILLS DTD 06/02/2020 Due/ 11/03/2020 (orig disc/prem = \$6698.72)	0.00		
05/15/2020	11/12/2020	UNITED STATES TREASURY BILLS DTD 05/14/2020 Due/11/12/2020	0.00		
06/16/2020	12/10/2020	UNITED STATES TREASURY BILLS DTD 06/11/2020 Due/12/10/2020	0.00		
08/31/2020	01/12/2021	UNITED STATES TREASURY BILLS DTD 08/11/2020 Due/01/12/2021	0.00		
09/30/2020	03/25/2021	UNITED STATES TREASURY BILLS DTD 03/26/2020 Due/03/25/2021	0.00		
09/10/2020	09/09/2021	UNITED STATES TREASURY BILLS DTD 09/10/2020 Due/09/09/2021	5,025,000.00		
01/12/2021	12/30/2021	UNITED STATES TREASURY BILLS DTD 12/31/2020 Due/12/30/2021	9,535,000.00		
TOTAL CASH EQUIVALENTS			\$14,560,000	\$0	
06/21/2019	07/15/2020	UNITED STATES TREASURY NOTES DTD 07/15/2017 1.500% 7/15/2020	0.00		
07/15/2019	08/31/2020	UNITED STATES TREASURY NOTES DTD 07/31/2015 1.375% 8/31/2020	0.00		
07/18/2019	09/30/2020	UNITED STATES TREASURY NOTES DTD 09/30/2015 1.375% 9/30/2020	0.00		
10/01/2019	01/31/2021	UNITED STATES TREASURY NOTES DTD 01/31/2016 1.375% 1/31/2021	0.00		
01/15/2020	02/28/2021	UNITED STATES TREASURY NOTES DTD 02/29/2016 1.125% 2/28/2021	0.00		

**NEW JERSEY SCHOOLS INSURANCE GROUP
INVESTMENT PREMIUMS - FISCAL YEAR**

VALUED AS OF:

SOURCE: Wilmington Trust Statements:
Account Detailed Summary Report
Investment Detail Report

			PAR VALUE AS OF:				
			6/31/2021				
			One Year To	Two Year To	Three Year	Four Year	Five Year
Purchase	Due Date	Description	One Year To	Two Year To	To Maturity	To Maturity	To Maturity
Date	Due Date		Maturity Date	Maturity Date	Date	Date	Date
03/17/2020	02/28/2021	UNITED STATES TREASURY NOTES DTD 02/29/2016 1.125% 2/28/2021	0.00				
10/01/2019	03/31/2021	UNITED STATES TREASURY NOTES DTD 03/31/2016 1.250% 3/31/2021	0.00				
12/31/2019	04/30/2021	UNITED STATES TREASURY NOTES DTD 04/30/2016 1.250% 4/30/2021	0.00				
01/02/2020	05/31/2021	UNITED STATES TREASURY NOTES DTD 05/31/2016 1.375% 5/31/2021	0.00				
10/01/2019	06/30/2021	UNITED STATES TREASURY NOTES DTD 06/30/2016 1.125% 6/30/2021	0.00				
12/16/2019	07/31/2021	UNITED STATES TREASURY NOTES DTD 07/31/2016 1.125% 7/31/2021	9,600,000.00				
11/15/2019	08/31/2021	UNITED STATES TREASURY NOTES DTD 08/30/2016 1.125% 8/31/2021	9,300,000.00				
10/01/2019	09/30/2021	UNITED STATES TREASURY NOTES DTD 09/30/2016 1.125% 9/30/2021	9,200,000.00				
10/01/2019	10/31/2021	UNITED STATES TREASURY NOTES DTD 10/31/2019 1.5% 10/31/2021	9,725,000.00				
12/02/2019	11/30/2021	UNITED STATES TREASURY NOTES DTD 11/30/2019 1.5% 11/30/2021	9,200,000.00				
01/31/2020	01/31/2022	UNITED STATES TREASURY NOTES DTD 1/31/2020 1.375% 1/31/2022	9,325,000.00				
02/18/2020	01/31/2022	UNITED STATES TREASURY NOTES DTD 1/31/2020 1.375% 1/31/2022	9,325,000.00				
10/06/2020	04/30/2022	UNITED STATES TREASURY NOTES DTD 4/30/2020 0.125% 4/30/2022	9,625,000.00				
11/03/2020	09/30/2022	UNITED STATES TREASURY NOTES DTD 9/30/2020 0.125% 9/30/2022		4,800,000.00			
11/03/2020	10/31/2022	UNITED STATES TREASURY NOTES DTD 10/31/2020 0.125% 10/31/2022		4,800,000.00			
11/12/2020	10/31/2022	UNITED STATES TREASURY NOTES DTD 10/31/2020 0.125% 10/31/2022		4,900,000.00			

**NEW JERSEY SCHOOLS INSURANCE GROUP
INVESTMENT PREMIUMS - FISCAL YEAR**

VALUED AS OF:

SOURCE: Wilmington Trust Statements:
Account Detailed Summary Report
Investment Detail Report

Purchase Date	Due Date	Description	PAR VALUE AS OF:				
			One Year To Maturity Date	Two Year To Maturity Date	6/31/2021 Three Year To Maturity Date	Four Year To Maturity Date	Five Year To Maturity Date
12/10/2020	11/30/2022	UNITED STATES TREASURY NOTES DTD 11/30/2020 0.125% 11/30/2022		9,400,000.00			
02/01/2021	12/31/2022	UNITED STATES TREASURY NOTES DTD 11231/2020 0.125% 12/31/2022		9,315,000.00			
03/01/2021	1/31/2023	UNITED STATES TREASURY NOTES DTD 1/31/2021 0.125% 1/31/2023		9,625,000.00			
03/31/2021	1/31/2023	UNITED STATES TREASURY NOTES DTD 1/31/2021 0.125% 1/31/2023		3,100,000.00			
03/01/2021	2/28/2023	UNITED STATES TREASURY NOTES DTD 2/28/2021 0.125% 2/28/2023		9,650,000.00			
03/31/2021	2/28/2023	UNITED STATES TREASURY NOTES DTD 2/28/2021 0.125% 2/28/2023		3,100,000.00			
3/25/2021	3/31/2023	UNITED STATES TREASURY NOTES DTD 3/31/2021 0.125% 3/31/2023		9,420,000.00			
3/31/2021	3/31/2023	UNITED STATES TREASURY NOTES DTD 3/31/2021 0.125% 3/31/2023		3,100,000.00			
4/30/2021	4/30/2023	UNITED STATES TREASURY NOTES DTD 4/30/2021 0.125% 4/30/2023		9,400,000.00			
6/02/2021	5/31/2023	UNITED STATES TREASURY NOTES DTD 5/30/2021 0.125% 5/31/2023		9,650,000.00			
6/30/2021	6/30/2021	UNITED STATES TREASURY NOTES DTD 6/30/2021 0.125% 6/30/2023		10,345,000.00			
TOTAL US TREASURIES			\$75,300,000	\$100,605,000			

\$89,860,000 \$100,605,000



NJSIG
Balance Sheet
For the Period Ended 6/30/2021

FINAL DRAFT AS OF 09/07/21

	<u>Current Balance</u>	<u>Prior Year</u>
<u>Current Assets:</u>		
CASH IN BANKS	217,156,518.88	189,221,643.76
Money Market (WT)	8,916.10	59,746.43
Invest Fund US Notes (WT)	175,905,000.20	160,085,000.20
Invest Prem/Disc - Notes (WT)	(87,144.11)	(337,501.50)
Market Value Adjust (WT)	254,795.58	1,940,698.39
Invest Fund-US Bills (WT)	14,560,000.00	28,430,000.00
Invest Prem/Disc Bills (WT)	(16,167.05)	(20,008.18)
MARKETABLE SECURITIES	190,625,400.72	190,157,935.34
Reins. Recovery Receivable	731,560.55	860,306.00
Reins. Recovery 85/86 Recvb'l	(43,024.61)	(24,922.70)
REINSURANCE RECEIVABLES	688,535.94	835,383.30
Interest/Divid Recvb'l - WT	284,803.73	579,960.61
INTEREST/DIVIDENDS RECEIVABLES	284,803.73	579,960.61
Misc. Accounts Receivable	0.00	0.00
Legal Settlement Recvb'l	100.00	100.00
MISC ACCOUNTS RECEIVABLES	100.00	100.00
Premium Recvb'l Installments	0.00	0.00
Premium Receivable	232,375.89	2,421,759.94
PREMIUM RECEIVABLES	232,375.89	2,421,759.94
TOTAL Current Assets	408,987,735.16	383,216,782.95
F&F Original Value	683,119.37	1,398,983.51
Accumulated Depreciation	(392,279.36)	(1,023,431.99)
TOTAL FIXED ASSETS	290,840.01	375,551.52
<u>Other Assets:</u>		
Prepaid General Insurance	131,209.73	101,550.27
Prepaid Crime Insurance	0.11	13,738.61
Prepaid General Expenses	55,808.57	66,207.76



NJSIG
Balance Sheet
For the Period Ended 6/30/2021

FINAL DRAFT AS OF 09/07/21

	<u>Current Balance</u>	<u>Prior Year</u>
Prepaid TPA Expenses	112,500.00	112,500.00
PREPAID ASSETS	<u>299,518.41</u>	<u>293,996.64</u>
Unearned Reins Exp	108,381.78	98,915.77
Unearned Agent Comm.	38,593.17	36,755.07
UNEARNED EXPENSES	<u>146,974.95</u>	<u>135,670.84</u>
OTHER ASSETS	<u>0.00</u>	<u>0.00</u>
GASB68-Defer Out-ChngInAssump	421,603.00	1,445,992.00
GASB68-DeferOut-ChngProportion	904,457.00	1,531,257.00
GASB68-DeferOut-ExpectvsActual	236,635.00	259,917.00
GASB68-DeferOut-NETDiffProjInv	444,212.00	0.00
GASB68DeferOut-SubsqntContrib	878,970.00	796,240.00
DEFERRED OUTFLOWS	<u>2,885,877.00</u>	<u>4,033,406.00</u>
TOTAL OTHER ASSETS	<u>3,332,370.36</u>	<u>4,463,073.48</u>
TOTAL ASSETS	<u><u>412,610,945.53</u></u>	<u><u>388,055,407.95</u></u>
Accrued Expenses Payable	3,194,069.36	3,070,731.50
A/P Module INS01	(6,107.31)	(2,328.86)
Safety Grant Payable	11,092,711.17	15,550,247.42
Deferred Rent Liability	82,901.39	82,198.86
Federal Income Tax W/H	(5.60)	(5.60)
Medicare - Employer	(1.31)	(1.31)
FSA MED Payable	1,531.65	(1,482.58)
FSA Depend Payable	(497.54)	1,672.00
TOTAL CURRENT LIABILITIES	<u>14,364,601.81</u>	<u>18,701,031.43</u>
Estimated Unpaid Losses	183,242,000.00	191,332,000.00
Reserve-Unalloc Loss Adjust	9,100,000.00	8,700,000.00
Unearned Premiums	389,616.10	383,060.51
Post Retirement Bene Paybl	2,026,709.04	2,178,712.13
Rate Stabilization-ERIC North	593,362.40	593,362.40
Rate Stabilization-ERIC South	334,340.28	99,230.99
Rate Stabilization - ERIC West	197,760.85	197,760.85
Rate Stabilization - BACCEIC	319,325.66	319,325.66



NJSIG
Balance Sheet
For the Period Ended 6/30/2021

FINAL DRAFT AS OF 09/07/21

	<u>Current Balance</u>	<u>Prior Year</u>
Rate Stabilization - MOCSSIF	320,824.09	320,824.09
Rate Stabilization - NJEIF	547,067.62	437,559.63
TOTAL LONG TERM LIABILITIES	<u>197,071,006.04</u>	<u>204,561,836.26</u>
Pensions Payable	(1,173.15)	40,018.05
GASB68-Pension Payable	12,995,945.00	14,481,115.00
403B/T. Rowe Price Payable	4,496.55	4,125.72
Retro Claims (Cash)	143,226.79	183,615.94
Group Term Life Payable	(2,173.07)	199.67
Agent Comm. Payable	131,036.40	186,562.56
TOTAL OTHER LIABILITIES	<u>13,271,358.52</u>	<u>14,895,636.94</u>
TOTAL REINSURANCE PAYABLES	<u>1,961,113.16</u>	<u>1,894,225.90</u>
TOTAL EXCISE TAX LIABILITIES	<u>(4,833.16)</u>	<u>(5,216.27)</u>
Member Return Payable FY19/20	0.32	3,279,199.00
TOTAL MEMBER RETURN PAYABLES	<u>0.32</u>	<u>3,279,199.00</u>
GASB68-DeferIn-DiffInInvest	0.00	228,590.00
GASB68-DeferIn-ChngIn Proport	240,567.00	176,714.00
GASB68-DeferIn-ChngInAssump	5,441,525.00	5,026,349.00
GASB68-DeferIn-ExpectVsActual	45,959.00	63,971.00
GASB75-DeferIn-ExpectVSActual	(34.00)	(34.00)
TOTAL DEFERRED INFLOWS	<u>5,728,017.00</u>	<u>5,495,590.00</u>
TOTAL LIABILITIES	<u>232,391,263.69</u>	<u>248,822,303.26</u>
Retained Earnings Fund Balance	139,233,104.69	107,824,597.90
Year-to-Date Earnings	40,986,577.15	31,408,506.79
Total Capital	<u>180,219,681.84</u>	<u>139,233,104.69</u>
Total Liabilities and Capital	<u>412,610,945.53</u>	<u>388,055,407.95</u>



NJSIG
Income Statement
For the Period Ending 6/30/2021
FINAL DRAFT AS OF 09/07/21

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Income:				
Member Contributions	141,666,992.76	140,299,998.00	(734,127.49)	0.00
Retro Accounts Income	0.00	0.00	0.00	0.00
Total Income	141,666,992.76	140,299,998.00	(734,127.49)	0.00
Adjustments:				
Member Contribution Returns	0.00	0.00	0.00	0.00
4301 Reinsurance Recoveries	9,152,788.78	0.00	204,756.03	0.00
4302 Reins Recovery W/C 85/86	(18,101.91)	0.00	(18,101.91)	0.00
4303 Accrued Reins Recoveries	(128,745.45)	0.00	731,560.55	0.00
4304 Subrogation Income	852,573.33	0.00	15,732.35	0.00
4307 Claim Deduct'bl Credit	61,841.73	0.00	15,750.00	0.00
Recoveries & Subro Income	9,920,356.48	0.00	949,697.02	0.00
Revenue	151,587,349.24	140,299,998.00	215,569.53	0.00



NJSIG
Income Statement
For the Period Ending 6/30/2021
FINAL DRAFT AS OF 09/07/21

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>	
Expenses:					
5102	Salaries-Temporary Employees	8,766.82	46,000.00	3,546.85	3,833.33
5103	Salaries	6,101,792.80	6,605,677.01	485,135.15	550,473.08
5104	Salaries-Overtime	23,725.88	34,126.00	2,159.55	2,843.83
5105	Salaries-Third Party Sick Pay	0.00	0.00	0.00	0.00
5106	Deferred Compensation Pay	6,000.00	6,000.00	500.00	500.00
5108	Payroll Tax Expenses	457,846.71	513,192.00	61,860.24	42,766.00
5109	Pension Expense	887,675.91	932,138.00	0.00	77,678.17
5109-68	GASB68-Pension Expense	(22,484.00)	0.00	(22,484.00)	0.00
5111	Recruiting Costs	0.00	2,500.00	0.00	208.33
5112	Post Retirement Bene Exp	(136,127.00)	246,714.00	(136,127.00)	20,559.50
5113	Employee Medical Benefits	925,230.65	1,102,137.00	75,089.61	91,844.75
5114	Employee Dental Benefits	65,270.79	67,630.00	5,376.00	5,635.83
5115	Employee Vision Benefits	24,500.98	27,515.00	1,989.70	2,292.92
5118	Employee ST Disab & Other Ins	68,937.06	80,000.00	5,893.14	6,666.67
5119	Defined Contrib Retirement Exp	548.23	2,737.00	0.00	228.08
	Personnel Expenses	<u>8,411,684.83</u>	<u>9,666,366.00</u>	<u>482,939.24</u>	<u>805,530.50</u>
5203	Marketing Expenses	<u>2,353.25</u>	<u>9,000.00</u>	<u>413.00</u>	<u>750.00</u>
	Member Services Dept Expenses	<u>2,353.25</u>	<u>9,000.00</u>	<u>413.00</u>	<u>750.00</u>
5227	Loss Prevention	<u>414.58</u>	<u>17,750.00</u>	<u>41.25</u>	<u>1,479.17</u>
	Loss Control Dept Expenses	<u>414.58</u>	<u>17,750.00</u>	<u>41.25</u>	<u>1,479.17</u>
5252	Claims Audit Expense	0.00	90,000.00	0.00	7,500.00
5253	Claims Admin. Expenses	(539.00)	0.00	(6.00)	0.00
	Claims Dept Expenses	<u>(539.00)</u>	<u>90,000.00</u>	<u>(6.00)</u>	<u>7,500.00</u>
5301	Accounting Fees	0.00	5,000.00	0.00	416.67
5303	Actuary Fees	191,954.06	290,000.00	75,662.34	24,166.67
5305	Loss Control Outside Services	255,574.61	271,500.00	23,006.34	22,625.00
5306	Legal & Professional Fees	16,856.00	125,000.00	10,826.00	10,416.67
5310	Third Party Admin.-Willis	675,000.00	675,000.00	112,500.00	56,250.00



NJSIG
Income Statement
For the Period Ending 6/30/2021
FINAL DRAFT AS OF 09/07/21

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
Outside Service Fees	1,139,384.67	1,366,500.01	221,994.68	113,875.00
Total Agent Commission Expense	<u>16,113,981.56</u>	<u>14,806,604.00</u>	<u>2,033,491.79</u>	<u>2,020,915.00</u>
5401 Claims Expense	51,971,438.04	71,922,234.00	4,204,043.97	5,993,519.50
5402 Change in Claims Reserves	(8,090,000.00)	0.00	(8,090,000.00)	0.00
5403 Change in Rsrv for ULAG	400,000.00	0.00	400,000.00	0.00
Claims Expenses	<u>44,281,438.04</u>	<u>71,922,234.00</u>	<u>(3,485,956.03)</u>	<u>5,993,519.50</u>
Reinsurance Expenses	<u>39,715,757.57</u>	<u>39,301,754.00</u>	<u>0.00</u>	<u>12,234.92</u>
5352 IT - Office Equipment Supplies	2,834.35	30,500.00	297.00	2,541.67
5353 Office Equipment Maintenance	7,609.40	30,300.00	0.00	2,525.00
5354 Computer Software Maintenance	211,657.84	349,525.00	23,333.14	29,127.08
Information Technology Dept Expenses	<u>222,101.59</u>	<u>410,325.00</u>	<u>23,630.14</u>	<u>34,193.75</u>
5702 Depreciation Expense	533,334.21	615,391.00	36,944.57	51,282.58
5703 Dues & Subscriptions	35,741.79	113,731.01	4,959.76	9,477.58
5704 Misc. Bank Fees	95,184.40	103,375.00	0.00	8,614.58
5705 IRS & State Tax/Fees	9.80	0.00	0.00	0.00
5708 Rent Expense	462,872.70	497,718.00	40,364.53	41,476.50
5708-DEFER Rent - Deferred Exp(Inc)	702.53	0.00	702.53	0.00
5709 Office Supplies	13,094.13	22,415.00	683.30	1,867.92
5710 Office Operating Expenses	48,094.43	60,600.00	3,581.66	5,050.00
5711 Office Leased Expenses	14,331.19	19,500.00	1,370.30	1,625.00
5715 Group's Insurance Expense	245,663.96	271,950.00	21,868.29	22,662.50
5716 Group's Crime Insurance Exp.	13,738.50	0.00	0.00	0.00
5717 FSA Admin Fee	2,389.20	2,500.00	446.00	208.33
5723 Postage	42,316.07	69,500.00	4,747.86	5,791.67
5727 Employee Seminar Expenses	12,823.50	87,235.01	3,459.75	7,269.58
5728 Insurance Course Fees	4,067.75	14,999.99	0.00	1,250.00
5729 Tuition Reimbursement	0.00	36,750.00	0.00	3,062.50
5730 Audit Fees	71,600.00	73,000.00	73,000.00	6,083.33
5731 Consulting Fees	157,379.35	345,500.00	78,303.34	28,791.67
5732 Miscellaneous Expenses	3,135.03	5,500.00	527.33	458.33



NJSIG
Income Statement
For the Period Ending 6/30/2021
FINAL DRAFT AS OF 09/07/21

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>
5733 Disaster Recovery Expenses	164,639.92	117,542.00	0.00	9,795.17
5737 Cell Phone Expense	9,648.15	10,680.00	783.15	890.00
5746 Foreign Excise Tax	102,305.51	103,178.00	0.00	8,598.17
Business Operating Expenses	<u>2,033,072.12</u>	<u>2,571,065.00</u>	<u>271,742.37</u>	<u>214,255.42</u>
5201 Travel & Related Expenses	1,354.37	71,500.00	85.12	5,958.33
5851 Annual Meeting	16,594.92	60,900.00	132.92	5,075.00
5852 Trustee Meeting Expense	602.75	6,000.00	176.50	500.00
Conferences & Meeting Expenses	<u>18,552.04</u>	<u>138,400.00</u>	<u>394.54</u>	<u>11,533.33</u>
Total Expenses	<u>111,938,201.25</u>	<u>140,299,998.02</u>	<u>(451,315.02)</u>	<u>9,215,786.59</u>



NJSIG
Income Statement
For the Period Ending 6/30/2021
FINAL DRAFT AS OF 09/07/21

	<u>Actuals YTD</u>	<u>Budget YTD</u>	<u>Actuals Month</u>	<u>Budget Month</u>	
Other Revenue and Expenses:					
4414	Interest-NJ Cash Mgmt Fund	207.95	0.00	7.43	0.00
4423	Interest - InvBk Concentration	1,055,669.32	0.00	72,057.83	0.00
4424	Interest-Invest Fund (WT)	1,947,697.25	0.00	203,123.01	0.00
4425	Accrued Interest/Divid	(304,540.96)	0.00	(111,873.53)	0.00
	Investment Income	<u>2,699,033.56</u>	<u>0.00</u>	<u>163,314.74</u>	<u>0.00</u>
4501	Unrealized Gain/Loss	(1,685,902.81)	0.00	(202,566.61)	0.00
	Financial Income	<u>(1,685,902.81)</u>	<u>0.00</u>	<u>(202,566.61)</u>	<u>0.00</u>
4603	Miscellaneous Income	1,304.88	0.00	0.00	0.00
4604	Realized Gain/(Loss) Invest-WT	383,079.90	0.00	84,841.41	0.00
4605	Seminar Income	1,450.00	0.00	0.00	0.00
4609	Change in Unrnd Ag Comm	1,838.10	0.00	38,593.17	0.00
4610	Change in Unrnd Reins	9,466.01	0.00	108,381.78	0.00
	Other Revenues	<u>397,138.89</u>	<u>0.00</u>	<u>231,816.36</u>	<u>0.00</u>
5901	Amortization of Inv. Premiums	72,840.48	0.00	65,437.67	0.00
	Investment Expenses	<u>72,840.48</u>	<u>0.00</u>	<u>65,437.67</u>	<u>0.00</u>
	Total Other Revenue and Expenses	<u>1,337,429.16</u>	<u>0.00</u>	<u>127,126.82</u>	<u>0.00</u>
	Net Revenue	<u>40,986,577.15</u>	<u>(0.02)</u>	<u>794,011.37</u>	<u>(9,215,786.59)</u>

NJSIG recent rate history

Date	Fed Action	New FF Target Rate	NJSIG Rate (FFTR-.25%)
10/29/19	Reduced 25 bpts	1.75%	1.50%
03/03/20	Reduced 50 bpts	1.25%	1.00%
03/16/20	Reduced 100 bpts	0.25%	.65%*
09/01/20	N/A	0.25%	.50%**
09/01/20	N/A	0.25%	.40%***

*Floor rate of .65% was applied. Other wise, based on the NJSIG index of FFTR -.25%, the rate would have been 0.00%

** Floor rate of .50% initiated by Investors Bank

** Floor rate of .40% initiated by Investors Bank



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

Board of Trustees Meeting of September 15, 2021 Underwriting Report

Despite the additional challenges presented by the large number of members coming out of their three-year NJSIG sub-fund commitment and the last minute change in renewal terms by the group's cyber insurance carrier, NJSIG experienced another successful renewal season. All 2021-2022 renewal proposals were issued timely and we welcomed one new member, Glen Ridge Board of Education.

We are on track to issue all 2021-2022 initial renewal contribution invoices and policy documentation to the membership by mid-September.

All 2020-2021 year-end reports and 2021-2022 first adjustment reports encompassing all member exposure and premium data have been prepared and sent to Willis Re Pooling for review and distribution to the 46 reinsurers on the NJSIG program.

Property appraisals for the next cycle of approximately 50 members are in progress and should be completed by December 2021.

The 2021-2022 jurisdictional boiler equipment inspection program provided to members by the group's equipment breakdown reinsurer is also underway and will continue throughout the program year.

Claire A. King, J.D., AIC
Underwriting Manager



New Jersey Schools Insurance Group
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Board of Trustees Meeting of September 15, 2021 Claims Report

CLAIM ACTIVITY

By major coverage, newly received claims (including record only) with an entry date after June 16, 2021:

Auto liability: 57
General liability: 84
Professional liability: 140
Property: 124
Workers' compensation: 471

By major coverage, closed claims (including record only) with a last closed date after June 16, 2021:

Auto liability: 56
General liability: 92
Professional liability: 109
Property: 40
Workers' compensation: 654

CLAIM OUTCOMES

NJSIG continues to obtain favorable outcomes through the efforts of the claims department.

- Claims activity.
- Claims department focus and direction in 2021/2022.

Sherwin Archibald
Claims Manager



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Board of Trustees Meeting of September 15, 2021 IT Report

Website Review

IT and Client Relations are reviewing our website analytics data to identify potential areas for improvement in order to provide a better experience for members and brokers. IT is working on a refresh of the overall design and user experience of the website. IT will meet with NJSIG's other departments and brokers for feedback.

Email Phishing Software

NJSIG procured email phishing software. Email phishing software is a program that will allow the IT department to send practice phishing emails to staff, track the actions of the employee, and suggest training based on the employees actions. These practice emails will mirror the most common and current email phishing attacks in the world.

We hope this program will help educate our staff on how to identify suspicious phishing and potentially harmful emails. The program allows staff to report these emails in a safe and controlled environment, while providing the IT department with the data needed to recommend and assign training; if needed.

21/22 Renewal Export

The final 21/22 Navrisk renewal export was completed on 9/7. This export is used by the accounting department to send out renewal invoices to NJSIG's members.

Reinsurance Carrier Reports

Data is collected from multiple data sources (Data Warehouse, Navrisk, Origami and Peoplesoft) to create reinsurance reports that are used to validate NJSIG's reinsurance carrier costs throughout the year. The IT department has been working with the underwriting department on these reinsurance reports to adjust for the Navrisk property coverage breakouts. The property coverage breakouts generated about thirty additional lines of reinsurers that we now have to account for in the details of these reports.

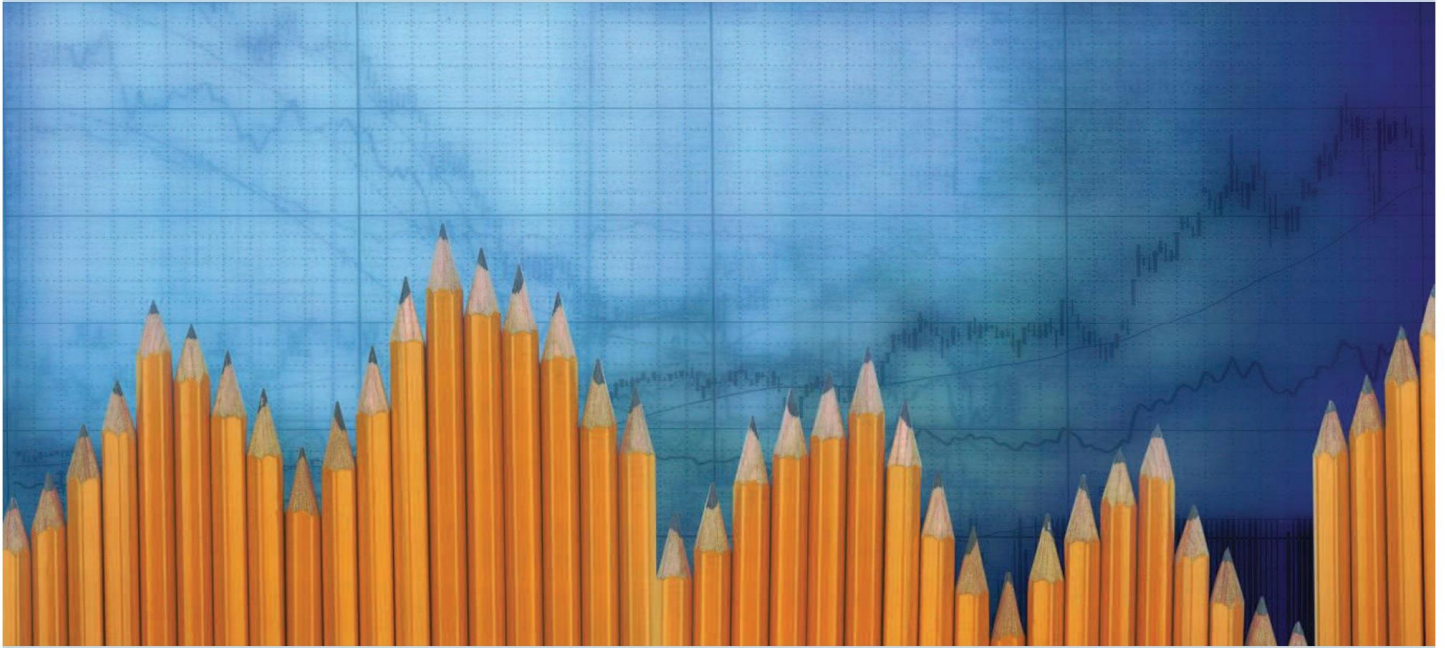
Jeffrey Cook
Information Systems Manager

New Jersey School Insurance Group

Board of Directors Meeting

September 15, 2021

Presented by: Stacy L.T. Mina, FCAS, MAAA, CPCU



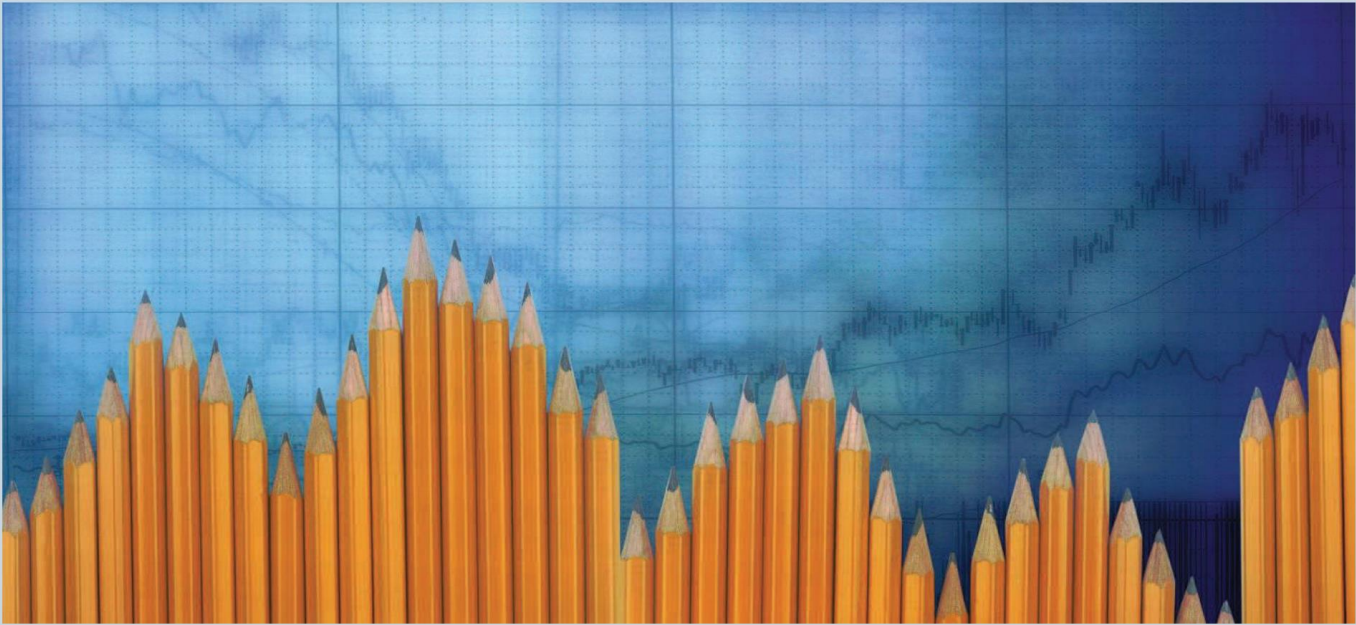
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Willis Towers Watson 

Agenda

- Scope and Distribution
- Indicated Loss & ALAE Liabilities as of June 30, 2021
- Potential Rate Implications for Program Year 2022-23
- Questions
- Appendix

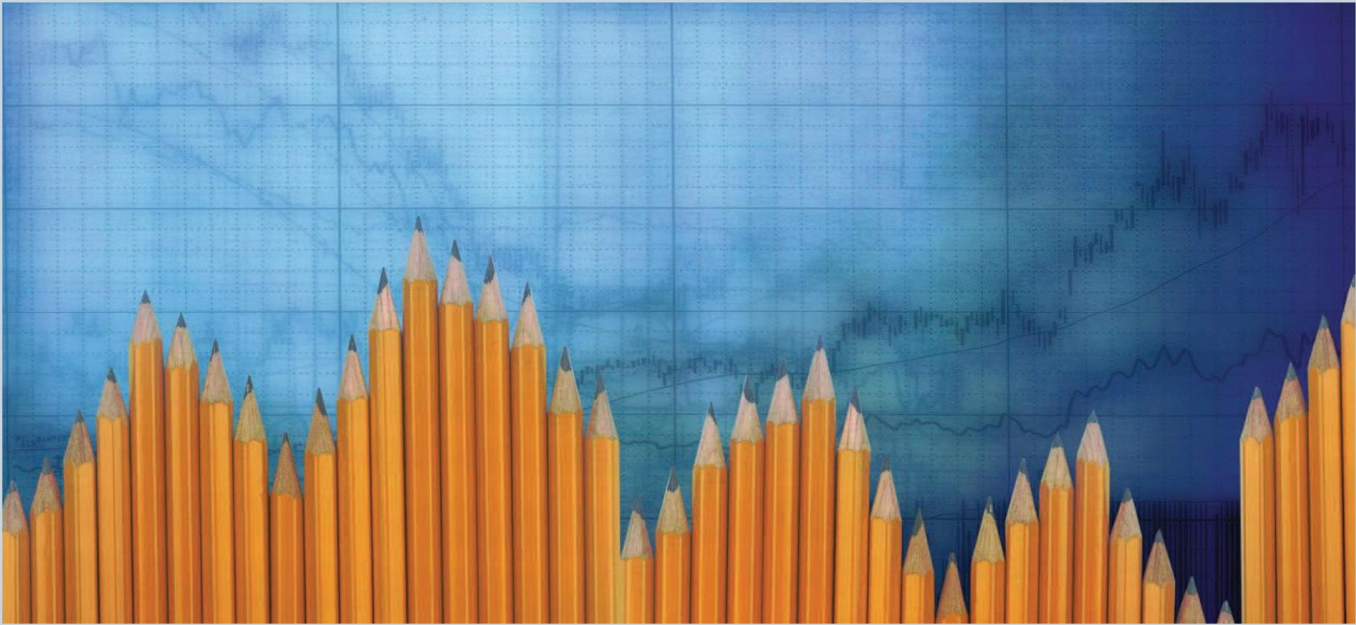
Scope and Distribution



Scope and Distribution

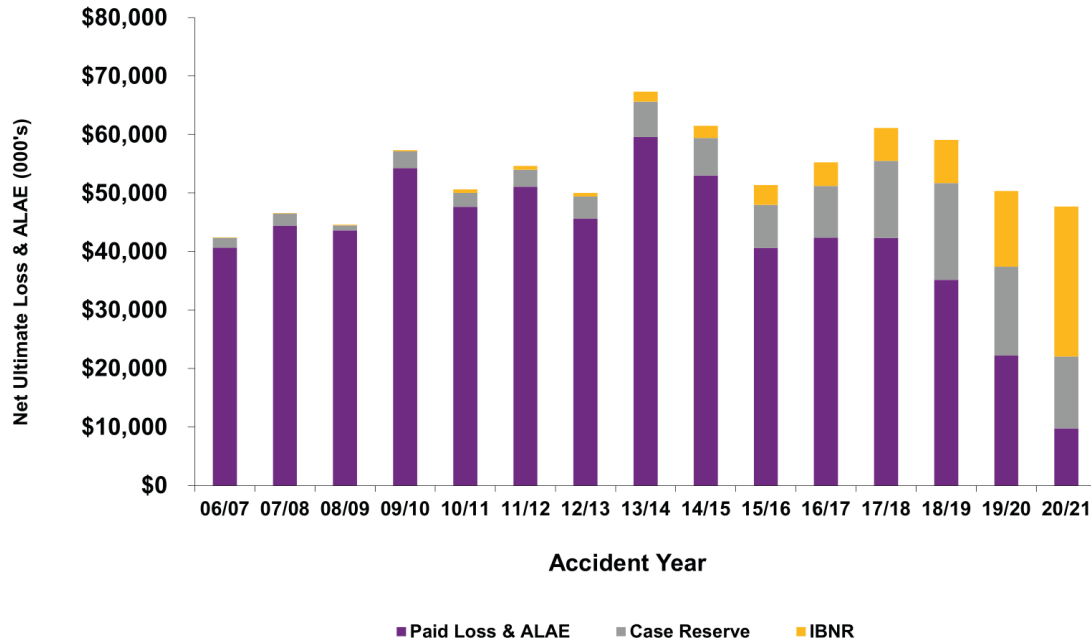
- NJSIG retained Willis Towers Watson to prepare an actuarial analysis of unpaid loss and ALAE as of June 30, 2021
- Willis Towers Watson presented the results of its review in a draft report dated August 31, 2021
- Estimates are produced on a net of reinsurance and salvage/subrogation basis
- The report provides unpaid loss estimates at an actuarial central estimate and above the central estimate
- The following slides provide a high-level summary of Willis Towers Watson's report
- Any conclusions drawn from these slides may be inappropriate and/or incomplete without a thorough reading of the full report
- The distribution of the slides contained herein is limited to the management of NJSIG and its Board of Trustees
- Ann M. Conway, Stacy L.T. Mina and Cathy Yi are members of the American Academy of Actuaries and meet its qualification standards to render the actuarial opinion contained herein

Indicated Loss & ALAE Liabilities as of June 30, 2021

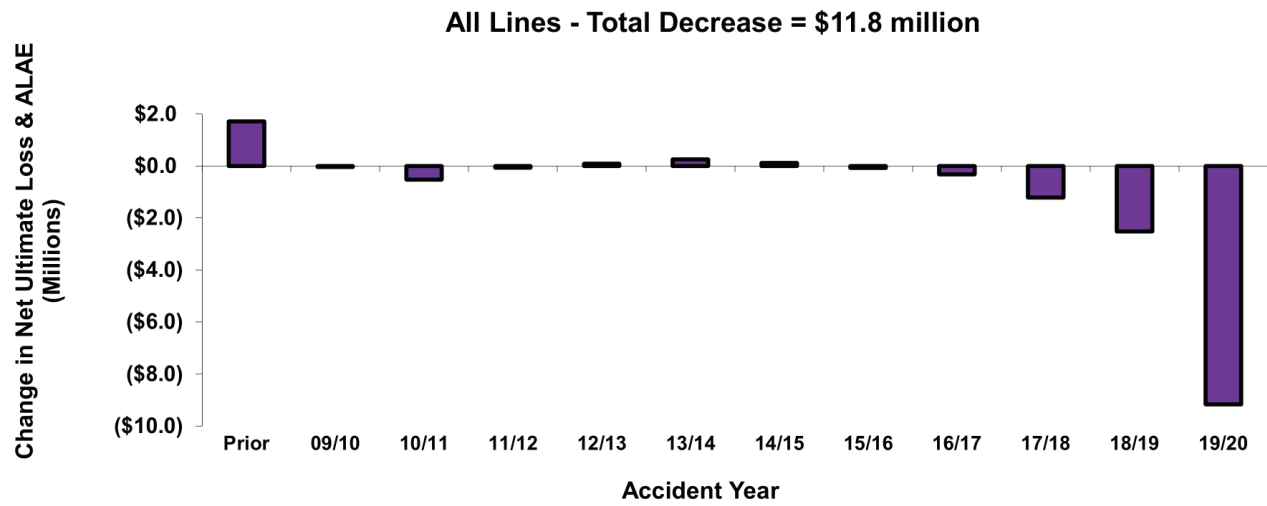


As an accident year ages, IBNR generally decreases and paid losses increase; more uncertainty in recent years' estimates

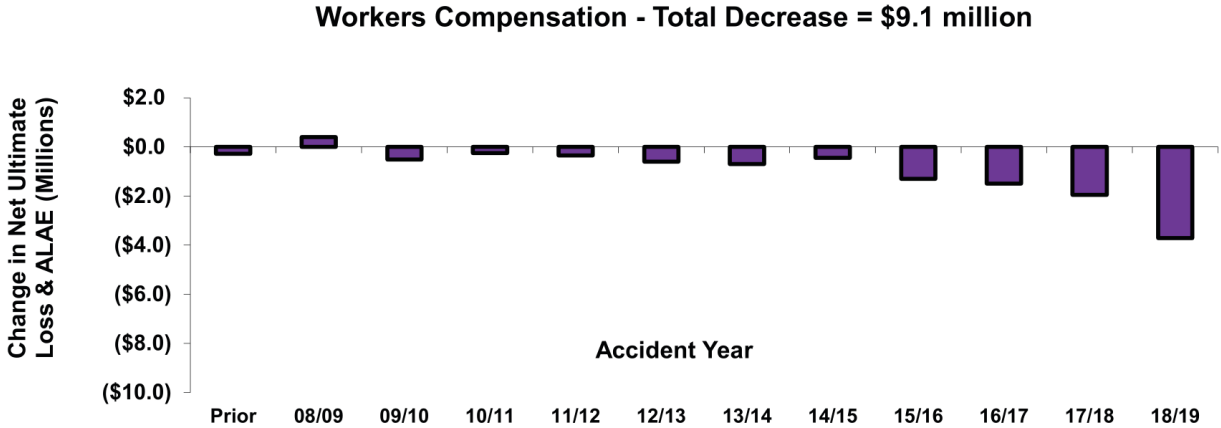
**Total Net Ultimate Loss & ALAE by Component
Central Estimates (\$000s)**



Emergence during fiscal year 2020-2021 was favorable

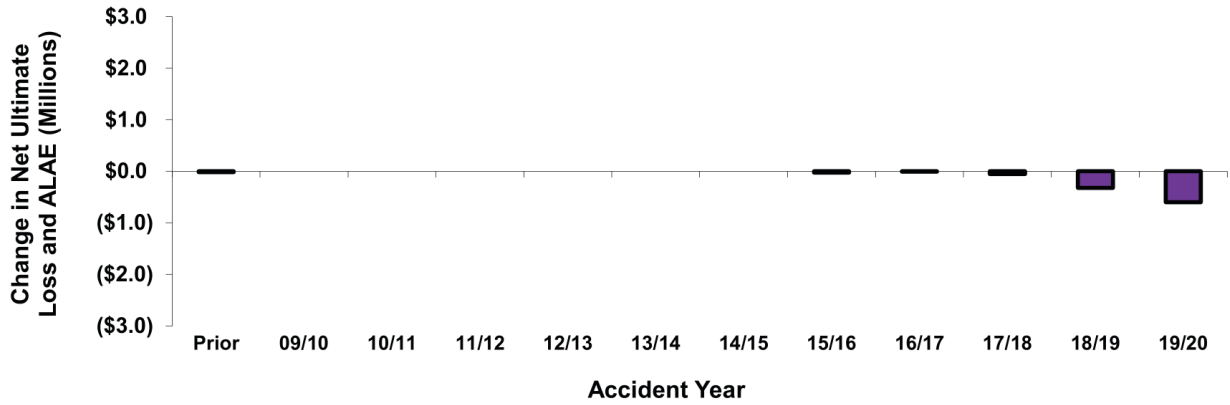


Workers compensation emergence favorable across nearly all accident years



Property Ultimate Loss change since 2020

Property - Total Decrease = \$1.0 million

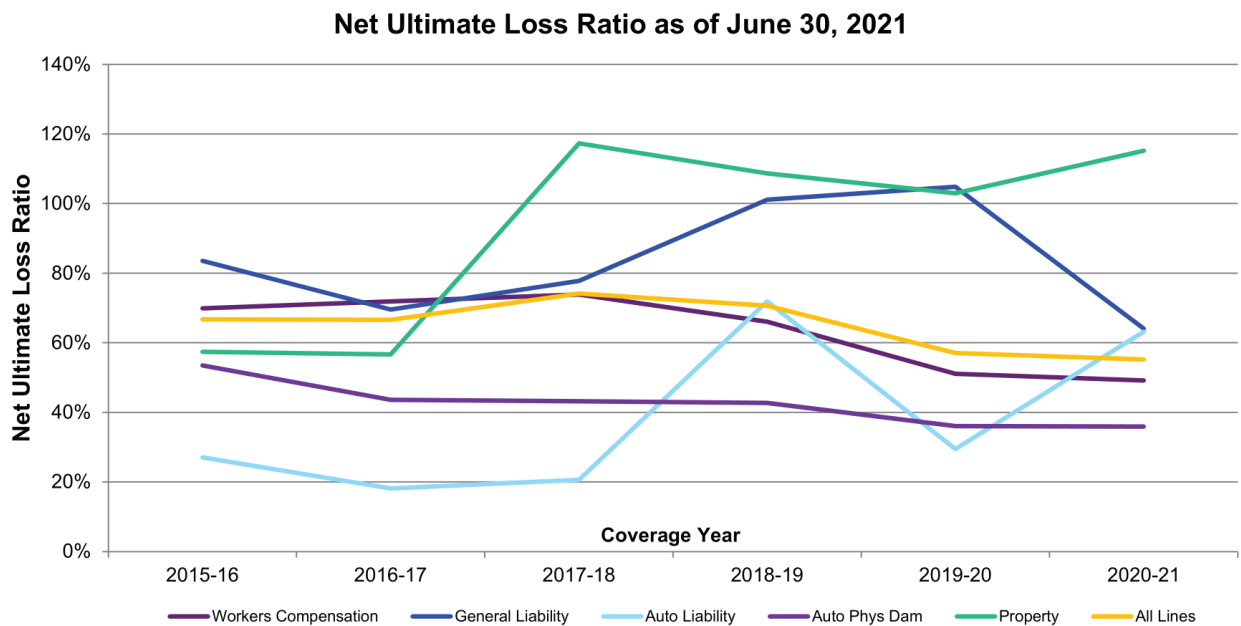


Auto Liability emergence is favorable overall, but has seen some deterioration in the older accident years

Auto Liability - Total Decrease = \$1.0 million



The 2019-20 and 2020-21 all lines net loss and ALAE ratios are at a historical low as result of lower reported workers compensation claims due to COVID



Unallocated Loss Adjustment Expense Liability

- We use a blend of NJSIG and insurance industry data
- Indicated liabilities at central estimate increased from \$8.2 to \$8.9 million
- Booked reserves are \$9.1 million (65% confidence level)

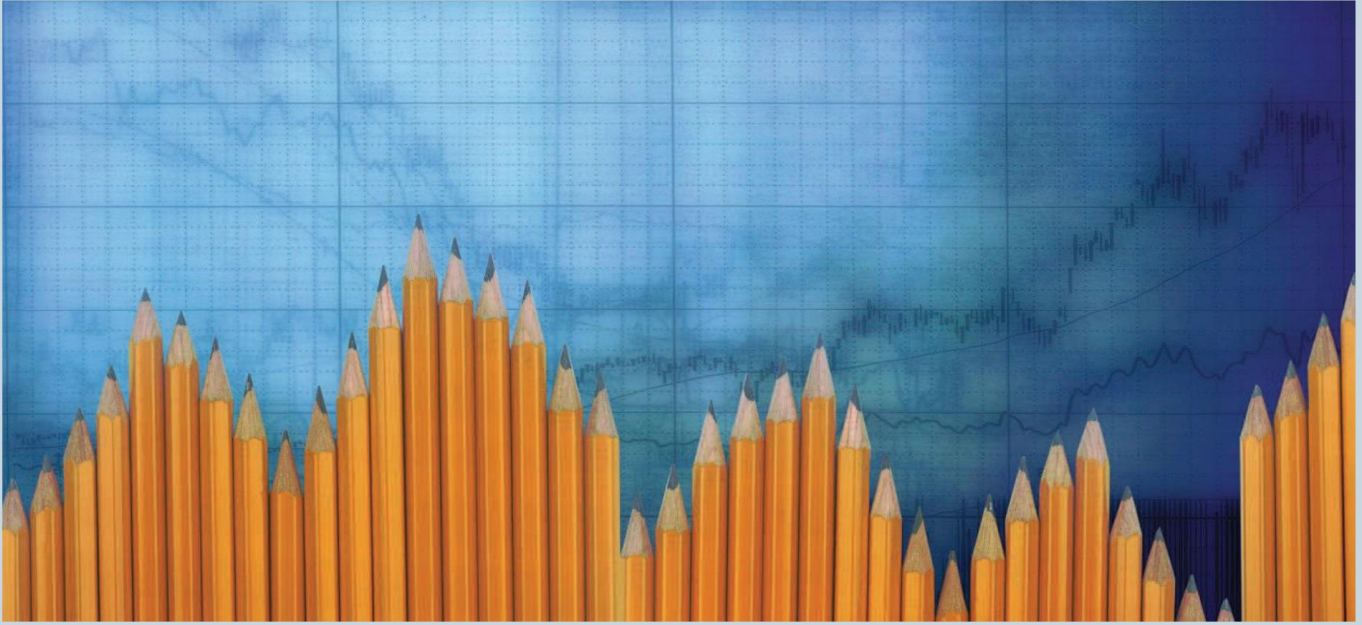
Loss and LAE reserve variability can significantly impact surplus

Impact of Variability on Booked Loss and LAE Reserves and Surplus (\$ Millions)

	Liabilities @6/30/2021	Difference versus Booked	Surplus
Booked*	\$192.3	\$—	\$180.2
Central Estimate	182.0	(10.4)	190.6
65% Percentile	192.3	0.0	180.2
75% Percentile	201.6	9.3	170.9
90% Percentile	222.3	30.0	150.3

*Booked numbers are preliminary and prior to any safety grants or COVID-19 relief.

Potential Rate Implications for Program Year 2021-22



Preliminary Rate Indications

- The results that follow are based on our June 30, 2021 liability analysis; actual rate indications will be based on data evaluated as of September 30, 2021
- Willis Towers Watson has not performed an in-depth analysis of rates at this point

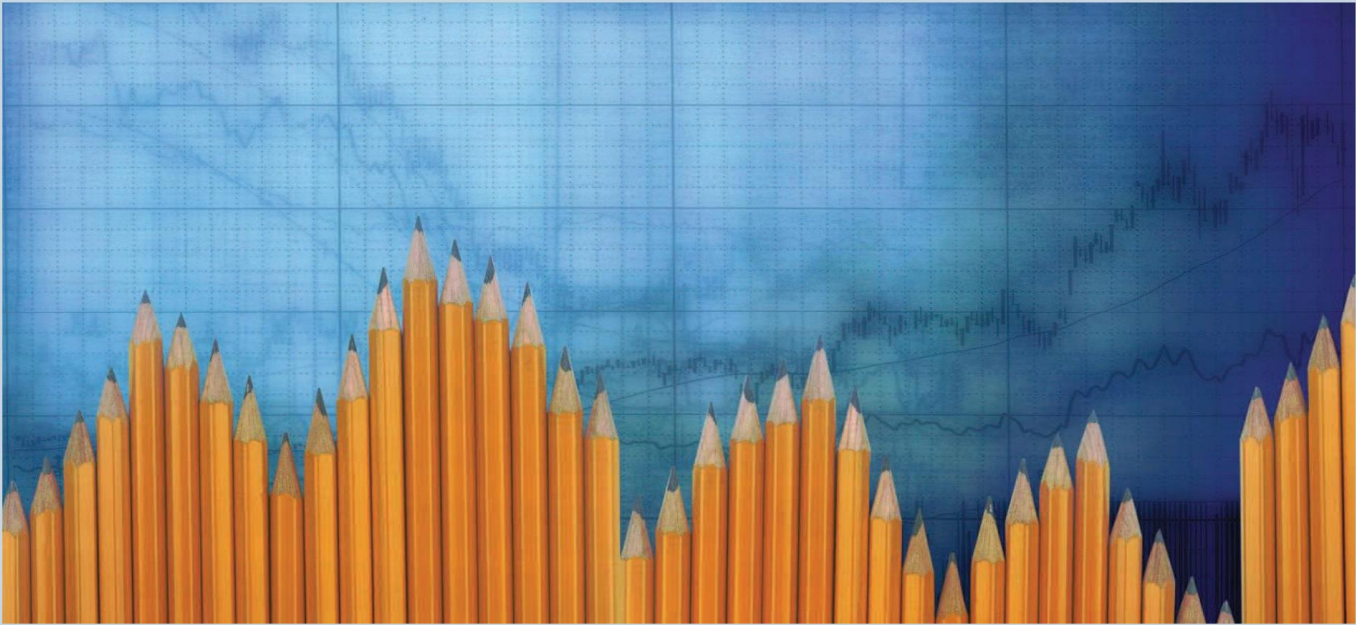
The July 1, 2022 rate level indication implies lower rates in total driven by workers compensation

Coverage	Initial Expected 2022-23 Rate Change	Direction of 2022-23 Rate Indication from Initial Expected
Workers Compensation	1%	Lower
General Liability	11%	Flat
Auto Liability	13%	Lower
Auto Physical Damage	4%	Flat
Property	5%	Flat to Lower
Total	2%	Lower

Questions and Discussion



Appendix



There is uncertainty inherent in the estimates of unpaid loss and ALAE

- Our estimates are based on historical claim and loss information
- There is no guarantee that estimates will prove to be accurate, and will change with future updates as new data emerges
- Multiple projection techniques (methods and models) are used, which provide various indications of the ultimate loss and LAE
- The confidence levels provided here are not all inclusive
- These estimates are based on NJSIG's historical experience and do not reflect extreme events that have a remote possibility of occurring

There is uncertainty inherent in the estimates of unpaid loss and ALAE (cont)

The inherent uncertainty associated with ultimate loss and LAE estimates is magnified in this case due to the following:

- NJSIG's mix of business is weighted toward coverages such as workers compensation and general liability for which the estimation of unpaid loss is more uncertain than for shorter-tailed property and casualty lines.
- NJSIG has relatively high per occurrence retentions, which increases the uncertainty associated with our liability estimates.
- The geographic (New Jersey) and industry (schools) concentration of NJSIG could cause adverse results due to legislative or judicial changes or catastrophic events (e.g., hurricanes).
- The passage of SAM legislation in New Jersey significantly extends the statute of limitations and may impact loss amounts in ways that are not quantifiable at this time.
- Recent changes in claims handling procedures and coverage determination increase the uncertainty associated with our liability estimates.
- There may be claims related to COVID-19 in the loss data provided to us. Our analysis does not make any adjustments for the impact of the coronavirus, either from a claims standpoint or its effects on economic and legal activity, except insofar as COVID-19 claims are in the loss data and are implicitly analyzed. The level of uncertainty inherent in our conclusions and underlying volatility in potential future outcomes is therefore increased as a result of COVID-19.

Glossary

AL – Automobile liability

ALAE – Allocated loss adjustment expense

APD – Automobile physical damage

Case Reserves – claim value estimate set by adjuster (reported loss – paid loss)

E&O – Errors and omissions

Frequency – Claims per unit of exposure

GL – General Liability

IBNR – Incurred But Not Reported (ultimate loss – reported loss)

LAE – Loss adjustment expense (ALAE + ULAE)

Severity – Average loss per claim

ULAE – Unallocated loss adjustment expense

WC – Workers compensation



New Jersey Schools Insurance Group
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Mount Laurel, New Jersey 08054
www.njsig.org

Board of Trustees Meeting September 15, 2021
Discussion Item
Risk Based Capital/Surplus Study Guideline as of June 30, 2021

NJSIG will review and present each fiscal year-end fund surplus versus the Risk Based Capital (RBC)/Total Adjusted Capital (TAC) established by the resolution passed at the June 30, 2016 meeting. That resolution stated the following:

Each year-end, until a new surplus study is performed, NJSIG should adopt the methodology that the NJSIG member equity (surplus) target threshold should minimally meet the adapted RBC value (as determined by Sigma), including a yearly inflation factor (as measured by the Consumer Price Index and published by the Bureau of Labor Statistics), times the RBC ratio range of 2.15 – 3.30 (as determined by Sigma). The Group's adapted RBC is to be evaluated at a minimum of every five years by an independent firm. Sigma Actuarial Consulting Group was engaged to perform a strategic Total Adjusted Capital/Risk Based Capital (TAC/RBC) analysis for NJSIG. Sigma used the Group's preliminary 06/30/16 financial reports, which included the 06/30/16 Willis Towers Watson study of ultimate liabilities, the 06/30/16 GASB68 adjustments (as per the NJ KPMG state report) and the assumption of a \$3 million 2015/2016 safety grant.

NJSIG's adapted RBC from the 06/30/2016 Sigma Actuarial Surplus Study was \$31.6 million.

The published twelve-month inflation rate at 06/2017 (as measured by the Consumer Price Index and published by the Bureau of Labor Statistics) was 1.6%. NJSIG's 06/30/2017 RBC/TAC adjusted for 1.6% inflation was \$32.1 million.

The published twelve-month inflation rate at 06/2018 (as measured by the Consumer Price Index and published by the Bureau of Labor Statistics) was 2.9%. NJSIG's 06/30/2018 RBC/TAC adjusted for 2.9% inflation was \$33.1 million.

The published twelve-month inflation rate at 06/2019 (as measured by the Consumer Price Index and published by the Bureau of Labor Statistics) was 1.6%. NJSIG's 06/30/2019 RBC/TAC adjusted for 1.6% inflation was \$33.6 million.

The published twelve-month inflation rate at 06/2020 (as measured by the Consumer Price Index and published by the Bureau of Labor Statistics) was 1.0%. NJSIG's 06/30/2020 RBC/TAC adjusted for 1.0% inflation was \$33.9 million.

The published twelve-month inflation rate at 06/2021 (as measured by the Consumer Price Index and published by the Bureau of Labor Statistics) was 5.4%. NJSIG's 06/30/2020 RBC/TAC adjusted for 5.4% inflation was \$35.8 million.

The RBC ratio range (as determined by Sigma) is 2.15 – 3.30. Multiplying NJSIG's 06/2021 inflation adjusted RBC by these ratios sets the NJSIG 06/30/2021 RBC/TAC Surplus threshold/guideline ranges between \$76.9 million and \$118 million.

The current, projected 06/30/2021 NJSIG GAAP surplus (prior to fiscal year-end auditor adjustments, safety grant declarations and/or COVID-19 relief assistance) is \$180.2 million (as of 09/08/21).

This projected 06/30/2021 NJSIG surplus of \$180.2 million exceeds the upper threshold of risk based capital of \$118 million. This signifies the strong financial position of NJSIG. The NAIC RBC is the method used to establish minimum capital appropriate to support an insurance company's overall business operations in consideration of its size and risk profile. The \$76.9 million to \$118 million threshold sets the minimum amounts of surplus required as per the RBC calculations from the Sigma actuarial study. NJSIG's projected 06/30/21 surplus of \$180.2 million (prior to any fiscal year-end auditor adjustments, safety grant declarations and/or COVID-19 relief assistance) exceeds these minimum amounts.

NJSIG management continues to explore potential successor policies to replace the present RBC model. NJSIG plans to address overall surplus levels through both initial member refunds related to COVID-19, as well as additional future general refund programs.

Michele Carosi
Chief Financial Officer



New Jersey Schools Insurance Group
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Board of Trustees Meeting of September 15, 2021
Action Item
Reserve Study as of June 30, 2021
NJSIG No. 0921-1

Representatives from Willis Towers Watson (WTW) will be available by telephone for their presentation of the June 30, 2021 reserve study and to answer any questions.

The WTW study presents the 06/30/2021 actuarially determined liability estimates for:

- (1) Estimated Net Unpaid Loss and Allocated Loss Adjustment Expense (ALAE)**
- (2) Unallocated Loss Adjustment Expense (ULAE)**

These liabilities are reflected at the 65% confidence level in the financials for NJSIG's 2020/2021 fund year.

Estimated Net Unpaid Loss and Allocated Loss Adjustment Expense (ALAE) liability:

WTW has estimated NJSIG's net unpaid loss and ALAE liabilities in a range for the 2020/2021 fund year. The estimated liability is shown by confidence levels. The 50% confidence level is \$173,053,000. They also opined at the 65%, 75% and 90% levels, which yielded reserves of \$183,242,000, \$192,114,000 and \$211,806,000, respectively. The higher the confidence level the more conservative the estimated liability.

NJSIG has chosen a confidence level of 65% for the 2020/2021 year resulting in an \$183,242,000 unpaid loss and ALAE liability.

Unallocated Loss Adjustment Expense (ULAE) liability:

WTW also performed an additional reserving analysis for 2020/2021 to determine NJSIG's liability for unpaid claims and unpaid losses and loss/claim adjustment expense. Their analysis resulted in Unallocated Loss Adjustment Expense (ULAE) liability amounts according to confidence levels. The 50% confidence level is \$8,900,000. They also opined at the 65%, 75% and 90% levels, which yielded reserves of \$9,100,000, \$9,500,000 and \$10,500,000, respectively. Again, the higher the confidence level the more conservative the estimated ULAE liability.

NJSIG has chosen a confidence level of 65% for the 2020/2021 year resulting in a \$9,100,000 ULAE liability

The 2020/2021 recommendation is to use the WTW's 65% confidence level of \$183,242,000 of unpaid loss and ALAE liabilities and \$9,100,000 of ULAE liabilities. The changes in these liabilities contribute \$8.1 million of income (for the unpaid loss and ALAE) and \$(400,000) of expense (for ULAE) to NJSIG's 2020/2021 change in net position. Prior to any 2020/2021 Safety Grant declarations, the resulting 2020/2021 net change in position will increase NJSIG's GAAP surplus from \$139.2 million to \$180.2 million. (Any Safety Grant allocation will decrease the 2020/2021 surplus by the exact safety grant amount.)

Recommended Resolution: Approve the 08/31/2021 draft WTW 06/30/2021 reserve study as as final and adopt the 65% confidence level estimates of unpaid loss and ALAE liability and the ULAE liability from this WTW 06/30/2021 reserve study. The 65% confidence level estimates are \$183,242,000 for the unpaid loss and ALAE liability and \$9,100,000 for the ULAE liability.

Michele Carosi
Chief Financial Officer



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Board of Trustees Meeting of September 15, 2021
Action Item
Safety Grant
NJSIG No. 0921-2

NJSIG's most recent fund year ending 6/30/2021 resulted in a \$40.9 million GAAP change in net position, when using the actuary's 65% confidence level reserving methodology, and prior to any COVID-19 relief assistance or new safety grant allocation. NJSIG's 6/30/2021 investment income is \$1.3 million. The resulting GAAP net fiscal year surplus for 2020/2021 (i.e., \$40.9 million minus \$1.3 million) totals \$39.6 million. However, NJSIG's statutory net fiscal year surplus for 2020/2021 totals \$27,743,018.

NJSIG has consistently strengthened its reserves to the actuaries' 65% confidence level over the past four years. Since NJSIG's reserves currently exceed the minimum range of actuarially determined thresholds, there is no imperative for additional 2020/2021 reserving.

NJSIG's Safety Grant Policy #3710 mandates that safety grant declarations be based on net fiscal year surplus. Net fiscal year surplus means that amount of monies in a trust account established pursuant to N.J.A.C. 11:15-4.6(b) 10 that is in excess of all costs, earned investment income, refunds made pursuant to N.J.A.C. 11:15-4.21, incurred losses and loss adjustment expenses, and incurred but not reported reserves, including the associated loss adjustment expenses attributed to the fund, net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year. Thus, safety grants cannot be paid from investment income. As such, the \$1.3 million of 2020/2021 investment income must be credited to NJSIG's net fiscal year surplus.

NJSIG currently has \$11.1 million in cumulative, outstanding (i.e., not yet paid) safety grants that have been allocated by the Board in prior fiscal years and are scheduled to be paid out as follows:

Allocated/ As of FY:	FY DATE Paid to Member:	FY 16/17 Grant Amounts	FY 17/18 Grant Amounts	FY 18/19 Grant Amounts	FY 19/20 Grant Amounts	TOTAL PAYABLE
19/20	10/2021 (21/22)	1,500,000	3,000,000			4,500,000
20/21	10/2022 (22/23)		2,500,000	2,000,000		4,500,000
21/22	10/2023 (23/24)				2,000,000	2,000,000
						<hr/>
Unallocated - Rollover Amounts						92,712
						<hr/>
						11,092,712
						<hr/>

NJSIG management recommends the following actions for the remaining \$39.6 million of 2020/2021 GAAP net fiscal year surplus:

- Adding a new \$2 million safety grant declaration to fiscal year 2022/2023, to be paid out in October 2024
- Retaining the remaining \$37.6 million GAAP net fiscal year surplus, some of which NJSIG plans to refund to WC members, due to the decreased claims activity related to COVID-19 on these lines during fiscal year 2020/2021.

Implementing these recommendations would result in cumulative, outstanding safety grant allocations of \$13.1 million (up from \$11.1 million), to be paid out as follows:

Allocated/ As of FY:	FY DATE Paid to Member:	FY 16/17 Grant Amounts	FY 17/18 Grant Amounts	FY 18/19 Grant Amounts	FY 19/20 Grant Amounts	FY 20/21 Grant Amounts	TOTAL PAYABLE
19/20	10/2021 (21/22)	1,500,000	3,000,000				4,500,000
20/21	10/2022 (22/23)		2,500,000	2,000,000			4,500,000
21/22	10/2023 (23/24)				2,000,000		2,000,000
22/23	10/2024 (24/25)					2,000,000	2,000,000
Unallocated - Rollover Amounts							92,712
							13,092,712

Implementing these recommendations would also increase NJSIG’s GAAP aggregate net current surplus for all fiscal years (i.e., the sum of NJSIG’s net fiscal year surplus for all fiscal years and all lines of coverage), from \$139.2 million to \$178.2 million (after the FY2021 safety grant allocation and prior to any return of COVID-19 relief assistance).

Recommended Resolution (NJSIG No. 0921-2): Approve a new \$2 million safety grant to be expensed from the 2020/2021 fund year for inclusion with cumulative future safety grant awards, allocated to fiscal year 2022/2023 and to be distributed in October 2024, as per NJSIG’s Safety Grant Policy #3710 guidelines.

Michele Carosi
Chief Financial Officer



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Board of Trustees Meeting September 15, 2021
Action Item
Resolution Authorizing the Issuance of Initial Member Refunds
NJSIG No. 0921-4

At the July 27, 2021 Board of Trustees meeting, the Board directed management to explore returning a portion of the members' contributions for the 2020/2021 fiscal year due to the reduced claims activity associated with the reduction in school activity due to the COVID-19 pandemic. For the period of July 1, 2020 through June 4, 2021, NJSIG's workers' compensation claim activity was substantially reduced compared to that of the same period of time for the prior several fiscal years.

To this end, management has determined that the most effective way to return a portion of members' contributions would be to conduct an initial refund of member contributions for the 2020/2021 fiscal year. This initial refund would be conducted pursuant to N.J.A.C. 11:15-4.21(a), and the refund would be of a portion of member contributions for the workers' compensation fund which is in excess of the amount necessary to fund all obligations for those funds for the 2020/2021 fiscal year. However, in light of N.J.A.C. 11:15-4.21(b), which requires that "[t]he fund may seek approval from the Commissioner to make initial refund payments from a claims or loss retention fund account remaining from any year which has been completed at least 24 months by submitting a written notification to the Department, with accompanying documentation as set forth in this subsection, at least 30 days prior to the proposed refund[,]” NJSIG must first seek the approval of the Commissioner of the Department of Banking and Insurance prior to conducting an initial member refund.

Recommended Resolution: Attached.



New Jersey Schools Insurance Group
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www.njsig.org

Resolution Authorizing the Issuance of Initial Member Refunds

NJSIG No. 0921-4

WHEREAS, the New Jersey Schools Insurance Group (“NJSIG”) is a school board insurance group authorized by N.J.S.A. 18A:18B-1, et seq. to provide risk transfer mechanisms for its members;

WHEREAS, in response to the COVID-19 pandemic, on March 16, 2020, the Governor of the State of New Jersey, Philip D. Murphy, signed Executive Order 104 (2020), which stated in pertinent part “[a]ll public, private, and parochial preschool program premises, and elementary and secondary schools, including charter and renaissance schools, shall be closed to students beginning on Wednesday, March 18, 2020, and shall remain closed as long as this Order remains in effect[;]”

WHEREAS, in response to the COVID-19 pandemic, on May 12, 2020, the Commissioner of the New Jersey Department of Banking and Insurance, Marlene Caride, signed Bulletin No. 20-22, ordering “insurers to make an initial premium refund or other adjustment to all adversely-impacted New Jersey policyholders, and for each month that the public health emergency is in effect,” for the lines of insurance listed in Bulletin No. 20-22, including “Workers’ compensation insurance[;]”

Resolution Authorizing the Issuance of Initial Member Refunds

NJSIG No. 0921-4

WHEREAS, on August 13, 2020, Governor Phil Murphy signed Executive Order No. 175 (2020), which supersedes Executive Orders 104 (2020) and 107 (2020)'s requirement that all preschool, elementary and secondary public schools remain closed to students due to the COVID-19 public health emergency;

WHEREAS, Executive Order 175 set forth the requirements for the reopening of in-person instruction at public school districts, charter and renaissance schools, while providing flexibility for those schools unable to meet the enumerated requirements for health and safety;

WHEREAS, in response to the easing of the COVID-19 pandemic, on June 4, 2021, Governor Murphy signed Executive Order 244, which stated in pertinent part that “[t]he Public Health Emergency declared in Executive Order No. 103 (2020) pursuant to the EHPA, N.J.S.A. 26:13-1, et seq., is hereby terminated[;]”

WHEREAS, although NJSIG is not an “insurer” under N.J.S.A. 18A:18B-3(d), NJSIG had received member inquiries regarding return of contributions in response to commercial insurers conducting premium refunds pursuant to Bulletin No. 20-22;

WHEREAS, for the period of July 1, 2020 through June 4, 2021, NJSIG's workers' compensation claim activity was substantially reduced compared to the same period in the several preceding fiscal years;

Resolution Authorizing the Issuance of Initial Member Refunds

NJSIG No. 0921-4

WHEREAS, as a member-focused school board insurance group, NJSIG has endeavored to support our member schools in any way possible during this extraordinarily challenging time;

WHEREAS, NJSIG seeks to refund a certain percentage of member contributions for the workers' compensation fund from the 2020/2021 fiscal year;

WHEREAS, N.J.A.C. 11:15-4.21(a) provides that “[a]ny monies for a fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the fund not less than 24 months after the end of the fiscal year[;]”

WHEREAS, N.J.A.C. 11:15-4.21(b) provides that “[t]he fund may seek approval from the Commissioner to make initial refund payments from a claims or loss retention fund account remaining from any year which has been completed at least 24 months by submitting a written notification to the Department, with accompanying documentation as set forth in this subsection, at least 30 days prior to the proposed refund[;]” and,

NOW THEREFORE, BE IT RESOLVED, that:

- 1) The Executive Director is hereby authorized to seek approval from the Commissioner of the New Jersey Department of Banking and Insurance pursuant to N.J.A.C. 11:15-4.21(b) to request a waiver of the twenty-four month requirement of N.J.A.C. 11:15-4.21(a) due to the COVID-19 pandemic, and to

Resolution Authorizing the Issuance of Initial Member Refunds

NJSIG No. 0921-4

conduct an initial member refund on the workers' compensation line for the 2020/2021 fiscal year upon receipt of such approval;

- 2) Upon receipt of approval of the Commissioner, the Executive Director is authorized to conduct an initial refund of \$6,346,945.53 in workers' compensation member contributions for the 2020/2021 fiscal year, to be performed in accordance with N.J.A.C. 11:15-4.21(d) and paid in proportion to the member's participation in the respective funds.

I certify that the foregoing is a true copy of a Resolution passed by the New Jersey Schools Insurance Group at the meeting duly held on the 15th day of September, 2021.

New Jersey Schools Insurance Group

By: _____
Christopher Russo, Chairperson

Board Secretary
Use Only

DATE:

MOVED BY:

SECONDED BY:

VOTE:



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

Board of Trustees Meeting September 15, 2021

Action Item

**Outside counsel for: subrogation and recovery litigation (C-2021-0008);
insurance coverage counsel and litigation (C-2021-0009), and school board
insurance group counsel (L-2021-0001)
NJSIG No. 0921-5**

As a part of NJSIG's efforts to maintain compliance with the PSCL, NJSIG issued requests for qualifications for outside counsel for subrogation and recovery litigation (C-2021-0008), insurance coverage counsel and litigation (C-2021-0009), and school board insurance group counsel (L-2021-0001). As a result of this fair and open procurement process, NJSIG received numerous proposals from qualified firms. These proposals were evaluated using the weighted evaluation criteria, and the results of that evaluation are available for review.

The designation of a firm as approved outside counsel is not a retention for a specific matter, and does not entitle a firm to be retained for a specific matter. Rather, these firms would now be eligible to handle matters on behalf of NJSIG and its members in the respective areas. The cutoff for qualifying for the outside counsel designation was as follows: an average score of seventy (70) or greater for outside counsel for subrogation and recovery litigation (C-2021-0008) and for insurance coverage counsel and litigation (C-2021-0009); and an average score of eighty (80) or greater for school board insurance group counsel (L-2021-0001). Thus, it is proposed that the firms identified in the attached resolution be designated as outside counsel in the respective areas.



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
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www.njsig.org

**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

NJSIG No. 0921-5

WHEREAS, the New Jersey Schools Insurance Group (“NJSIG”) is authorized by N.J.S.A. 18A:18B-1, et seq. to provide insurance coverage for its members;

WHEREAS, NJSIG requires professional services in the form of outside counsel to represent the interests of NJSIG and its members;

WHEREAS, NJSIG has engaged in a fair and open process for the procurement of outside counsel services, pursuant to which proposals were solicited via a request for qualifications; and,

WHEREAS, an evaluation committee was convened by NJSIG and has evaluated all proposals submitted.

NOW THEREFORE, BE IT RESOLVED, that:

1) NJSIG designates the following firms as Outside Counsel as to each respective area based on technical criteria, management criteria, cost criteria and the service provider’s demonstrated service to public entities in the State of New Jersey:

a. Subrogation and recovery litigation (C-2021-0008):

**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

NJSIG No. 0921-5

- i. Law Offices of Stephen E. Gertler; and
 - ii. Methfessel & Werbel, PC.
 - iii. Butler Weihmuller Katz Craig LLP
 - b. Insurance coverage counsel and litigation (C-2021-0009):
 - i. Malapero, Prisco, Klauber & Licata, LLP.
 - ii. DeCotiis, Fitzpatrick, Cole & Giblin, LLP
 - iii. Cleary, Giacobbe, Alfieri, Jacobs, LLC
 - c. School board insurance group counsel (L-2021-0001):
 - i. Archer & Greiner, P.C.
- 2) The Executive Director is hereby authorized to execute professional services agreements with the above-referenced service providers;
- 3) NJSIG is hereby authorized to retain firms designated as Outside Counsel that have executed a professional service agreement as to each respective area;
- 4) This designation is in accordance with the Public School Contracts Law, N.J.S.A. 18A:18A-1, et seq.;
- 5) A notice of this action shall be published once in the official newspaper designated by NJSIG, and is on file and available for public inspection at the office of NJSIG.

**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

NJSIG No. 0921-5

I certify that the foregoing is a true copy of a Resolution passed by the New Jersey Schools Insurance Group at the meeting duly held on the 15th day of September, 2021.

New Jersey Schools Insurance Group

By: _____
Christopher Russo, Chairperson

Board Secretary
Use Only

DATE:

MOVED BY:

SECONDED BY:

VOTE:



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

**Board of Trustees Meeting September 15, 2021
Action Item**

**Outside counsel for: employment practices counseling hotline (LC-2021-0002)
NJSIG No. 0921-6**

As a part of NJSIG's efforts to maintain compliance with the PSCL, NJSIG issued requests for qualifications for outside counsel for its employment practices counseling hotline (LC-2021-0002). As a result of this fair and open procurement process, NJSIG received a proposal from one qualified firm. This proposal was evaluated using the weighted evaluation criteria, and the results of that evaluation are available for review.

The cutoff for qualifying for the outside counsel designation was an average score of eighty (80) or greater for outside counsel for employment practices counseling hotline (LC-2021-0002). Thus, it is proposed that a contract for the provision of employment practices counseling hotline services be awarded to Cleary, Giacobbe, Alfieri, Jacobs LLC.



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**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

NJSIG No. 0921-6

WHEREAS, the New Jersey Schools Insurance Group (“NJSIG”) is authorized by N.J.S.A. 18A:18B-1, et seq. to provide insurance coverage for its members;

WHEREAS, NJSIG requires professional services in the form of outside counsel to provide employment practices counseling hotline professional services;

WHEREAS, NJSIG has engaged in a fair and open process to procure outside counsel to provide employment practices counseling hotline professional services, pursuant to which proposals were solicited via a request for qualifications; and,

WHEREAS, an evaluation committee was convened by NJSIG and has evaluated all proposals submitted.

NOW THEREFORE, BE IT RESOLVED that:

- 1) NJSIG awards the contract for employment practices counseling hotline professional services to Cleary, Giacobbe, Alfieri, Jacobs LLC for a duration of twelve months;
- 2) NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria;

**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

NJSIG No. 0921-6

- 3) The Executive Director is hereby authorized to execute a contract with the above-referenced provider; and,
- 4) This designation is in accordance with the Public School Contracts Law, N.J.S.A. 18A:18A-1, et seq.

I certify that the foregoing is a true copy of a Resolution passed by the New Jersey Schools Insurance Group at the meeting duly held on the 15th day of September, 2021.

New Jersey Schools Insurance Group

By: _____
Christopher Russo, Chairperson

Board Secretary
Use Only

DATE:

MOVED BY:

SECONDED BY:

VOTE:



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

Board of Trustees Meeting September 15, 2021
Action Item
Insurance brokerage services
NJSIG No. 0921-7

NJSIG retained Willis Towers Watson as its insurance broker via RFP U-2019-0001, and NJSIG's insurance broker is responsible for acting as an independent insurance and risk transfer advisor to NJSIG and for providing unbiased risk transfer advice that is in the best interests of NJSIG and its membership.

As a result of the now-failed merger between Aon and Willis Towers Watson, a significant portion of the team at Willis Towers Watson that was responsible for providing NJSIG with insurance brokerage services left their employment with Willis Towers Watson on or about July 22, 2021. This team is now employed by Alliant Insurance Services, Inc.

On or about August 11, 2021, Willis Towers Watson indicated that it was unable to continue providing NJSIG with insurance brokerage services as a result of these employee departures. As such, the contract for insurance brokerage services between NJSIG and Willis Towers Watson was terminated effective August 20, 2021.

On or about September 9, 2021, Alliant Insurance Services, Inc. provided a proposal to provide insurance brokerage services to NJSIG until December 31, 2021. In order to ensure that there is no disruption in the provision of insurance brokerage services, it is proposed that a contract be awarded to Alliant Insurance Services, Inc. to provide insurance brokerage services for the remainder of the original contract term, i.e. until December 31, 2021.



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Certification pursuant to N.J.A.C. 5:34-2.3(b)

NJSIG No. 0921-7

To: New Jersey Schools Insurance Group Board of Trustees

From: Jill Deitch, Esq.
Executive Director

Date: September 15, 2021

Subject: Insurance, including the purchase of insurance coverage and consultant services

This is to request an award of a contract without the receipt of formal bids as insurance, including the purchase of insurance coverage and consultant services, N.J.S.A. 18A:18A-5(a)(10). I do hereby certify to the following:

- 1. Provide a clear description of the nature of the work to be done:**
Insurance brokerage services for the New Jersey Schools Insurance Group.
- 2. Describe in detail why the contract meets the provisions of the statute and rules: N.J.S.A. 18A:18A-5(a)(10) (“Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;”).**

Certification pursuant to N.J.A.C. 5:34-2.3(b)

NJSIG No. 0921-7

3. **The service(s) is of such a specialized and qualitative nature that the performance of the service(s) cannot be reasonably described by written specifications because: N.J.S.A. 18A:18A-5(a)(10)** (“Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;”).
4. **Describe the informal solicitation of quotations:** NJSIG retained Willis Towers Watson as its insurance broker via RFP U-2019-0001, and NJSIG’s insurance broker is responsible for acting as an independent insurance and risk transfer advisor to NJSIG and for providing unbiased risk transfer advice that is in the best interests of NJSIG and its membership. As a result of the now-failed merger between Aon and Willis Towers Watson, a significant portion of the team at Willis Towers Watson that was responsible for providing NJSIG with insurance brokerage services left their employment with Willis Towers Watson on or about July 22, 2021. This team is now employed by Alliant Insurance Services, Inc. On or about August 11, 2021, Willis Towers Watson indicated that it was unable to continue providing NJSIG with insurance brokerage services as a result of these employee departures. As such, the contract for insurance brokerage services between NJSIG and Willis

Certification pursuant to N.J.A.C. 5:34-2.3(b)

NJSIG No. 0921-7

Towers Watson was terminated effective August 20, 2021. On or about September 9, 2021, Alliant Insurance Services, Inc. provided a proposal to provide insurance brokerage services to NJSIG until December 31, 2021.

5. I have reviewed the rules of the Division of Local Government Services pursuant to N.J.A.C. 5:34-2.1, et seq. and certify that the proposed contracts may be considered an extraordinary unspecifiable service in accordance with the requirements thereof.

Respectfully submitted,

Jill Deitch, Esq.
(Print Name)

(Signature)

Executive Director
(Title)

(Original to be retained by the NJSIG Board of Trustees Secretary with the affirmed copy of the resolution; signed duplicate to be kept by appropriate official).



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**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

NJSIG No. 0921-7

WHEREAS, the New Jersey Schools Insurance Group (“NJSIG”) is authorized by N.J.S.A. 18A:18B-1, et seq. to provide risk transfer mechanisms for its members;

WHEREAS, NJSIG requires insurance brokerage services;

WHEREAS, such service is in the nature of an exception to the bidding requirements under N.J.S.A. 18A:18A-5(a)(10), “[i]nsurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;”

WHEREAS, the Executive Director has executed a Certification pursuant to N.J.A.C. 5:34-2.3(b), which said Certification is attached; and

NOW THEREFORE, BE IT RESOLVED, that:

- 1) NJSIG awards the contract for insurance brokerage services to:
 - a. Alliant Insurance Services, Inc.;
- 2) The Executive Director is hereby authorized to execute a contract with the above-referenced provider;

**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

NJSIG No. 0921-7

- 3) This designation is in accordance with the Public School Contracts Law,
N.J.S.A. 18A:18A-1, et seq.;
- 4) A notice of this action shall be published once in the official newspaper designated by NJSIG, and is on file and available for public inspection at the office of NJSIG.

I certify that the foregoing is a true copy of a Resolution passed by the New Jersey Schools Insurance Group at the meeting duly held on the 15th day of September 2021.

New Jersey Schools Insurance Group

By: _____
Christopher Russo, Chairperson

Board Secretary
Use Only

DATE:

MOVED BY:

SECONDED BY:

VOTE: