



New Jersey Schools Insurance Group
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**A Message from
New Jersey Schools Insurance Group's Executive Director**

**NJSIG COVID-19 Relief: Application to Return
Workers Compensation and Auto Liability Member Contributions**

Dear members of the New Jersey Schools Insurance Group:

In December 2019, as I began my tenure as Executive Director of the New Jersey Schools Insurance Group (NJSIG), my main focus as the leader of a public entity formed by public schools was to ensure that NJSIG is member-focused and member-driven. An opportunity to demonstrate this member-centric focus presented itself much sooner than I had anticipated, as the COVID-19 pandemic has created enormous challenges for public schools that were already underfunded and overworked. We asked for feedback from our members in May, and we heard from many of you that you needed monetary relief during these unprecedented times.

For this reason, on November 6, 2020, I requested permission from the New Jersey Department of Banking and Insurance (DOBI) to immediately return approximately \$3.3 million in member contributions to NJSIG members with workers' compensation and auto liability coverage in the 2019/2020 policy year. This initial refund would be paid to each member in proportion to the member's participation in the workers' compensation and auto liability funds for 2019/2020. While we would like to get this refund back to our members immediately, we unfortunately cannot give any details on a timeline until we hear back from DOBI. We are hopeful that, if approved by DOBI, we will be able to offer our members the option of receiving this refund as a credit against future contributions or in the form of a refund check.

The amount of this refund would constitute approximately fifteen percent (15%) of the workers' compensation member contributions for the 2019/2020 fiscal year that are attributable to the 107-day period when schools were closed due to COVID-19 (i.e., March 16 to June 30, 2020), and approximately fifteen percent (15%) of the auto liability member contributions for the 2019/2020 fiscal year that are attributable to the 107-day period when schools were closed due to COVID-19 (i.e., March 16 to June 30, 2020). We derived this percentage based on our significantly reduced claims activity on these lines during that time period, our actuary's analysis of our anticipated exposure on these lines, and information from the marketplace about the types of COVID-19 refunds being issued by commercial insurers in response to a directive issued by DOBI in May 2020.

Ordinarily, under the administrative regulations pertaining to school board insurance groups like NJSIG, initial refunds may not be issued until at least twenty-four months have elapsed from the end of the fiscal year. But, as you all know, these are not ordinary times. As such, and in an effort to support our members, NJSIG has asked DOBI to forgo the administrative code's twenty-four-month requirement so that we can return these funds to you, our members, immediately

If approved by DOBI, this \$3.3 million relief would be in addition to the safety grant that you recently received (or are about to receive), in addition to the \$13.5 million in safety grants that NJSIG's Board of Trustees has previously earmarked for 2020, 2021, and 2022, and in addition to the \$2 million that our Board just set aside in September 2020 for safety grants in 2023. In executing on our core mission of helping members manage risk, NJSIG wants to be able to assist our members in meaningful ways, and this refund due to COVID-19 is just one example.

If you have any feedback on how we can better help you, please feel free to reach out to me directly (JDeitch@njsig.org). I am available and very interested in learning how NJSIG can do more to help the membership. In the meantime, we will keep you posted on DOBI's response to our request, and we will let you know as soon as we can if and when you can expect your NJSIG COVID-19 relief funds.

Thank you and stay well.

Jill Deitch, Esq.
Executive Director
New Jersey Schools Insurance Group