Policy Manual
2020/2021

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Adopted: 01/87
Amended: 10/90, 06/11
Reviewed: 04/22/11

RELATIONS WITH EDUCATIONAL ASSOCIATIONS

It is the intent of the New Jersey Schools Insurance Group (NJSIG) to maintain a close working relationship with the New Jersey School Boards Association (NJSBA), the New Jersey Association of School Board Officials (NJASBO) and the New Jersey Association of School Superintendents (NJASA) towards the end of continuing to address the insurance needs of school districts in New Jersey.

The New Jersey Schools Insurance Group (NJSIG) will work with the New Jersey School Boards Association (NJSBA), the New Jersey Association of School Board Officials (NJASBO) and the New Jersey Association of School Superintendents (NJASA) to collectively support and promote the activities of the Group and the Associations.

None of the organizations noted above have financial responsibility or oversight to, or for, the Group and the Group has no financial responsibility or oversight to, or for, any of the Associations listed above.

Adopted: 11/83
Amended: 05/11, 06/11
Reviewed: 04/22/11

COMMUNICATION & PROMOTION

The New Jersey Schools Insurance Group shall use timely and appropriate means of communicating information about its services to all New Jersey Schools Insurance Group member school districts in New Jersey. The Executive Director of the New Jersey Schools Insurance Group is directed to identify and utilize those means of communicating with school districts necessary to provide them with information about the present and future activities and services of the New Jersey Schools Insurance Group.

Adopted: 11/83
Amended: 12/09, 06/11
Reviewed: 04/22/11

REPORTS

All financial and investment reports shall comply with Article VIII, Section E, of the Group Bylaws. The Board of Trustees may request additional reports as deemed appropriate for the conduct of the Group's business.

Monthly financial and investment reports shall be prepared for, and distributed to, the Board of Trustees and the annual financial and investment reports shall be made available on the NJSIG website.

The Executive Director shall be responsible for providing the Board of Trustees with appropriate reports on all aspects of the operations of the Group. The reports include normal operational reports and special reports as may be requested by the Board of Trustees.

Adopted: 11/83
Amended: 12/09, 06/11
Reviewed: 04/22/11

MEMBERSHIP FEEDBACK

It is the intent of the New Jersey Schools Insurance Group to continue to assess the usefulness and value of its service to members. The Executive Director or his/her designee shall periodically survey member districts and report the results to the Board of Trustees for its consideration.

After consideration by the Board of Trustees the survey results and any action directed by the Board of Trustees will be compiled in a report produced by the Executive Director or his/her designee. The report will be placed in the Group's records and made available to the membership in a manner consistent with the Group's records distribution policy.

Administration/Operations

2100*	Trustees Code of Conduct
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Adopted: 10/12 Index #: 2100
Amended: Page 1 of 2
Reviewed:

BOARD OF TRUSTEES CODE OF CONDUCT

The following general principles set forth the expected code of conduct to guide the activities of the Group's Board of Trustees.

1. Dedication to the highest ideals of honor, integrity, and due diligence so that the Group's Board of Trustees may merit respect and public confidence in all their dealings.

2. Dedication to the concepts of democratic, effective and efficient governance by responsible, knowledgeable elected and appointed officials with an understanding that official decisions made and actions taken by the Group are always made in the best interests of Group's member school districts, as opposed to the interests of the Group's Trustees or other outside interests.

3. Commitment to the principle that the Group's Board of Trustees is ultimately responsible for establishing the Group's goals and objectives and in making policy decisions on behalf of the Group's ownership. This responsibility cannot be transferred or delegated.

4. Dedication to the principle that individual Trustee's should consistently seek guidance and direction from the Group's governing body as a whole on matters of Group policy and refrain from promoting any candidate for election and/or appointment to the Group's Board of Trustees.

5. Commitment to the principle that Group Trustees should be expected to provide policy proposals and recommendations to the Board of Trustees and provide Trustees with information and advice on matters of policy as a basis for making decisions. Once the Board of Trustees has acted, employees should be responsible for implementing and upholding all official policies and decisions adopted by the Board of Trustees, without interference.

6. Dedication to the continual improvement of the professional abilities and expertise of the Board of Trustees and employees in matters relating to Group governance and management or administration.

7. Dedication to the principle that members of the Group's Board of Trustees and employees share a responsibility to communicate with the Group's member school districts regarding Group objectives/activities/outcomes and should seek to improve the quality and image of the Group at all times.

8. Dedication to the principle that all matters of procurement, personnel administration and outside contracting are administered on the basis of merit so that fairness and impartiality govern all governance and management decisions.

9. Dedication to the principle that matters of Group governance and/or management/administration cannot be bought or sold. No member of the Group's Board of Trustees should ever solicit a personal gift of any value from any third-party performing work on behalf of or in any way associated (or potentially associated) with the Group. This principle adheres to Group policy #2105.

10. Dedication to the principle that conflicts of interest, as outlined in Group policy #2105, should be avoided and where present shall be fully disclosed. This includes situations when members of the Group's Board of Trustees or employee's personal interests (including those of his/her family) are contrary to his/her loyalty to the Group.

Adopted: 10/12
Amended: 03/14
Reviewed:

TRUSTEE CONFLICT OF INTEREST

1. A NJSIG Trustee or member of his/her immediate family shall not have an interest in a business organization or engage in any business, transaction, or professional activity, which is in substantial conflict with the proper discharge of his/her duties to the Group;

2. A NJSIG Trustee shall not use or attempt to use his/her official position to secure unwarranted privileges or advantages for himself/herself or others;

3. A NJSIG Trustee shall not act in his/her official capacity in any matter where the Trustee, a member of the Trustee's immediate family, or a business organization in which the Trustee has an interest, has a direct or indirect financial or personal involvement that might reasonably be expected to impair the Trustee's objectivity or independence of judgment;

4. A NJSIG Trustee shall not undertake any employment or service, whether compensated or not, which might reasonably be expected to prejudice the Trustee's independence of judgment in the exercise of his/her duties;

5. A NJSIG Trustee, member of his/her immediate family, or business organization in which the Trustee has an interest, shall not solicit or accept any gift, favor, loan, political contribution, service, promise of future employment, or other thing of value based upon an understanding that the gift, favor, loan, contribution, service, promise, or other thing of value was given or offered for the purpose of influencing the Trustee, directly or indirectly, in the discharge of the Trustee's official duties;

6. A NJSIG Trustee shall not use, or allow to be used, the Trustee's position with the Group, or any information, not generally available to the members of the public, which the Trustee receives or acquires in the course of and by reason of his/her seat on the Board of Trustees, for the purpose of securing financial gain for the Trustee, any member of the Trustee's immediate family, or any business organization with which the Trustee is associated;

TRUSTEE CONFLICT OF INTEREST

7. Nothing shall prohibit Trustees from representing themselves, in negotiations or proceedings with/before the Group concerning their own interests.

8. A NJSIG Trustee of the Group shall not engage in the same or a similar line of business or research as that carried on by the Group. A Trustee shall not have a financial interest in a company which is a competitor of or supplier to the Group. Financial interests held by a Trustee or by his or her immediate family members in such companies are to be disclosed immediately to the company so that a determination can be made as to whether a conflict exists. Members of the Trustee's immediate family include spouse, children, and any other relative sharing the same home as the Trustee.

9. A NJSIG Trustee shall not hold any form of paid employment with the Group while he/she is serving as a Trustee, nor for one year after leaving the office of Trustee.

Conflict of Interest Procedure

A NJSIG Trustee shall not accept any gift, service, or favor from anyone doing business with the Group without:

1. Disclosure to the to the Executive Director if the recipient is a Trustee; or,

2. Turning the gift over to the Group for its benefit and use.

Under no circumstances shall any Trustee engage in any practice which can be construed as contrary to Group interest.

Adopted: 11/83
Amended: 06/11
Reviewed: 04/22/11

MEETINGS

The Board of Trustees will assemble and meet at least quarterly. The Board of Trustees will meet in the months of September, December, March and June, at a time and place to be determined by the Executive Director. The Executive Director shall annually prepare a meeting schedule, including the time and place, and present the schedule to the Board of Trustees for approval. In the event that it is not feasible to schedule a meeting in a stated month, the Board of Trustees will fix an alternate time for the meeting as appropriate.

Special meetings may be called by the Chairperson or in his/her absence, the Vice Chairperson, or any three (3) members of the Board of Trustees, or by the Executive Director.

Adopted: 09/83
Amended: 06/11
Reviewed: 04/22/11

QUORUM

Five Trustees shall constitute a quorum for the transactions of business.

Adopted: 11/83
Amended: 12/09, 06/11
Reviewed: 04/22/11

MINUTES

Minutes will be kept of each meeting of the Board of Trustees and Sub Fund Groups. A copy of the minutes of the previous meeting, as well as an agenda, which contains a discussion of those minutes, will be provided to each Trustee or Sub Fund Group representative prior to all regularly scheduled meetings of the Board of Trustees or Sub Fund Group. Upon acceptance and approval of the Board of Trustees or Sub Fund Group the minutes shall be recorded and placed on file with the permanent records of NJSIG.

If the Board of Trustees or Sub Fund Group holds a meeting or executive session closed by the presiding officer minutes will be recorded of all actions. Minutes of closed or executive meetings will be recorded and filed separately and their disclosure is subject to the rights and protections afforded by New Jersey law.

Adopted: 01/87
Amended: 12/09, 06/11
Reviewed: 04/22/11

PROCEDURES

The Board of Trustees shall adopt and amend such procedures as are deemed necessary for the conduct of its business and the business of the New Jersey Schools Insurance Group. For the purpose of conducting meetings the New Jersey Schools Insurance Group Board of Trustees will abide by Robert's Rules of Order.

Adopted: 09/83
Amended: 05/11, 6/11
Reviewed: 05/11/11

DELEGATION OF DUTIES TO EXECUTIVE DIRECTOR

It shall be the responsibility of the Executive Director of the New Jersey Schools Insurance Group to oversee the day-to-day functioning and management of the Group.

In order to allow the Group to function smoothly between Board of Trustees meetings, it is necessary for the Board of Trustees to delegate certain duties to the Executive Director. The Executive Director shall:

A. Open and maintain bank accounts in the Group's name as required. The Executive Director shall have the authority to choose the banking establishments to be utilized.

B. Enter into a contract or contracts for excess insurance and/or reinsurance on behalf of the Group after the Board of Trustees approve the cost parameters for said purchases.

C. Conduct official correspondence on behalf of the Group.

D. Recruit, hire, evaluate, promote, discipline and terminate the staff of the Group in accordance with the Group's personnel policies contained in policy section 6000.

E. Manage the financial affairs of the Group in accordance with the Group's annual budget, as adopted by the Board of Trustees.

Adopted: 09/83
Amended: 05/11, 06/11
Reviewed: 05/11/11

DELEGATION OF DUTIES TO EXECUTIVE DIRECTOR

F. Enter into and manage contracts on behalf of the Group that are in accordance with New Jersey Public Schools Contract Law (N.J.S.A. 18A; 18A-1-et seq.), are consistent with the normal course of business and provide for the efficient operation of the Group's business. The Board of Trustees does not delegate to the Executive Director responsibility for the annual financial audit, any actuarial audits and/or any claim audits.

G. Be responsible for the day-to-day operations of the Group and shall manage said operations in a manner consistent with the policies, procedures and budget adopted by the Board of Trustees.

Adopted: 08/87
Amended: 06/11
Reviewed: 04/22/11

EMPLOYMENT OF CONSULTANTS

The Board of Trustees is responsible for providing the most effective and cost efficient services to the Group membership. Towards this end the Executive Director may, at his/her discretion, employ consultants and contract for operational and evaluation service where necessary to meet the business needs of the Group.

The Board of Trustees retains the authority to contract for any financial audit, actuarial audit and claim audit.

Adopted: 06/11
Amended:
Reviewed: 04/22/11

SERVICE PROVIDERS BILL OF RIGHTS

The New Jersey Schools Insurance Group strives to provide a transparent and competitive process for the selection of providers who provide goods and/or services to the Group. Towards that end the Group will work to meet the following guidelines:

1. Service providers will be treated consistently with dignity, respect and professionalism.

2. Service providers will not provide gifts, perks or other benefits to the Group, its Board of Trustees or staff in expectation of any quid pro quo treatment or preference for any actions or service of or by said provider.

3. The Group will give fair and equitable treatment to all service providers throughout the procurement process.

4. For the provision of any good or service which is put out for bid the Group will strive to make all competitive bidding processes open, well defined and transparent. The Group understands there may be a direct cost to the service provider in the preparation of a response to any request for proposal (RFP).

5. Once the competitive bidding process is complete and a service provider has been selected the Group will enter into a written service agreement with that provider which specifies all terms and conditions of that specific contractual relationship.

6. The service provider will only be responsible for delivery of the goods and/or services which are specified within the scope of service contained in the service agreement.

7. Upon receipt of proper and timely invoicing for the goods or services the Group will strive to remit payment for those goods and services in a timely manner and as specified in the service agreement.

Adopted: 10/13
Amended: 1/16
Reviewed: 06/13, 09/13, 1/16

DEFENSE PANEL COUNSEL

It is necessary for the Group to maintain a list of attorneys who will be utilized as approved panel counsel to represent our members.

That role is within the discretion of the Chief Legal Officer with the advice of the Claims Department of the Group, as the Claims Department oversees all approved panel counsel and is in the best position to judge the performance of approved panel counsel and the need to add or subtract from the approved list of approved panel counsel.

The attorneys on the approved panel counsel list shall be selected based on their expertise in handling matters for school boards in the State of New Jersey, including, but not limited to workers' compensation, civil litigation, harassment, discrimination, Title 59 actions and other school related matters.

The approved panel counsel list will be maintained, added or subtracted to as needed, by the Chief Legal Officer. The Claims Department shall provide the list of current panel counsel and the current rate of compensation to the Board of Trustees on an annual basis.

Adopted: 09/83
Amended: 03/88, 12/09, 06/11
Reviewed: 04/22/11

AUDITS

The Board of Trustees shall contract with a qualified independent certified public accountant to conduct the annual audit in accordance with Generally Accepted Auditing Standards to ensure that the Group's financial records are maintained in accordance with Generally Accepted Accounting Principles. The audit shall include the independent auditor's report on the internal controls of the Group operations and concerns cited by the auditor(s).

The Board of Trustees shall annually contract with a qualified independent actuary, who is a fellow of the Casualty Actuarial Society or a member of the American Academy of Actuaries, to perform an annual actuarial study of all coverage programs and provide a written report to the Board of Trustees. The report will include, but may not be limited to, a review of the adequacy of reserves, allocation methods for funding losses, loss development, incurred but not reported losses, loss adjustment expenses, unallocated loss adjustment expenses and adverse loss experience.

The Board of Trustees shall, at least every three years, contract with a qualified individual to conduct an independent audit of the Group's claim administration operations and to report to the Board of Trustees. The claim auditor will report on the claim handling, and reserving practices of the Group, noting significant exceptions and/or deficiencies. The claim audit will include a determination that case reserving practices are reasonable and appropriate.

Adopted: 01/87
Amended: 12/09, 06/11
Reviewed: 04/22/11

REPORT OF THE DIRECTOR

The Executive Director is responsible for keeping the Board of Trustees informed of the status of all of its programs and services and making recommendations for Board action when called for.

Adopted: 09/86
Amended: 12/09, 06/11
Reviewed: 04/22/11

LONG-RANGE PLANNING

The Board of Trustees shall be committed to fostering and encouraging membership by boards of education throughout the State of New Jersey and continuing to offer lines of insurance coverage and related assistance programs suitable to the needs of the membership, while maintaining the stability and effectiveness of the Group. The Board of Trustees and/or its Long-Range Planning Committee shall review the Group's long-range plan at least biannually and shall update the long-range plan as needed. Once the review is completed the matter shall be placed on the agenda of a Board meeting for discussion, revision and acceptance.

Adopted: 02/15 Index #: 2500
Amended: Page 1 of 1
POLICY

SUB-FUNDS

NJSIG has divided the state into 7 geographical groups and one non-geographical group known as Sub-funds for a total of 8 sub-groups of members called Sub-funds.

Sub-funds have no decision making authority relative to the operation of NJSIG. Sub-fund governing documents do not supersede NJSIG bylaws or Plan of Risk Management ("PoRM").

Each Sub-fund is individually rated for workers' compensation (WC) based on that particular Sub-fund's loss profile. This rating is performed yearly by an independent actuary. The implemented rates are evaluated by the NJSIG actuary to ensure the appropriate assessment is collected.

A Sub-fund administrator is assigned to each of the 7 geographical Sub-funds. That administrator is an insurance broker which has demonstrated school board risk management expertise. The administrator/NJSIG relationship is defined by a contract, which is reviewed and approved by the NJSIG Trustees. The members of the 8th non-geographical Sub-fund contract with their own insurance broker for the purposes of purchasing NJSIG insurance.

NJSIG members are assigned to a Sub-fund by the NJSIG Underwriting Department in conjunction with the Sub-fund administrator. Continued membership in the Sub-fund is predicated on that member meeting the minimum standards of participation and maintaining the required loss profile as defined by the eligibility requirements listed in the Safety and Loss Prevention section of the PoRM.

Members may be removed from a Sub-fund upon the recommendation of the Loss Control Manager if they do not meet the eligibility requirements as defined in the Safety and Loss Prevention section of the PoRM.

BUSINESS OPERATIONS

3110* Fiscal Year

3120* Budget Preparation & Submission

3121* Assessment of Value Added Programs

3200* Expenditures/Expending Authority

3201* Employee Bonding

3210* Trustee Reimbursement of Expenses

3220* Staff Reimbursement of Expenses

3400* Unappropriated Free Balance & Surplus Funds

3410* Member Equity Policy

3550* Escheatment Policy

3615* Investment Policy

3700* Assessment/Dividend Policy

3710* Safety Grant Policy

3820* Contract Between NJSIG & Members

3900* Legal Services

Adopted: 11/83
Amended: 06/11
Reviewed: 04/22/11

FISCAL YEAR

The fiscal year of the New Jersey Schools Insurance Group shall be July 1 through June 30 of each year.

Adopted: 11/83
Amended: 06/99, 06/11
Reviewed: 05/17/11

BUDGET PREPARATION & SUBMISSION

The Board of Trustees is responsible for adoption of an annual budget that will provide financial basis needed to carry out programs. The annual budget of the New Jersey Schools Insurance Group shall be prepared by the Executive Director and submitted to the Board for adoption before the end of each fiscal year.

The budget shall be prepared and submitted in the same format as the Group's income statement(s). The format for the line items and the subsections of the annual budget will mirror those of the income statement(s). While individual line items within a subsection may exceed the budget, the total for each subsection may not be exceeded or transferred to another subsection on an annual basis without an affirmative vote of the Trustees. Claims are specifically exempted from this requirement. Further, it is recognized that certain other items such as excess and/or reinsurance will be affected by prior year adjustments or growth in membership. These variances will be allowed but must be delineated for the Board of Trustees.

Adopted: 09/13
Amended:
Reviewed: 06/13

ASSESSMENT OF VALUE ADDED PROGRAMS

The purpose of value added programs is to provide risk management services that will reduce the cost of risk to Group members, improve safety and provide non-financial benefits. This may be accomplished by reducing claim costs or providing cost savings directly to members by meeting their state mandated requirements.

The Board of Trustees is responsible for adoption of an annual budget that will provide the financial basis needed to carry out Group programs. Value added program costs will be included in the budget. Their cost becomes part of the assessment paid by each Group member.

An evaluation will be performed for each value added service which is paid for by the Group.

Each of these programs will be evaluated every three years to ensure their purpose is being accomplished and the evaluation will be reported to the Trustees.

The evaluation of these services will be accomplished utilizing but not limited to these measurement tools listed below:

1. Surveying membership.
2. Measuring usage empirically.
3. Reviewing experience modification factors.
4. Staff judgment.

Adopted: 1/87
Amended: 03/88, 06/99, 05/11, 05/16
Reviewed: 05/11/11, 3/16/16

EXPENDITURES/EXPENDING AUTHORITY

The Board of Trustees or its designee shall establish accounts as it deems necessary for the purpose of, conducting the business of the Group as set forth in the Group's By-Laws, Article XIV, Section C.

All monies paid to such accounts shall be held in the name of the Group.

The Board of Trustees shall provide for the manner and dates for preparation by the Executive Director of an annual budget and reports on the financial condition of accounts.

The Board of Trustees shall approve a list of individuals authorized to sign all checks for the payment of Group invoices. Checks up to $5,000 shall be issued and signed by the Executive Director or his/her designee.

Checks in excess of $5,000 must be signed by two individuals who are authorized by the Board of Trustees to be signatories on the Group's checking accounts.

The Executive Director will have the authority to make and/or approve alcoholic beverage purchases if appropriate for annual/special business meetings/functions.

Adopted: 11/83
Amended: 09/11, 6/16
Reviewed: 06/17/11, 05/18/16

EMPLOYEE BONDING

All staff shall be covered by an employee dishonesty policy of insurance purchased by the Group with limits and deductibles determined by the Board of Trustees.

Adopted: 09/83
Amended: 10/93, 6/11, 6/16
REVIEWED: 06/20/11, 5/18/16

TRUSTEE REIMBURSEMENT OF EXPENSES

Trustees may apply to be reimbursed for actual expenses incurred on behalf of the Group, per the guidelines of the New Jersey Schools Insurance Group.

TRAVEL

Public carrier fares are chargeable if travel is for official Group business. Reimbursement shall occur on the least costly but practical means of transportation. For airplane and train travel, Trustees shall procure travel at the lowest available fare unless such transportation is not available.

HOTEL ACCOMODATIONS

Room accommodations for Trustee travel shall be at rates considered mid-fair.

MILEAGE

Reimbursement may be claimed for any mileage accrued for business purposes.

A Trustee using their personal automobile for approved Group business shall be reimbursed at a rate equal to the Federal Internal Revenue Service (IRS) mileage allowance. A Trustee who is authorized to use their personal automobile must provide the Group with proof of a valid drivers' license and proof of liability insurance in force at the time the business travel occurs and with insurance coverage minimums equal to or greater than those set by New Jersey law.

PER MEAL ALLOWANCE

A per meal allowance, up to the limits of the Federal per meal allowance, will be paid for meals consumed by a Trustee conducting Group business. The allowance is not authorized for meals provided as part of any registration, conference or program whose registration was paid by the Group. The per meal allowance for meals will be that which is annually set as the Federal per meal guidelines.

Adopted: 11/83
Amended: 06/11, 05/16
Reviewed: 06/20/11, 3/16/16

STAFF REIMBURSEMENT OF EXPENSES
Travel Expense Policy

INTRODUCTION

It is the policy of New Jersey Schools Insurance Group (NJSIG) to reimburse staff for necessary and reasonable expenses incurred with approved NJSIG business travel. The purpose of this policy is to illustrate allowable business expenses eligible for reimbursement. These include necessary expenses as defined under section 162 of the Internal Revenue Code. Additional reference information is included in order for NJSIG employees to receive timely reimbursement.

Expense limits are set for reimbursement, however, all employees should use their professional judgment while managing expenses and making decisions. Employees are expected to conduct themselves in a responsible and professional manner at all business functions/meetings. Employees should always be mindful of NJSIG's Mission Statement and the client's best interest, NJSIG strongly encourages the use of travel discounts. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety.

There may be instances when clients or other business associates offer to pay for a meal or other business expense for an NJSIG employee. See Employee Conflict of Interest policy #6160 or your Manager for further details and guidance.

Business related travel, meetings and functions represent an opportunity to bolster NJSIG's professional brand. It is expected that employees will uphold a high standard of ethics, business practices and professionalism, in order to positively represent and protect NJSIG's reputation and brand, at all times.

Adopted: 11/83
Amended: 06/11, 05/16
Reviewed: 06/20/11, 3/16/16

STAFF REIMBURSEMENT OF EXPENSES
Travel Expense Policy

RESPONSIBILITY

NJSIG will reimburse employees for all reasonable and necessary expenses as noted in this policy while traveling on pre-approved company business or during a business function/meeting. The employee is responsible for being knowledgeable of and complying with all aspects of this policy. The Manager who approves and signs expense reports is responsible for accurately reviewing expense reports for compliance. Employees will not be reimbursed for expenses that are not in compliance with this policy.

Expenses over listed limits will not be reimbursed and the employee will be responsible for payment of any expense above the limits. Expenses requiring but missing an itemized receipt will not be reimbursed Altering of itemized receipts may result in disciplinary action. If you have any questions about expense limits, itemized receipt requirements or other questions about this policy, speak with your Manager before incurring the expense. Submission of your expense reimbursement request shall mean you understand this policy.

CASH ADVANCES

NJSIG's policy is not to issue cash advances. If an employee anticipates an expense requiring a cash payment of over $500 that will result in an undue hardship, he/she should discuss the matter with his/her Manager. Any exceptions must be discussed with and approved by the Executive Director.

PROCEDURES FOR REIMBURSEMENT

Employee travel must be pre-approved or authorized as a typical component of an employee's job responsibilities. Employees should verify that planned travel is eligible for reimbursement before making travel arrangements.

1. Employee must ensure he/she has pre-approval from his/her Manager for the planned travel.

Adopted: 11/83
Amended: 06/11, 05/16
Reviewed: 06/20/11, 3/16/16

STAFF REIMBURSEMENT OF EXPENSES
Travel Expense Policy

2. Employee must obtain lowest possible prices on hotel, airfare and the like.
3. Employee must accurately complete all sections of the Travel and Expense Report Form including the correct Account number/Department Number.
    a. Employee should contact his/her manager for clarification on the correct Account number/Department number if unsure.
4. Employee must submit the completed form with all credit card statements, itemized receipts and any other expense documentation to his/her Manager for approval. Do not staple receipts to form.
5. The employee's Manager must approve and sign all expense reports. No employee is authorized to approve his/her own, a peer's, or a Manager's travel expense report. The Manager is responsible for verifying:
    - Business purpose
    - Correct totals
    - Supporting documentation and itemized receipts
    - Policy compliance including that expenses are in-line with pre-approved expectations.
6. Once approved the Manager forwards the Travel and Expense Report Form with all required receipts/documentation to Finance.
7. Manager level expense pre-approvals and process is the same except Executive Director shall approves.
8. Executive Director level expense pre-approval and process is the same except NJSIG Trustee shall approves.
9. Within 60 days of completion of a trip or of incurring an expense, employee must submit and complete. a Travel and Expense Report Form. Travel and Expense Report Forms not submitted within 60 days require approval by the Executive Director.

10. Expense reports that are incorrect, incomplete or include disorganized itemized receipts will be returned to the approving Manager for completion/correction and may result in delay or non-reimbursement of some expenses.

11. Effective June 1, 2016, reimbursement checks will be issued monthly.

Adopted: 11/83
Amended: 06/11, 05/16
Reviewed: 06/20/11, 3/16/16

STAFF REIMBURSEMENT OF EXPENSES
Travel Expense Policy

NON-REIMBURSABLE EXPENSES

The following items will not be reimbursed by NJSIG:

- Airline club / Country club membership dues.
- Airline, Auto or Lodging upgrades.
- Car repair.
- Child care, babysitting, house-sitting, or pet-sitting/kennel charges.
- Commuting between home and the primary work location.
- Costs incurred by traveler's failure to cancel travel reservations in a timely fashion.
- Credit card interest charges.
- Evening or formal wear expenses.
- Overweight or additional baggage charges.
- Expenses for travel incurred by companions / family members and/ or related to vacation or personal days while on a business trip.
- Haircuts, spa treatments and all other personal grooming (including toiletries).
- Laundry and dry cleaning.
- Loss / Theft of personal funds or property / Lost baggage.
- Medicines.
- Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment.
- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, books, magazines, bar bills, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs.

- Pet hotel stays or pet transportation.
- Traffic citations (parking tickets or fines).
- Travel accident insurance premiums or purchase of additional travel insurance.
- Other expenses not directly related to the business travel.

Adopted: 11/83
Amended: 06/11, 05/16
Reviewed: 06/20/11, 3/16/16

STAFF REIMBURSEMENT OF EXPENSES
Travel Expense Policy

VACATION IN CONJUNCTION WITH BUSINESS TRAVEL

When vacation time is taken in addition to a business trip, any expense variance in airfare, car rental lodging or the like, must be clearly communicated and pre-approved by your Manager. No personal expenses will be reimbursed.

EXPENSE GUIDELINES FOR REIMBURSEMENT

The following table lists common travel expenses that are eligible for reimbursement. It is not all-inclusive. If you have any questions, contact your Manager before incurring the expense. In order to be reimbursed, the travel must be pre-approved (or authorized as a typical component of an employee's job responsibilities) and the guidelines and procedures in this policy must be followed.

Table: Expense Guidelines for Reimbursement

QUALIFIED EXPENSE CATEGORIES	DETAILS	EXPENSE GUIDANCE
Personal Automobile	An employee authorized to use his /her own personal automobile must provide NJSIG with proof of a valid drivers' license and proof of liability and with insurance coverage minimums equal to or greater than those set by New Jersey law.	Mileage reimbursement is based on the prevailing IRS reimbursement rate. Please visit IRS.gov for the most up to date rate.
	Reimbursement may be claimed for any mileage accrued for business purposes, excluding commuting miles between employee's home and primary office location, when using	Effective immediately; the maintenance reimbursement chart will expire and mileage reimbursement will be

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	a personal vehicle. Travel and Expense Report Form is required for reimbursement at the mileage reimbursement rate established by the IRS.	based solely on the prevailing IRS reimbursement rate.
Parking, Tolls Ferry, or Bus Passes	Original receipts are required for parking fees (including airport parking). The lodging bill can be used as a receipt when charges are included as part of the overnight stay. No receipts for parking meters are required up to $10.00. Tolls. Original receipts or EZ-Pass statements/receipts are required for tolls. Miscellaneous transportation. Original receipts are required for taxi, bus, subway, metro, ferry and other modes of transportation.	Alternate transportation to the airport such as a car service, or cabs will be reimbursed up to the expected total of parking, mileage and tolls should the employee have driven him/herself. Receipts for the alternate transportation are required.
Airfare	Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs, and book as far in advance as	For airplane travel, employees shall travel economy class unless such transportation is not

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	possible. For airfare reimbursement an original itemized airline receipt, an e-ticket receipt/statement or an Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.	available at which point, employees must get approval for a policy exception from his/her Manager. Exceptions should be made only under extraordinary circumstances. Additional fees for upgraded seating or any other upgrades will not be reimbursed.
Rail Transportation	NJSIG will reimburse rail transportation provided that the cost does not exceed the cost of the least expensive airfare. or travel in the employees personal vehicle. For rail transportation reimbursement an original itemized receipt, original e-ticket receipt/statement or Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.	For rail transportation, employees shall travel economy class unless such transportation is not available at which point, employees must get approval for a policy exception from his/her Manager. Exceptions should be made only under extraordinary circumstances.
Rental Vehicles	Reimbursement for a commercial rental vehicle as a primary mode of	NJSIG authorizes reimbursement for the

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Travel Expense Policy

	transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts are required. The rental agreement must clearly show the date and the points of departure/arrival, as well as the total cost. Drivers must adhere to the rental requirements, and restrictions must be followed. Original receipts are required. When vehicle rentals are necessary, NJSIG encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. NJSIG will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied. Drivers must be aware of the extent of coverage (if any) provided by his or her personal auto insurance company for travel that is business or not personal in nature. Parking fees, tolls and other incidental costs associated with the	most economic vehicle available. In certain circumstances larger vehicles may be rented, with Manager approval. Exceptions should be made only under extraordinary circumstances.

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	vehicle use are not covered by the rental agreement but may be covered under this policy. See Parking, Tolls Ferry, or Bus Passes section. Employees are required to fill the gas tank before returning the vehicle to the rental. Any service fees or additional fuel rates for failure to fill the tank prior to returning the vehicle will not be reimbursed.	
Conference Registration Fees	Conference registration fees are reimbursed as long as they are pre-approved.	
Lodging (commercial only)	The cost of overnight lodging (room rate and tax only) will be reimbursed to the employee if the authorized travel is 45 miles or more from the employee's home or primary worksite. Exceptions to this restriction must be approved in writing by your Manager. NJSIG will reimburse lodging expenses at reasonable, single occupancy or standard business room rates. When the hotel or motel is the conference or convention site, reimbursement will be limited to the conference rate.	As a general guideline, room accommodations for travel shall be at rates considered mid-fare or mid-tier among available rates.

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Travel Expense Policy

	Only single room rates are authorized for payment or reimbursement unless the second party is representing the company in an authorized capacity. If the lodging receipt shows more than a single occupancy, the single room rate must be noted. If reimbursement for more than the single room rate is requested, the name of the second person must be included.	
Meals	Per diem and per meal allowances are reimbursable for in-state and out-of–state overnight travel that is 45 miles or more from the employee's home or primary worksite. NJSIG per diem and per meal rates are based on the U.S. General Services Administration Guidelines. In addition to meals these rates include incidental expenses such as laundry, dry cleaning and service tips (e.g., housekeeping or porter tips). Incidental expenses, unless specifically cited in this policy, will not be reimbursed. Per diem reimbursements are based on departure and return times over the entire 24-hour day and are	Per Diem meal and incidental expense allowance is up to $65/day.

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	prorated accordingly. If a free meal is served on the plane, included in a conference registration fee, built in to the standard, single hotel room rate or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed. Receipts are required for per diem and per meal allowances.	
Business Meals and Business Meeting expenditures	Employees must provide the following information in order to be reimbursed for any business related meals or business meeting expenditures: • Names of individuals present, their titles and company name listed on the receipt or Travel and Expense Report Form • Name and location of where the meal or event took place • Exact amount and date of the expense • Itemized receipts for all expenditures. • Itemized receipts for meals. • Alcohol will not be an approved expense.	Employees are expected to provide all information required for business meals and business meeting expenses. Employees are also expected to exercise good judgment to keep these expenses reasonable in support of NJSIG.
Business Expenses	Business expenses, including faxes, photocopies, Internet charges, data ports and business telephone calls	Employees are expected to exercise good judgment and balance business need

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	incurred while traveling, can be reimbursed. Original itemized receipts are required. Telephone calls. The costs of personal telephone calls are the responsibility of the individual.	with lowest possible cost when incurring business expenses and making business phone calls.
Visa, Passport Fees, and Immunizations	If these items are required for international travel, their reimbursement is left to the discretion of your Manager. Original itemized receipts are required.	Levels of expense may vary but must approved by your Manager

Adopted: 11/83
Amended: 06/11
Reviewed: 04/22/11

UNAPPROPRIATED FREE BALANCES & SURPLUS FUNDS

The expenditure of unappropriated free balances and surplus funds requires the prior approval of the Board of Trustees. The appropriation of funds into the budget requires prior Board of Trustee approval before any action is taken by staff.

Adopted: 02/14
Amended:

MEMBER EQUITY POLICY

The member equity (net position as defined by the Group's financial auditor) for the NJSIG should minimally meet the adapted Risk Based Capital (RBC) value as determined by an actuarial study.

The maximum member equity (net position as defined by the Group's financial auditor) should be the RBC multiplied times a yearly inflation factor times the average of the five most recent average industry ratios of member equity (surplus) to RBC as defined by the NAIC survey of licensed insurance carriers.

The Group's adapted RBC is to be evaluated at a minimum of every five years.

Adopted: 06/12
Amended:
REVIEWED:

ESCHEATMENT POLICY

The Board of Trustees or their designee is responsible for safe keeping and expenditure of all monies entrusted to the New Jersey Schools Insurance Group. In keeping with these responsibilities the Board of Trustees addresses funds presumed abandoned as follows:

N.J.S.A.46:30B-16 States "presumption of abandonment. Any sum payable on a check, draft, or similar instrument, except those subject to R.S.46:30B-11 and R.S.4630B-12, on which a financial organization is directly liable, including a cashier's check and a certified check, which has been outstanding for more than three years after it was payable on demand, is presumed abandoned, unless the owner, within three years, has communicated in writing with the financial organization concerning it of otherwise indicated an interest as evidenced in a contemporaneous memorandum or other record on file prepared by an employee thereof"

Funds meeting the requirements as set forth above shall be presumed abandoned and NJSIG will escheat those funds to the Treasurer of the State of New Jersey.

Adopted: 06/11
Amended:
Reviewed: 04/22/11

INVESTMENT POLICY

The purpose of this investment policy is to document for the Group, and communicate to the party(ies) responsible for the investment of Group funds, the investment philosophy and guidelines of the New Jersey Schools Insurance Group (NJSIG). It is intended that this statement provide meaningful guidance in the management of the program's assets.

Individuals responsible for the Group's investments should always be aware that the assets of the Group are to be managed consistent with the general investment objectives, exercising judgment and care under the circumstances prevailing for the protection of the assets of the Group.

GENERAL INVESTMENT PHILOSOPHY

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be consistent with the statutes and regulations governing the investment of surplus public funds as contained in applicable New Jersey law.

2. The investment and interest income earned by the investment of the assets of each claim or loss retention or administrative account shall be credited to that specific account.

INVESTMENT GUIDELINES

1. The investments of NJSIG are restricted to investments permitted by the statutes and regulations issued by the New Jersey State Investment Council and may be further restricted by the Board of Trustees.

2. The average maturity date of all eligible NJSIG investments may not exceed five years; and the longest maturity date of any single investment may not exceed five years.

3. All investments are restricted to investments covered by the Government Unit Deposit Protection Act.

Adopted: 06/11
Amended:
Reviewed: 04/22/11

INVESTMENT POLICY

GENERAL POLICY

The Board of Trustees bears ultimate responsibility for the investment of funds and the appropriateness of the investment policy and execution. This includes:

- Establishing clear and reasonable investment objectives as provided for under New Jersey law.

- Communicating to the responsible party(ies) their responsibilities for terminating any investment(s).

THOSE RESPONSIBLE FOR THE INVESTMENT OF THE GROUP'S FUNDS SHALL:

- Transfer income to the principal monthly and reinvest those funds.

- Be responsible for the day to day investments of the funds.

- Within the general investment objectives described herein, have discretionary authority to determine the allocation of assets between asset classes and bond maturities.

- Be expected to follow the general investment objectives and adhere to the goals and philosophy of the Board of Trustees.

- Act as a custodian and as a custodian be responsible to provide a detail listing of all program assets to the Board of Trustees and other parties designated by the Board on a monthly basis.

Adopted: 01/87
Amended: 10/90, 09/94, 06/11
Reviewed: 04/22/11

ASSESSMENT/DIVIDEND POLICY

ASSESSMENTS

From time to time, it is possible that the amount of premium collected in a fiscal year will not be sufficient to cover all claims and other expenses. In these cases, it will be necessary to assess additional contributions from districts which were members during those years. The following method will be used in such cases:

I. A calculation shall be made to determine to which policy(s) the deficit can be attributed to. Only that policy(s) will be assessed.

   A. In the case of the package policy, the assessment shall be made only against that line(s) of coverage which produced the adverse loss ratio and the loss shall be shared among those purchasing that line(s) in the following manner:

      1. The needed assessment shall be paid by all participants in direct proportion to the premium they paid for that line(s) of coverage.

      2. Except for property damage, which must be assessed and collected as needed, calculations shall not be made until twelve months after the close of a fiscal year. At that time, any necessary assessments will be announced. Collections of money will be on or after the following July 1st and may be spread over as many years as the Trustees may deem advisable except that the money must be paid prior to the time that actuaries advise it will be needed to pay claims.

      3. Members participating in a paid loss retrospective rating program will not take part in the above assessment formula. All experience for these districts will be separately compiled. If any assessments are needed, they will be shared only by districts in the retrospective program and in direct proportion to the premium they paid for that coverage. For the purpose of this assessment, premium is defined as standard premium with an experience modification of 1.0

Adopted: 01/87
Amended: 10/90, 09/94, 06/11
Reviewed: 04/22/11

ASSESSMENT/DIVIDEND POLICY

ASSESSMENTS

B. In the case of the workers' compensation policy, assessments will be applied as follows:

1.

Loss Ratio as % of Discounted Premiums	Assessment as % of Discounted Premiums
85.1% to 95%	2.5%
95.1% to 105%	7.5%
105.1% to 115%	12.5%
115.1% to 125%	17.5%
125.1% to 135%	22.5%
135.1% to 145%	27.5%
145.1% to 155%	32.5%
155.1% to 165%	37.5%
165.1% to 175%	42.5%
175.1% and higher	47.5%

2. In the event that this formula raises too much money, the portion shared by all will be adjusted downward proportionately. In the event that this raises too little money, the remaining assessment shall be shared by all participants in proportion to their premiums.

DIVIDENDS

When there are more funds available for a policy during a particular year than are needed to pay all expenses, the Trustees may declare a dividend. If dividends are declared, they shall be paid as follows.

I. A calculation shall be made to determine to which policy(s) the surplus can be attributed. Only that policy(s) shall be eligible for dividends.

Adopted: 01/87
Amended: 10/90, 09/94, 06/11
Reviewed: 04/22/11

ASSESSMENT/DIVIDEND POLICY

DIVIDENDS

A. In the case of the package policy, dividends will be paid only for those lines of coverage which produced a surplus. Dividends will be shared among those districts purchasing those lines(s) in the following manner.

1. The monies to be paid will go to all participants in that line in direct proportion to the premiums they paid for that line(s) of coverage(s).

2. Dividends will be calculated twenty-four months after the close of a fiscal year. They can be paid out only if the Group has an overall surplus and then only fifty percent of the available dividend can be paid at that time. The remaining fifty percent can be paid only when that year is closed out or when eight years have elapsed since the close of the fiscal year, whichever comes first.

B. In the case of the workers' compensation policy, dividends shall be paid as follows:

Loss Sensitive
Schedule of Dividends

Loss Ratio as % of Discounted Premiums	Dividend Return as % of Discounted Premiums
0.1 - 10%	15.6%
10.1 - 20%	13.0%
20.1 - 30%	10.4%
30.1 - 40%	7.8%
40.1 - 50%	5.2%
50.1 - 60%	2.6%
over 60%	

Adopted: 01/87
Amended: 10/90, 09/94, 06/11
Reviewed: 04/22/11

ASSESSMENT/DIVIDEND POLICY

DIVIDENDS

C. If not all dividends can be paid with the money available, then the reduction to all shall be proportionate. Any remaining money shall be paid to all participants in proportion to their premiums.

D. Dividends shall be calculated twelve months after the close of a fiscal year. Up to fifty percent of any available amount may be declared by the Trustees at that time. The remaining fifty percent shall be paid five years after the close of the fiscal year or when the year is closed out, whichever is sooner.

E. Members participating in a paid loss retrospective rating program will not take part in the above dividend formula. All experience for these districts will be separately compiled and if dividends become available they will be shared on the basis of standard premium as defined in I-B-3 above.

Adopted: 06/11
Amended: 02/15, 06/18, 11/19
Reviewed: 04/22/11, 05/18, 06/18, 11/19

SAFETY GRANT POLICY

The goal of NJSIG's safety grant program is to provide members the necessary resources to complete risk reduction projects and improve the safety of the population NJSIG members serve.

A safety grant may only be declared in a fiscal year in which NJSIG's change in net position exceeds its non-operating revenue. The safety grant program is based on a snapshot in time coinciding with the fiscal year-end financial results. The current year's underwriting surplus will be used to determine the availability and amount of that year's grant. The allocation of the grant will be determined by an actuarial study, conducted by NJSIG's actuary, taking into account contribution dollars and losses. The actuary determines allocation by sub-fund and then by member.

In order to be eligible for a safety grant, members must:

1. Be a NJSIG member when the safety grant is declared by the Board of Trustees and when distributed by NJSIG;
2. Have their three (3) year resolution signed, approved and filed with NJSIG; and
3. Follow the grant application requirements set forth each year by NJSIG.

NJSIG's Board of Trustees will determine each year whether a grant will be offered and the total amount of any grant. NJSIG's Board of Trustees has the authority to declare a grant not to exceed 50% of the net underwriting surplus. The safety grant will be expensed in the year in which the underwriting surplus occurred.

Distribution of the grants may be made in any future fiscal year.

Adopted: 09/83
Amended: 03/88, 06/11
Reviewed: 04/22/11

CONTRACT BETWEEN NJSIG & MEMBERS

The Board of Trustees authorizes the Director to sign contracts with member districts.

The contract between the New Jersey Schools Insurance Group (NJSIG) and a member is contained in the coverage document. It delineates the obligations of the Group, and the obligations of the member, including the member's compliance with the Bylaws and standards for participation contained in the Plan of Risk Management.

To participate in any of the Group coverage programs each member school district must execute the resolution of participation.

Adopted: 11/87
Amended: 03/88, 06/11
Reviewed: 05/11/11

LEGAL SERVICES

The Board of Trustees shall designate a properly credentialed individual (firm) to act as general counsel to the Board and represent the Board's interests with governance of the Group. The Board of Trustees shall enter into an agreement for services with said individual (firm).

The Executive Director shall be designated for service of process on behalf of the Group.

With the approval of the Chair of the Board of Trustees the Executive Director may designate an individual (firm) to serve as legal counsel for the Group's general business and shall enter into an agreement for services with said individual (firm).

The Executive Director and/or his/her designee, shall develop, and regularly review a list of qualified individuals and law firms authorized to provide legal services for litigation of claims. The Executive Director shall be charged with maintaining the list and communicating with the Group's legal counsel regarding the retention of legal services.

The Executive Director, with the assistance of the Group's legal counsel and representatives of the claims administration operation, shall develop and maintain administrative guidelines that set forth the litigation policy of the Group. Said guidelines shall include but are not limited to:

- Conflict of Interest
- Special knowledge issues
- Special knowledge of jurisdictional matters
- Reporting requirements of retained counsel
- Estimate of necessary financial and other resources
- Estimate of timeline for necessary legal actions
- Etc.

Program/Services

5000* Goals & Objectives in Program/Services

5100* Fund Establishment

5200* Fund Participation, Withdrawal From, or Termination of Participation

5210* Standards of Participation

5300* Dissolution of Group or Fund: Disposition of Property

5400* Workers' Compensation Coverage

5410* Establishment of Contribution & Rates

5450* Participant Audit

5800* Claim Administration

5810* Claim Payment Policy

Adopted: 01/87
Amended: 09/11
Reviewed: 06/17/11

GOALS & OBJECTIVES IN PROGRAMS/SERVICES

The purposes of the New Jersey Schools Insurance Group are:

A. To permit the boards of education joining herein to make a more efficient use of their powers and resources by cooperating on a basis that will be of mutual advantage; and

B. To provide a procedure for the development, administration, and provision of risk management programs, joint self-insurance fund or funds, joint insurance purchases, and related services for members and their employees including but not limited to any of the following:

1. Property Exposures

2. Vehicular Liability

3. General Liability

4. Errors and Omissions Liability

5. Workers' Compensation

6. Litigation Expense

7. Other coverage elements as may be deemed appropriate by the Board of Trustees.

The Board will establish the current and long-range plans and programs. It is responsible for obtaining from the administration, members, and other sources reliable information on which to make the best possible decisions about the scope and nature of all programs and the Board is ultimately responsible for evaluation of these programs.

Adopted: 01/87
Amended: 09/11
Reviewed: 04/05/11

FUND ESTABLISHMENT

The Group shall have the power to establish a fund or funds for coverage authorized in Policy 5000.

As to any fund or funds established hereunder:

A. Risk management programs shall be provided with procedures to be defined by the Board of Trustees and as contained in the Plan of Risk Management between the Group and a participant;

B. The Board of Trustees is authorized, with consideration of the advice of the Board's independent actuary, to enter into contracts for specific and/or aggregate excess insurance or reinsurance as deemed appropriate to protect the Group's assets.

C. Any such fund or funds must be developed and operated in accordance with accepted and sound actuarial practices;

D. Any expenditure of monies in fund or funds must be in furtherance of the purpose of the fund or the Group;

E. Procedures for collections of any contributions or payments in default are set forth in policy number 5200.

Adopted: 09/83
Amended: 11/90, 10/96, 09/11
Reviewed: 06/17/11

FUND PARTICIPATION, WITHDRAWAL FROM, OR TERMINATION OF PARTICIPATION

A. Any New Jersey school district may participate in a fund by adoption of a member resolution by its governing Board and by agreement to comply with the Plan of Risk Management, and adoption of an indemnity trust agreement.

B. Any participant in a fund may withdraw from a fund or funds by a resolution of its board of education after ninety (90) days notice is given in writing to the Executive Director. Participants who withdraw from a fund shall be ineligible to resume participation in that fund until 730 days have passed from that district's withdrawal unless this limitation is waived by the Board of Trustees. For purposes of this policy, workers' compensation shall be considered one fund, and property, auto, and general liability taken as a package as another fund.

C. Participation in a fund may be terminated by the Group whenever contribution due from a participant is not made in accordance with the policies or by-laws of the Board of Trustees or in accordance with the member resolution executed by the participant; or if the participant otherwise does not comply with any such policy, bylaw or member resolution.

D. Any and all claim or title or interest to any asset of a fund or funds after a participant's withdrawal or termination from a fund or funds shall be as determined in accordance with these by-laws. A terminated or withdrawing member shall provide security in form and amount acceptance to the Insurance Commissioner or Trustees as guarantee of continued payment of obligation.

E. In the event that a participant fails to pay any contribution when due, or otherwise is in default with respect to any policy, bylaw or contract with the Board, the following procedures will be followed:

1. A statement of amounts due to NJSIG is sent to participant(s) advising of past due amount(s) on a continuing basis.

Adopted: 09/83
Amended: 11/90, 10/96, 09/11
Reviewed: 06/17/11

FUND PARTICIPATION, WITHDRAWAL FROM, OR TERMINATION OF PARTICIPATION

2. Direct notices of cancellation (DNOC'S) will be issued at the discretion of the NJSIG Executive Director if payments of the contribution are not made within 90 calendar days. A DNOC may result in potential termination of coverage without further notice and/or the initiation of litigation to recover such contributions due through the termination date (including any court costs and reasonable attorney's fees). The Group may take such further action or institute other procedures as it may later adopt or as provided in the member resolution of the participant.

Adopted: 09/83
Amended: 09/11
Reviewed: 04/6/11

STANDARDS OF PARTICIPATION

All New Jersey boards of education are eligible for membership in the New Jersey Schools Insurance Group.

Participation in any fund of the New Jersey Schools Insurance Group shall be open to all New Jersey boards of education that; (a) agree to comply with the standards for participation, as further defined in the Plan of Risk Management. A fund participant agrees to and in fact complies with the bylaws and the policies adopted by the Board of Trustees of the New Jersey Schools Insurance Group.

Adopted: 01/87
Amended: 09/11
Reviewed: 04/06/11

DISSOLUTION OF A GROUP OR FUND: DISPOSITION OF PROPERTY

The Group or a fund or funds established hereunder may be terminated by a two-thirds (2/3) vote of the full membership of the Board of Trustees.

The title to all property, real and personal, acquired by the Group shall be vested in the Group. In the event of termination of the Group, or any fund or funds thereunder, such property shall belong to the members of the Group or participants of any fund or funds according to their participation in the Group, or any fund or funds established thereunder; the vote of at least two-thirds (2/3) of the full membership of the Board of Trustees of the Group is binding in all respects as to the disposition of property and dissolution of the Group or any fund or funds thereunder. The Board of Trustees shall serve as trustees for the disposition of property or funds, payment of obligations, dissolutions, and settling the affairs of the Group or fund or funds established thereunder.

Adopted: 09/11
Amended: 09/11
Reviewed: 04/06/11

WORKERS' COMPENSATION COVERAGE

A. Coverage

The member resolution grants statutory Workers' Compensation and Employers' Liability protection to each district. Coverage is also given for other state's statutes where state law permits (all states endorsement). In New Jersey, Employer's Liability is unlimited under a primary Workers' Compensation policy and Workers' Compensation benefits are established by statute.

B. Condition & Exclusions

Standard Workers' Compensation policy wording is used. Please see Policy Forms for exclusions and precise wording.

Adopted: 01/87
Amended: 09/11
Reviewed: 04/06/11

ESTABLISHMENT OF CONTRIBUTION & RATES

The following guidelines shall be used to establish the contribution rates for participants in the Workers' Compensation Coverage of the Group.

A. The Group will use the payroll classifications and manual rates of the New Jersey Workers' Compensation Rating and Inspection Bureau.

B. The experience modifiers as developed by the New Jersey Workers' Compensation Rating and Inspection Bureau Formula will be used.

C. The Group will annually establish the rate of deviation from standard premium to be offered to participants, based upon actuarial study information provided to the Board of Trustees by their independent actuarial consultant.

D. Member Contribution quotations should be calculated identically for all boards whether or not an agent is to be used.

E. Member Contribution is collected in twelve (12) monthly installments.

Adopted: 01/85
Amended: 09/11
Reviewed: 06/14/11

PARTICIPANT AUDIT

For every Group participant, there is a need at the end of each policy period to adjust the premium by the actual payrolls against the estimated payrolls that were used when the policy was written.

The Group shall utilize a voluntary audit on all Boards with confirmation from the Audit Summary Worksheet and Compensation Bureau three-year payroll history, with an option to physically audit any member.

Adopted: 11/2011
Amended:
Reviewed: 10/11/11

CLAIMS ADMINISTRATION

The NJSIG staff shall prepare and the Board of Trustees shall adopt a document which contains the information necessary for the prompt and consistent handling of all claims properly submitted by any Group member. The document shall be titled "Guidelines for the Administration of NJSIG Member Claims".

The material contained in the guidelines shall be consistent with the claim administration information contained in the Plan of Risk Management that is annually submitted to the New Jersey Department of Banking and Insurance.

The Executive Director or his/her designee shall regularly review the claim guidelines document and recommend to the Board of Trustees any amendments or additions deemed necessary to meet the New Jersey Department of Banking and Insurance reporting requirements and/or to maintain appropriate and consistent handling of all Group claims. Any staff submissions or recommendations shall be placed on the agenda of the next occurring meeting of the Board of Trustees for the Board's review and approval.

Adopted: 11/13
Amended:

CLAIM PAYMENT POLICY

NJSIG will pay the Board of Education for proper claims expenses as determined by the Group's claim handler staff in accordance with Group's Risk Management Plan.

PERSONNEL OPERATIONS

6019* Employment & Evaluation of Staff

6020* Travel and Expenses

6101* At Will Employment

6102* Equal Employment Opportunity

6103* Harassment

6110* Work Hours

6111* Overtime

6112* Pay Day & Pay Period

6113* Compensation

6114* Employment

6115* Recording Hours of Work

6120* Periodic Reviews & Goals for Coming Year

6130* Holidays

6131* Vacation

6150* Building Access

6160* Employee Conflict of Interest

6165* Employee Code of Conduct

PERSONNEL OPERATIONS

6170* Outside Employment and Business Interest

6171* Contacting Policies & Procedures

6210* Pension

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6230* Sick Days

6231* Absence / Lateness Policy

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6300* NJSIG Employee Handbook

6400* Personnel Records and Employment Verification

6410* Employment References

6420* E-Mail and Computer Usage Policy

6430* Confidentiality Business information Policy

6440* Group property/Equipment

6500* Progressive Discipline

6510* Guidelines for Appropriate Conduct

6600* Office Access

PERSONNEL OPERATIONS

6610* Personal Appearance

6620* Drugs and Alcohol Testing

6630* Workplace Safety and Cleanliness

6640* Voluntary Resignation Policy

6650* Bereavement Leave

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6680* Employee Classification

6690* Open Door Policy

6700* Severe Weather Closings

6710* Smoking

6720* Military Leave

6730* Whistleblower Protection Policy

Employee Grievance Reporting Procedure Flowchart

Employee Grievance Form

Adopted: 01/87
Amended: 08/89, 9/11, 06/12
Reviewed: 06/17/11, 03/12

EMPLOYMENT & EVALUATION OF STAFF

The Board of Trustees delegates the responsibilities for recruiting, hiring, evaluating, promoting, and disciplining staff to the Executive Director. The Board shall, through the annual budget process and/or period policy review, establish salary schedules, general terms and conditions of employment, fringe benefits, leave, and in-service training requirements.

Adopted: 09/83
Amended: 06/12, 03/16
Reviewed: 10/93, 03/12

Travel Expense Policy

INTRODUCTION

It is the policy of New Jersey Schools Insurance Group (NJSIG) to reimburse staff for necessary and reasonable expenses incurred with approved NJSIG business travel. The purpose of this policy is to illustrate allowable business expenses eligible for reimbursement. These include necessary expenses as defined under section 162 of the Internal Revenue Code. Additional reference information is included in order for NJSIG employees to receive timely reimbursement.

Expense limits are set for reimbursement, however, all employees should use their professional judgment while managing expenses and making decisions. Employees are expected to conduct themselves in a responsible and professional manner at all business functions/meetings. Employees should always be mindful of NJSIG's Mission Statement and the client's best interest, NJSIG strongly encourages the use of travel discounts. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety.

There may be instances when clients or other business associates offer to pay for a meal or other business expense for an NJSIG employee. Please see Employee Conflict of Interest policy #6160 or your Manager for further details and guidance.

Business related travel, meetings, and functions represent an opportunity to bolster NJSIG's professional brand. It is expected that employees will uphold a high standard of ethics, business practices and professionalism, in order to positively represent and protect NJSIG's reputation and brand, at all times.

Adopted: 09/83
Amended: 06/12, 03/16
Reviewed: 10/93, 03/12

Travel Expense Policy

RESPONSIBILITY

NJSIG will reimburse employees for all reasonable and necessary expenses as noted in this policy while traveling on pre-approved company business or during a business function/meeting. The employee is responsible for being knowledgeable of and complying with all aspects of this policy. The Manager who approves and signs expense reports is responsible for accurately reviewing expense reports for compliance. Employees will not be reimbursed for expenses that are not in compliance with this policy.

Expenses over listed limits will not be reimbursed and the employee will be responsible for payment of any expense above the limits. Expenses requiring but missing an itemized receipt will not be reimbursed Altering of itemized receipts may result in disciplinary action. If you have any questions about expense limits, itemized receipt requirements or other questions about this policy, speak with your Manager before incurring the expense. Submission of your expense reimbursement request shall mean you understand this policy.

CASH ADVANCES

NJSIG's policy is not to issue cash advances. If an employee anticipates an expense requiring a cash payment of over $500 that will result in an undue hardship, he/she should discuss the matter with his/her Manager. Any exceptions must be discussed with and approved by the Executive Director.

PROCEDURES FOR REIMBURSEMENT

Employee travel must be pre-approved or authorized as a typical component of an employee's job responsibilities. Employees should verify that planned travel is eligible for reimbursement before making travel arrangements.

Adopted: 09/83
Amended: 06/12, 03/16
Reviewed: 10/93, 03/12

Travel Expense Policy

1. Employee must ensure he/she has pre-approval from his/her Manager for the planned travel.
2. Employee must obtain lowest possible prices on hotel, airfare and the like.
3. Employee must accurately complete all sections of the Travel and Expense Report Form including the correct Account number/Department Number.
    a. Employee should contact his/her manager for clarification on the correct Account number/Department number if unsure.
4. Employee must submit the completed form with all itemized receipts and any other expense documentation to his/her Manager for approval. Do not staple receipts to the form.
5. The employee's Manager must approve and sign all expense reports. No employee is authorized to approve his/her own, a peer's, or a Manager's travel expense report. The Manager is responsible for verifying:
    - Business purpose
    - Correct totals
    - Supporting documentation and itemized receipts
    - Policy compliance including that expenses are in-line with pre-approved expectations.
6. Once approved the Manager forwards the Travel and Expense Report Form with all required receipts/documentation to Finance.
7. Manager level expense pre-approvals and process is the same except Executive Director shall approve.
8. Executive Director level expense pre-approval and process is the same except NJSIG Trustee shall approves.
9. Within 60 days of completion of a trip or of incurring an expense, employee must submit and complete a Travel and Expense Report Form. Travel and Expense Report Forms not submitted within 60 days require approval by the Executive Director.
10. Expense reports that are incorrect, incomplete or include disorganized itemized receipts will be returned to the approving Manager for completion/correction and may result in delay or non-reimbursement of some expenses.

Travel Expense Policy

11. Effective June 1, 2016, reimbursement checks will be issued monthly.

NON-REIMBURSABLE EXPENSES

The following items will not be reimbursed by NJSIG:

- Airline club / Country club membership dues.
- Airline, Auto or Lodging upgrades.
- Car repair.
- Child care, babysitting, house-sitting, or pet-sitting/kennel charges.
- Commuting between home and the primary work location.
- Costs incurred by traveler's failure to cancel travel reservations in a timely fashion.
- Credit card interest charges.
- Evening or formal wear expenses.
- Overweight or additional baggage charges.
- Expenses for travel incurred by companions / family members and/ or related to vacation or personal days while on a business trip.
- Haircuts, spa treatments and all other personal grooming (including toiletries).
- Laundry and dry cleaning.
- Loss / Theft of personal funds or property / Lost baggage.
- Medicines.
- Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment.
- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, books, magazines, bar bills, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs.
- Pet hotel stays or pet transportation.
- Traffic citations (parking tickets or fines).
- Travel accident insurance premiums or purchase of additional travel insurance.
- Other expenses not directly related to the business travel.

Travel Expense Policy

VACATION IN CONJUNCTION WITH BUSINESS TRAVEL

When vacation time is taken in addition to a business trip, any expense variance in airfare, car rental lodging or the like, it must be clearly communicated and pre-approved by your Manager. No personal expenses will be reimbursed.

EXPENSE GUIDELINES FOR REIMBURSEMENT

The following table lists common travel expenses that are eligible for reimbursement. It is not all-inclusive. If you have any questions, contact your Manager before incurring the expense. In order to be reimbursed, the travel must be pre-approved (or authorized as a typical component of an employee's job responsibilities) and the guidelines and procedures in this policy must be followed.

Table: Expense Guidelines for Reimbursement

QUALIFIED EXPENSE CATEGORIES	DETAILS	EXPENSE GUIDANCE
Personal Automobile	An employee authorized to use his /her own personal automobile must provide NJSIG with proof of a valid drivers' license and proof of liability and with insurance coverage minimums equal to or greater than those set by New Jersey law. Reimbursement may be claimed for any mileage accrued for business purposes, excluding	Mileage reimbursement is based on the prevailing IRS reimbursement rate. Please visit IRS.gov for the most up to date rate. Effective immediately the maintenance reimbursement chart will expire and mileage reimbursement will be based solely on the

	commuting miles between employee's home and primary office location, when using a personal vehicle. Travel and Expense Report Form is required for reimbursement at the mileage reimbursement rate established by the IRS.	prevailing IRS reimbursement rate.
Parking, Tolls Ferry, or Bus Passes	Original receipts are required for parking fees (including airport parking). The lodging bill can be used as a receipt when charges are included as part of the overnight stay. No receipts for parking meters are required up to $10.00. Tolls. Original receipts or EZ-Pass statements/receipts are required for tolls. Miscellaneous transportation. Original receipts are required for taxi, bus, subway, metro, ferry and other modes of transportation.	Alternate transportation to the airport such as a car service, or cabs will be reimbursed up to the expected total of parking, mileage and tolls should the employee have driven him/herself. Receipts for the alternate transportation are required.
Airfare	Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs, and book as far in advance as possible. For airfare reimbursement an original itemized airline receipt, an e-ticket receipt/statement or an Internet receipt/statement is required. The receipt must show	For airplane travel, employees shall travel economy class unless such transportation is not available at which point, employees must get approval for a policy exception from his/her Manager. Exceptions should be made only

	the method of payment and indicate that payment was made.	under extraordinary circumstances. Additional fees for upgraded seating or any other upgrades will not be reimbursed.
Rail Transportation	NJSIG will reimburse rail transportation provided that the cost does not exceed the cost of the least expensive airfare or travel in the employee's personal vehicle. For rail transportation reimbursement an original itemized receipt, original e-ticket receipt/statement or Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.	For rail transportation, employees shall travel economy class unless such transportation is not available at which point, employees must get approval for a policy exception from his/her Manager. Exceptions should be made only under extraordinary circumstances.
Rental Vehicles	Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts are required. The rental agreement must clearly show the date and the points of departure/arrival, as well as the total cost. Drivers must adhere to the rental requirements, and restrictions must be followed. Original receipts are required.	NJSIG authorizes reimbursement for the most economic vehicle available. In certain circumstances larger vehicles may be rented, with Manager approval. Exceptions should be made only under extraordinary circumstances.

	When vehicle rentals are necessary, NJSIG encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. NJSIG will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied. Drivers must be aware of the extent of coverage (if any) provided by his or her personal auto insurance company for travel that is business or not personal in nature. Parking fees, tolls and other incidental costs associated with the vehicle use are not covered by the rental agreement but may be covered under this policy. See Parking, Tolls Ferry, or Bus Passes section. Employees are required to fill the gas tank before returning the vehicle to the rental agency. Any service fees or additional fuel rates for failure to fill the tank prior to returning the vehicle will not be reimbursed.	
Conference Registration Fees	Conference registration fees are reimbursed as long as they are pre-approved.	
Lodging (commercial only)	The cost of overnight lodging (room rate and tax only) will be reimbursed to the employee if the authorized travel is 45 miles or more from the employee's home or	As a general guideline, room accommodations for travel shall be at rates considered mid-fare or

	primary worksite. Exceptions to this restriction must be approved in writing by your Manager. NJSIG will reimburse lodging expenses at reasonable, single occupancy or standard business room rates. When the hotel or motel is the conference or convention site, reimbursement will be limited to the conference rate. Only single room rates are authorized for payment or reimbursement unless the second party is representing the company in an authorized capacity. If the lodging receipt shows more than a single occupancy, the single room rate must be noted. If reimbursement for more than the single room rate is requested, the name of the second person must be included.	mid-tier among available rates.
Meals	Per diem and per meal allowances are reimbursable for in-state and out-of –state overnight travel that is 45 miles or more from the employee's home or primary worksite. NJSIG per diem and per meal rates are based on the U.S. General Services Administration Guidelines. In addition to meals these rates include incidental expenses such as laundry, dry cleaning and service tips (e.g., housekeeping or porter tips).	Per Diem meal and incidental expense allowance is up to $65/day.

	Incidental expenses, unless specifically cited in this policy, will not be reimbursed. Per diem reimbursements are based on departure and return times over the entire 24-hour day and are prorated accordingly. If a free meal is served on the plane, included in a conference registration fee, built in to the standard, single hotel room rate or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed. Receipts are required for per diem and per meal allowances	
Business Meals and Business Meeting Expenditures	Employees must provide the following information in order to be reimbursed for any business related meals or business meeting expenditures: • Names of individuals present, their titles and company name listed on the receipt or Travel and Expense Report Form • Name and location of where the meal or event took place • Exact amount and date of the expense • Itemized receipts for all. • Itemized receipts for meals. • Alcohol will not be an approved expense.	Employees are expected to provide all information required for business meals and business meeting expenses. Employees are also expected to exercise good judgment to keep these expenses reasonable in support of NJSIG's.

Business Expenses	Business expenses, including faxes, photocopies, Internet charges, data ports and business telephone calls incurred while traveling, can be reimbursed. Original itemized receipts are required. Telephone calls. The costs of personal telephone calls are the responsibility of the individual.	Employees are expected to exercise good judgment and balance business need with lowest possible cost when incurring business expenses and making business phone calls.
Visa, Passport Fees, and Immunizations	If these items are required for international travel, their reimbursement is left to the discretion of your Manager. Original itemized receipts are required.	Levels of expense may vary but must approved by your Manager

Adopted: 10/93
Amended: 04/93, 06/12
Reviewed: 03/12

AT WILL EMPLOYMENT

Every employee of New Jersey Schools Insurance Group is an employee "at will." This means that the Insurance Group can discharge any employee at any time, with or without notice and with or without cause. This is true no matter what may be stated elsewhere in this handbook or in any other writing given to the employee by the Group. Likewise, employees can quit at any time, with or without cause, and with or without notice.

This manual contains no promises of any kind and the Insurance Group can, on its own, change or discontinue any policy in this manual or other writing, or change any working conditions without having to consult with an employee and without an employee's agreement.

No one other than the Insurance Group Board of Trustees, or its Designee, can enter into any agreement with an employee that is contrary to this statement of employment relationship and, if any contrary agreement is made, it must be in writing and signed by the Chairperson of the Insurance Group Board of Trustees or his/her Designee.

At-Will Statement & Acknowledging Receipt of Policy Manual

I have received my copy of the Employee Handbook that outlines the policies, practices, and benefit guidelines of the Group, and it is my responsibility to read and familiarize myself with the information contained in the manual.

The contents of the Employee Handbook are not intended to create an express or implied contract of employment and I understand that I may not rely on it as such.

Unless otherwise covered by a written contract with fixed terms of employment, all NJSIG employees are what the law terms "at-will" employees and nothing in the Employee Handbook is intended to extend or guarantee employment in any way or for any specific period of time. I understand that just as I have the right to terminate my employment with the Group at any time for any reason, the Group reserves the right to terminate my employment relationship at any time for any reason. Nothing stated in the Employee Handbook shall be construed as impairing or altering the Group's rights in any way. I also understand that no manager or representative of the Group other than the Executive Director or the Board of Trustees has any authority to enter any contracts or amend any changes to the "at-will" status of any employee.

The individual provisions of the Employee Handbook are simply guidelines, and NJSIG reserves sole discretion to interpret them and resolve any conflict between or among policies.

Since the information in this manual is necessarily subject to change as situations warrant, it is understood that changes in the manual may supersede, revise, or eliminate one or more of the policies in this manual. These changes will be communicated to me by my supervisor or through official notices. I accept responsibility for keeping informed of these changes.

I further acknowledge my understanding that my employment with NJSIG may be terminated at any time with or without cause.

Employee's Signature Date

Name [Please Print]

New Jersey Schools Insurance Group

Adopted: 10/93
Amended: 06/12
Reviewed: 03/12

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of NJSIG to provide equal employment opportunities to all individuals without regard to race, color, religion, creed, gender, age, national origin or ancestry, citizenship, disability, sexual orientation, marital status, veteran status, or any other basis protected by federal, state or local laws. Also, to the extent required by law, equal employment opportunities will be provided to all individuals regardless of any perception that the individual has a protected characteristic, or associates with a person who has or is perceived as having any protected characteristics.

The Group is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in Group operations and prohibits unlawful discrimination by any employee of the Group.

This policy of equal opportunity covers all aspects of the employment relationship, including application for and initial employment, corrective action, working conditions, promotion and transfer, selection for training opportunities, compensation, termination and the application of service, retirement and employee benefit plan policies.

Any employee who is determined have violated this policy will be subject to discipline, up to and including termination of employment.

If you believe prohibited discrimination has occurred, or if you have questions concerning this policy, you should notify Human Resources or your immediate manager.

This policy prohibits retaliation or harassment as a result of making a complaint, assisting in an investigation, opposing discrimination or otherwise exercising rights protected by law.

If the complaint is made against the Executive Director, the Chairperson of the Board of Trustees will head the investigation.

Adopted: 10/93
Amended: 06/12
Reviewed: 03/12

EQUAL EMPLOYMENT OPPORTUNITY

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 10/93
Amended: 06/12
Reviewed: 03/12

HARRASSMENT

WORKPLACE HARASSMENT POLICY

1. It is the policy of the Group to prohibit harassment in the workplace based on sex, race, national origin, religion, age, color, sexual orientation, physical or mental disability, and other classifications protected by applicable law. The Group will apply its policy to address situations, which, while not unlawful, involve unprofessional, unacceptable or disrespectful statements, actions or behaviors based on any protected classification.

2. Unwelcome sexual advances, requests for sexual favors and other verbal, physical or visual conduct of a sexual nature constitute sexual harassment when:

   - submission to such conduct is made a condition of employment; or
   - submission or rejection of such conduct is used as a basis for employment decisions affecting the individual; or
   - such conduct has the purpose or effect of substantially interfering with work performance, or creating or maintaining an intimidating, hostile or offensive environment.

3. Sexual harassment may include a wide range of obvious and/or subtle comments and conduct. Depending on the circumstances, it may include, but is not limited to, repeated offensive or unwelcome sexual advances; subtle or overt pressure for sexual favors; sexual jokes; verbal comments or innuendo of a sexual nature; propositions or advances; graphic commentary about an individual's body, sexual prowess or sexual deficiencies; leering, whistling, touching, pinching or other physical touching; suggestive, insulting or obscene comments or gestures; display of sexually suggestive objects or pictures.

4. Sexual harassment may include harassment between individuals of the same gender.

HARRASSMENT

WORKPLACE HARASSMENT POLICY

5. Harassment based on sex, race, national origin, religion, age, color, physical or mental disability, and other legally protected classifications exist in instances such as:

6. Negative statements, jokes, insults, and/or offensive pictures or drawings are directed to an employee because of his or her sex, race, national origin, religion, age, color, physical or mental disability, or other legally protected classifications.

7. This policy applies to all employees and to conduct engaged in by fellow employees, supervisors, and outside vendors, suppliers, customers and others not directly connected to the Group. This policy prohibits employees, supervisors, outside vendors, suppliers, customers and others not directly connected with the Group from harassing the Group employees in violation of this policy.

8. The Group encourages the prompt reporting of all perceived incidents of harassment, regardless of who the alleged offender may be.

9. If you are a witness to, or believe that you have experienced harassment based on your sex, race, national origin, religion, age, color, physical or mental disability, or other legally protected classification, then you should immediately notify the Human Resource Manager. If, for any reason you are uncomfortable speaking with the Human Resource Manager, you may report the incident to the Executive Director.

10. All reports of harassment will be investigated promptly and thoroughly by a person who is not involved in the alleged harassment. To the extent practical and appropriate under the circumstances, confidentiality will be maintained throughout the entire investigation to protect the privacy of the individuals involved.

Adopted: 10/93
Amended: 06/12
Reviewed: 03/12

HARRASSMENT

WORKPLACE HARASSMENT POLICY

11. An employee will not be subject to retaliation, intimidation, or discipline as a result of making a good faith complaint of harassment or providing information in connection with another's complaint. The Group considers retaliation to be a serious violation of this policy and urge you to report any incidents of retaliation immediately, as you would any act of harassment. The Group will investigate and resolve reports of retaliation in the same manner as reports of harassment.

12. If the Group's investigation confirms that harassment or other improper behavior has occurred, the Group will take swift, appropriate action. Such action may include, for example, training, referral to counseling, or disciplinary action, such as warnings, reprimands, reassignment, suspension, or discharge.

13. The complaining individual will be informed of the results of the Group's investigation.

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 09/93
Amended: 10/93, 04/09, 06/12
Reviewed: 03/12

WORK HOURS

The Group's standard work week is thirty five (35) hours running Monday through Friday. The Group's normal operating hours are 8:30 am to 4:30 pm. Employees are permitted a lunch period of one (1) hour which shall be unpaid. The particular hours of work and the scheduling of breaks for each employee are determined and assigned by the employee's manager. The needs of individual departments may necessitate variances with these work hours. However, everyone is expected to be on the job during core time, which will be 10:00 am to 3:30 pm. Employees with questions concerning work schedules should directed them to their manager or Human Resources.

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 09/83
Amended: 06/12, 06/18
Reviewed: 03/12, 03/18, 06/18

WORKWEEK

The workweek runs from 12:00 a.m. Monday, through 11:59 p.m. on the following Sunday.

EXEMPT AND NON-EXEMPT EMPLOYEES AND OVERTIME

At times, it may become necessary for employees to work in excess of their normal hours. This policy discusses how such time may be compensated for certain employees.

Exempt Employees:

Exempt employees – are not eligible to receive additional payment for overtime work, regardless of the number of hours worked during the work week.

Exempt employees will not be paid for overtime.

NJSIG pays exempt employees on a salary basis and makes only those deductions from salary which comply with state and federal law.

Exempt employees shall not have their regular salary reduced based on the quality or the quantity of their work in any work week in which they perform any work, except for those deductions allowed by law. If you believe that you have had monies improperly deducted from your pay based on the quality or quantity of your work in violation of this policy, you may bring your concern to Human Resources for review. If a determination is made that an improper deduction was made, you will be reimbursed for the amount of the deduction. Variations in the quality or quantity of an employee's work may subject the employee to counseling and/or discipline. Further, an employee may be subject to unpaid suspensions for violations of workplace rules and regulations.

Adopted: 09/83
Amended: 06/12, 06/18
Reviewed: 03/12, 03/18, 06/18

EXEMPT AND NON-EXEMPT EMPLOYEES AND OVERTIME

Non-exempt employees:

Non-exempt employees are those employees not meeting the criteria for "exempt" status and are eligible to receive overtime pay for hours worked over 40 in a work week. Non-exempt employees regularly scheduled to work less than 40 hours per work week shall be paid at their normal straight time rate for all hours worked up to 40 hours per week. Non-exempt employees shall be compensated for hours worked over 40 in any work week at a rate of 1 ½ times the employee's regular rate.

Employees are not permitted to work overtime without prior management authorization in writing. Engaging in unauthorized overtime work may result in discipline.

Scheduled holidays, floating holidays, vacations, paid sick time, or any other time in which the employee performs no work (such as a snow day) will not count as hours worked for the purposes of overtime.

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 09/83
Amended: 09/95, 06/12
Reviewed: 03/12

PAY DAY & PAY PERIOD

Paydays are the 15th and 30th of each month. When payday falls on a holiday or weekend, then it will be moved to the last work day prior to the weekend or holiday. Pay received will cover the pay period which ended on that day. Employees are to submit their time card or time sheet to their supervisor/manager three working days prior to the 15th and 30th of the month.

Employees should review their paychecks or deposit advices (if receiving direct deposit) on a regular basis. If an employee notices an error or discrepancy in his/her paycheck, they should notify his/her supervisor or Human Resources immediately.

Adopted: 09/83
Amended: 02/91, 10/93, 01/05, 06/05
11/05, 11/07, 03/08, 06/12
Reviewed: 03/12

COMPENSATION

The Group's compensation program is set to establish procedures for classifying positions and developing and compensating our employees for their knowledge, skills, and performance. The system is meant to be flexible to allow for internal mobility, promotions, and reassignment of responsibilities within the Group.

Positions are organized in grades and salary ranges in accordance with their functions. Employees in a given position may earn a pay rate anywhere within the assigned pay grade (min to max), depending upon experience, individual contributions, and other factors. The Group's policy is to ensure employees are not paid below the minimum or above the maximum.

Job descriptions are available in the Human Resources Department for all positions in the company. The items included in each position description are the following:

- Job identification;
- Essential job qualifications;
- Summary statement;
- Assigned responsibilities or duties; and
- Supervisor or rater.

Position descriptions are used to determine employee selection, job requirements, performance appraisals, organizational structure, and the relative worth of jobs in relation to each other.

NJSIG'S management periodically reviews all company positions to help ensure accuracy and consistency in our Human Resource system.

Adopted: 09/83
Amended: 01/97, 06/12
Reviewed: 03/12

EMPLOYMENT

When relatives work in the same area of an organization, it may cause problems at work. In addition to claims of favoritism and morale issues, personal conflicts from outside can sometimes carry over to work. This policy applies to all employees regardless of their gender or sexual orientation.

For this policy, we define a relative as any person who is related to you by blood or marriage, or whose relationship with you is similar to that of a relative, including:

- Spouse/Partner, including common law spouse, domestic partner, or civil union partner;
- Parent;
- Sibling;
- Child;
- Grandchild;
- In-laws including parent, brother and sister in-laws;
- Uncle/Aunt;
- Nephews/Nieces;
- Cousins (first only);
- Fiancé (e);
- Other person with whom an employee has a romantic personal relationship.

While the Group does not prohibit the hiring of otherwise qualified relatives of employees, the following restrictions will be enforced to protect the Group and our employees:

1. No employee may have any involvement in the Group's decision to hire the employee's own relative. (Note – this would not prohibit an employee from, for example, informing their relative of a job opening with the Group or obtaining an application for the relative's use.)

Adopted: 09/83
Amended: 01/97, 06/12
Reviewed: 03/12

EMPLOYMENT

2. As a general rule, relatives will not be hired or transferred into positions where they, directly or indirectly, supervise or are supervised by another relative. Directly or indirectly supervising/ being supervised means being in a position at any level (higher or lower) in the same line of authority that may affect the review of employment decisions. Any exception to this rule must be made by the Executive Director based on the best interests of the Group.

3. If two employees become relatives during their employment, management will determine, at its discretion, what course of action to take at that point as well as on an ongoing basis in the future, based on the degree of supervision, the nature of the family relationship, and other factors related to the relationship's effect on the workplace. If and when management makes a decision that the supervisory role cannot be allowed to continue, the two employees will be asked to decide which one of them is to be transferred to another available position. If they do not make that decision within 30 calendar days, the Group will decide which one will be transferred or, if necessary, terminated from employment.

Notice of Relationships:

Applicants will be required to disclose whether any relative is employed by the Group. Likewise, an employee who is aware that a relative is an applicant for a position with the Group is required to report the relationship to Human Resources or to the Executive Director.

With respect to covered relationships which arise between employees during employment, the employees are expected to promptly report such relationship to Human Resources or the Executive Director.

Knowingly avoiding the notice obligations under this policy may lead to disciplinary action up to and including termination.

Adopted: 06/12
Amended:
Reviewed: 03/12

RECORDING HOURS OF WORK

All Non-Exempt employees are required to use a time sheet to accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or authorized departure from work for personal reasons. All paid time off must also be accurately recorded.

Exempt employees are not required to record hours worked. Exempt employees must turn in a monthly calendar that records vacation days, sick days, and personal days taken during the month.

It is the employees' responsibility to sign their time record to certify the accuracy of all time recorded. The supervisor will review and then initial the time card before submitting it for payroll processing.

No employee is allowed to falsify or in any way tamper with their own or any employee's time records. Tampering or falsification of a time sheet, including completing another employee's time sheet, is grounds for discipline, up to and including immediate termination.

If you find an error in your paycheck, any deduction you believe is improper, or if you have questions about reporting time, please direct your questions to your manager or Human Resources.

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 09/83
Amended: 06/12
Reviewed: 03/12

PERIODIC REVIEWS & GOALS FOR COMING YEAR

The Group generally conducts performance reviews on an annual basis, however, depending on the circumstances; reviews may be performed for any or all employees more or less frequently.

Prior to each review period, the employee and his or her supervisor will discuss, and the supervisor will determine what is to be expected during the coming review period. This agreement shall be written and signed by both parties to note understanding.

The performance review shall be written. It shall measure performance against goals as well as discussing any issues which have come up during the review period. Reviews shall be signed by both the supervisor and the employee. The employees shall have the opportunity to add any comments they wish. The employee's signature only confirms that appraisal was reviewed and discussed and need not imply agreement.

Adopted: 09/93,
Amended: 01/91, 02/91, 04/09, 06/12, 05/18
Reviewed: 03/12, 03/18, 5/18

HOLIDAYS

NJSIG provides fifteen designated paid holidays each year. Eleven of these are scheduled "holidays" and are identified below. Four are "floating" holidays to be scheduled by the employee with the approval of his or her supervisor. These floating holidays are pro-rated in the first year of employment. The eleven scheduled holidays are as follows:

New Year's Day	Martin Luther King Jr's Birthday
Memorial Day	Independence Day
Labor Day	Thanksgiving
Day after Thanksgiving	Christmas
Veterans Day	President's Day
Columbus Day	

Weekend Holidays

When a scheduled holiday falls on a Saturday, it will be observed on the Friday before the holiday. Scheduled holidays that fall on a Sunday will be observed on the following Monday.

To be eligible for holiday pay, employees must work their scheduled hours (and any required overtime) on the last scheduled workday before the holiday and the first scheduled workday after the holiday, unless they are excused from work. A holiday that falls during an employee's scheduled vacation or sick time will not be charged as a vacation day.

Eligible employees who are scheduled to work 20 hours or more, will be paid for a holiday if they are normally scheduled to work on the day on which the holiday falls. The holiday will be paid based on the number of hours the employee is regularly scheduled to work on that day.

Adopted: 01/87
Amended: 10/93, 01/01, 03/02, 12/08, 04/09, 06/12, 05/18
Reviewed: 03/12, 03/18

VACATION

Full-time staff are granted vacation days on a calendar year basis in accordance with the following schedule:

Non-Exempt Employees		**Exempt Employees**	
Calendar Years	Days Vacation	Calendar Years	Days Vacation
1st	10 (pro rated)	1st	15 (pro rated)
2nd	11	2nd	16
3rd	12	3rd	17
4th	13	4th	18
5th	14	5th	19
6th – 9th	15	6th	20
10th -15th	20	7th	21
16th	21	8th	22
17th	22	9th	23
18th	23	10th	24
19th	24	11th and over	25
20th and over	25		

Managers shall be granted 25 vacation days.

In the first calendar year of employment, vacation days are granted on pro rata basis based on full calendar months of employment and may only be taken after being granted.

After the end of the first year of employment, vacation continues to be granted on a monthly pro rata basis, but in anticipation of continued employment, the annual allotment of vacation may be scheduled and taken during the calendar year prior to actually being granted, subject to management approval.

Adopted: 01/87
Amended: 10/93, 01/01, 03/02, 12/08, 04/09, 06/12, 05/18
Reviewed: 03/12, 03/18

VACATION

Vacation time should be scheduled in advance~~d~~ and approved before it is taken. Up to a maximum of 5 days may be carried over into the next calendar year. Any carry over days must be used within 180 days of the end of the vacation year from which they were carried or be forfeited. Vacation time over 5 days may not be carried over to a future vacation year without written approval by the Executive Director. Time not taken is forfeited.

No employee shall accrue more than 25 vacation days.

Vacation shall not accrue during any period of unpaid leave of absence.

In the event of termination, an employee shall be paid for unused accrued current year vacation.

Adopted: 09/83
Amended: 06/12
Reviewed: 03/12

BUILDING ACCESS

Employees may be provided with a key or an access badge to the office. Employees who are issued keys and/or an access badge must immediately report it if it is lost or stolen.

These keys must be surrendered upon termination of employment.

Adopted: 10/88
Amended: 06/03, 06/12
Reviewed: 03/12

EMPLOYEE CONFLICT OF INTEREST

1. No employee or member of his/her immediate family shall have an interest in a business organization or engage in any business, transaction, or professional activity, which is in substantial conflict with proper discharge of his/her duties to the Group;

2. No employee shall use or attempt to use his/her official position to secure unwarranted privileges or advantages for himself/herself or others;

3. No employee shall act in his/her official capacity in any matter where the employee, a member of the employee's immediate family, or a business organization in which the employee has an interest, has a direct or indirect financial or personal involvement that might reasonably be expected to impair the employee's objectivity or independence of judgement;

4. No employee shall undertake any employment or service, whether compensated or not, which might reasonably be expected to prejudice the employee's independence of judgement in the exercise of his/her duties.

5. No employee, member or his/her immediate family, or business organization in which the employee has an interest, shall solicit or accept any gift, favor loan, political contribution, service, promise of future employment, or thing of value based upon an understanding that the gift, favor, loan, contribution, service, promise or other thing of value was given or offered for the purpose of influencing the employee, directly or indirectly, in the discharge of the employee's official duties;

6. No employee shall use, or allow to be used, the employee's employment with the Group, or any information, not generally available to the members of the public, which the employee receives or acquires in the course of and by reason of his/her employment, for the purpose of securing financial gain for the employee, any member of the employee's immediate family, or any business organization with which the employee is associated;

EMPLOYEE CONFLICT OF INTEREST

7. Nothing shall prohibit employees from representing themselves, in negotiations or proceedings with/before the Group concerning their own interests.

8. No employee of the Group shall engage in the same or similar line of business or research as the carried on by the Group. An employee shall not have a financial interest in a company which is a competitor of or supplier to the Group. Financial interests held by an employee or by his or her immediate family members in such companies are to be disclosed immediately to the company so that a determination can be made as to whether a conflict exists. Members of the employee's immediate family include spouse, children, and any other relative sharing the same home as the employee.

Conflict of Interest Procedure

No Employee shall accept any gift, service, or favor in excess of $50.00 value from anyone doing business with the Group without:

1. Disclosure to the Director if the recipient is an employee; or,

2. Turning the gift over to the Group for its benefit and use.

Under no circumstances shall any Employee engage in any practice which can be construed as contrary to Group interest.

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 06/12
Amended:
Reviewed: 03/12

CODE OF CONDUCT

The following general principles set forth the expected code of conduct to guide the activities of the Group's Board of Trustees, employees and service providers.

1. Dedication to the highest ideals of honor, integrity, and due diligence so that the Group's Trustees, officers, employees and agents may merit respect and public confidence in all their dealings.

2. Dedication to the concepts of democratic, effective and efficient governance by responsible, knowledgeable elected and appointed officials with an understanding that official decisions made and actions taken by the Group are always made in the best interests of Group's member school districts, as opposed to the interests of the Group's Trustees, employees, service providers or other outside interests.

3. Commitment to the principle that the Group's Board of Trustees is ultimately responsible for establishing the Group's goals and objectives and in making policy decisions on behalf of the Group's ownership. This responsibility cannot be transferred or delegated.

4. Dedication to the principle that Group employees should consistently seek guidance and direction from the Group's governing body on matters of Group policy and refrain from promoting any candidate for election and/or appointment to the Group's Board of Trustees.

5. Commitment to the principle that Group employees should be expected to provide policy proposals and recommendations to the Board of Trustees and provide Trustees with information and advice on matters of policy as a basis for making decisions. Once the Board of Trustees has acted, employees should be responsible for implementing and upholding all official policies and decisions adopted by the Board of Trustees, without interference.

6. Dedication to the continual improvement of the professional abilities and expertise of the Board of Trustees and employees in matters relating to Group governance and management or administration.

CODE OF CONDUCT

7. Dedication to the principle that members of the Group's Board of Trustees and employees share a responsibility to communicate with the Group's member school districts regarding Group objectives/activities/outcomes and should seek to improve the quality and image of the Group at all times.

8. Dedication to the principle that all matters of procurement, personnel administration and outside contracting are administered on the basis of merit so that fairness and impartiality govern all governance and management decisions.

9. Dedication to the principle that matters of Group governance and/or management/administration cannot be bought or sold. No member of the Group's governing body or "employee should ever solicit a personal gift of any value from any third-party performing work on behalf of or in any way associated (or potentially associated) with the Group. This principle adheres to Group policy #6160

10. Dedication to the principle that conflicts of interest, as outlined in Group policy #6160, should be avoided and where present shall be fully disclosed. This includes situations when members of the Group's Board of Trustees or employee's personal interests (including those of his/her family) are contrary to his/her loyalty to the Group.

ALL EMPLOYEES ARE ALSO EXPECTED TO FOLLOW ALL OTHER POLICIES, RULES, REGULATIONS AND GUIDELINES OF THE GROUP, AS SET FORTH IN THIS MANUAL OR ELSEWHERE.

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 06/12
Amended: 03/17
Reviewed: 03/12, 11/16

Outside Employment and Business Interests

1. Purpose: This policy governs outside employment and business interests by NJSIG employees. This policy supersedes and replaces all existing policies governing outside employment and business interests by NJSIG employees.

2. Definitions:

   2.1. "Outside employment or other activity" is any business, trade, profession or other compensated employment, including the acceptance of compensation for a speech or published work; uncompensated or volunteer work for or with any entity; or, holding office or title in the governing or advisory board of any entity. The term also includes employment, self-employment, activity as an independent contractor, or any other form of service. For the purposes of this Code, military service in any of the armed forces of the United States, such as service in the National Guard or Reserves, does not constitute "outside employment or other activity" and is not subject to the procedures and restrictions detailed herein.

3. Limitations on Outside Employment: No NJSIG employee shall engage in any outside employment or other activity, whether compensated or not, which might reasonably be expected to impair the objectivity and independence of judgment required in public employment or interferes with the operation of NJSIG. No NJSIG employee shall engage in any outside employment or activity with any entity doing business with NJSIG, any entity seeking to do business with NJSIG, or any Board of Education in the State of New Jersey.

4. Volunteer Activities: Employees are free to engage in volunteer activities on behalf of nonprofit charitable, religious, sports, professional, and other nonprofit organizations provided such activities would not reasonably be expected to cast material doubt on their objectivity and independence of judgment in the exercise

of their official functions and subject to the disclosure and prior approval requirements set forth in this section.

5. Prohibition on the Private Practice of Law by Attorneys: As used in this subsection, the term "attorney" shall include any person licensed to engage in the practice of law in this or any other jurisdiction who holds office or employment with NJSIG. The prohibitions on the practice of law set forth in this subsection do not apply to any actions taken by an "attorney" in the furtherance of his or military service under the judicial arm of any of the United States armed forces.

   5.1. Attorneys shall conduct themselves in accordance with every affirmative duty and obligation imposed by the New Jersey Rules of Professional Conduct and other court rules and directives or laws governing the conduct of attorneys.

   5.2. Attorneys shall not represent any party other than NJSIG, or engage in the private practice of law in any other way, except with the prior, written approval of the Executive Director or designee. Such approval may, in the discretion of the Executive Director or designee, be given when:

      5.2.1. The activity is undertaken on behalf of the attorney or the attorney's spouse, domestic partner, partner in a civil union, children, or parents, the attorney receives no compensation for the activity, and the representation of the designated family member is limited to matters which are not of an adversarial nature; or

      5.2.2. The activity is continued in order to complete a professional obligation entered into before this provision of NJSIG Code was adopted and is concluded as soon as practicable consistent with the rules of professional conduct to which the attorney is subject.

Outside Employment and Business Interests

5.3. The activity shall not be approved if it requires the attorney to represent any party in any criminal or quasi-criminal matter or before a licensing or regulatory body or in any matter or litigation in which NJSIG has an interest adverse to that of the attorney's client, or is prohibited by the Conflicts of Interest Law, whether or not the representation is for compensation.

6. Request for approval of outside employment or other activity form: All NJSIG employees seeking to engage in outside employment or other activity, whether compensated or not, shall complete the Request for approval of outside employment or other activity form issued by NJSIG in accordance with the procedures adopted by NJSIG. They shall have a duty to (1) provide such information as may be necessary to determine whether an outside activity is permissible under the NJSIG ethical standards and (2) notify the Chief Legal Officer of any changes to the information disclosed on the form, including the employee's transfer to another department within NJSIG, or a change in title or position, or other change in NJSIG employment.

7. Approval Procedure:

7.1. Procedures for Approval of Outside Employment or Other Activity by NJSIG employees other than Legal Staff:

7.1.1. No NJSIG employee shall engage in any outside employment or other activity, whether or not for compensation, without first submitting a written request for approval to the Executive Director. The request shall be on the request for approval of outside employment or other activity form. The request shall be reviewed by the Chief Legal Officer and a recommendation made by the Chief Legal Officer to the Executive Director as to whether the outside employment or other activity is permissible under NJSIG ethical standards. The approval may be conditioned on the requirement that

Outside Employment and Business Interests

NJSIG employee seek annual approval of the outside employment or other activity or other restrictions deemed necessary. The approval of such outside employment or other activity shall not be unreasonably withheld.

7.2. Procedures for Approval of Outside Employment or Other Activity by Legal Staff:

7.2.1. Members of NJSIG's Legal Staff are expected to devote their full attention to official duties and to be available for work outside of normal office hours as their official duties require and in emergent situations. However, with the approval of the Executive Director, any such member may engage in limited outside employment or provide services as an independent contractor that do not involve the private practice of law or the provision of other legal services, provided the employment or services will not interfere with the performance of the attorney's duties, including the attorney's ability to respond to unanticipated and emergent time demands. An attorney may receive reasonable compensation for such services. Requests for approval shall be submitted in writing to the Chief Legal Officer who shall forward the request along with a recommendation through the Executive Director. Renewed approvals of such outside activity must be sought annually from the Executive Director.

7.2.2. Participation in Bar or Professional Organization:

7.2.2.1. A member of the Legal Staff, in a private capacity, may be a member of, hold any leadership position in, or participate in the activities of any bar or professional organization devoted to the improvement of the law, the legal system, the administration of justice, or the enhancement of the skills and professionalism of the members

of the bar, subject to the provisions of this policy. Such member may also serve on the editorial board of, or contribute written work to, publications of such organizations or of other legal or professional publications, subject to the provisions of this policy.

7.2.2.2. A member of NJSIG's Legal Staff may also be designated by the Executive Director to engage in such activities in an official capacity.

8. Appeal: Authorization to engage in additional employment can be revoked at any time, at the sole discretion of the Executive Director. A NJSIG employee may appeal a denial of a request to engage in outside employment or other activity to the Board of Trustees within sixty days from the receipt of the denial.

9. Records Maintained: Outside Activity Questionnaires and requests for approval of outside employment or other activities shall be maintained in the personnel file of the employee.

10. Implementation: Any NJSIG employee engaged in outside employment or other activity as of the effective date of this policy shall submit a request for approval of outside employment or other activity form within thirty days of the effective date of this policy.

11. Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

New Jersey Schools Insurance Group
6000 Midlantic Drive Suite 300 North
Mount Laurel, New Jersey 08054
(609) 386-6060 • FAX (609) 386-8877
www.njsig.org

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New Jersey Schools Insurance Group

Request for Approval of Outside Employment or Other Activity

1. **PART ONE**: To be completed by the employee. "Outside employment or other activity" is any business, trade, profession or other compensated employment, including the acceptance of compensation for a speech or published work; uncompensated or volunteer work for or with any entity; or, holding office or title in the governing or advisory board of any entity. The term also includes employment, self-employment, activity as an independent contractor, or any other form of service. For the purposes of this Code, military service in any of the armed forces of the United States, such as service in the National Guard or Reserves, does not constitute "outside employment or other activity" and is not subject to the procedures and restrictions detailed herein.

   1.1. Employee Name: _____

   1.2. Department: _____

   1.3. Phone Number: _____

   1.4. Fax Number: _____

   1.5. Email: _____

   1.6. Title and description of present duties: _____
   _____
   _____

   1.7. Name and Address of employer or other entity for which you will perform outside employment or other activity: _____
   _____
   _____

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Request for Approval of Outside Employment or Other Activity

1.8. Title and description of outside employment or other activity you will perform and number of hours per week: __

_____

_____

1.9. Will you be compensated:

☐ Yes ☐ No

1.9.1. If Yes, will you be compensated as an employee of the entity or because the entity has contracted for your services as an independent contractor?

☐ Employee ☐ Independent contractor

1.10. Will you be a member of a partnership or a shareholder or a corporate officer or member of a board of trustees as a result of this outside employment or other activity?

☐ Yes ☐ No

1.10.1. If Yes, what will be the relationship?: _____

_____

1.11. Is this employment or other outside activity being performed for or with any other NJSIG employee?

☐ Yes ☐ No

1.11.1. If Yes, explain: _____

_____

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Request for Approval of Outside Employment or Other Activity

1.12. Will this employment or other outside activity cause you to have contacts with other State, County or local agencies, Boards of Education, school districts, Charter Schools, vendors, consultants or casino license holders?

☐ Yes ☐ No

1.12.1. If Yes, explain: _____
_____

1.13. Is the entity for which you will be performing this employment or other outside activity be providing or seeking to provide goods or services to NJSIG?

☐ Yes ☐ No

1.13.1. If Yes, explain: _____
_____

1.14. Is the entity for which you will be performing this employment or other outside activity the recipient of any grants or other financial assistance from NJSIG?

☐ Yes ☐ No

1.14.1. If Yes, explain: _____
_____

1.15. Will the employment or other outside activity you perform require you to be licensed or regulated by a State, County or local agency?

☐ Yes ☐ No

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Request for Approval of Outside Employment or Other Activity

1.15.1. If Yes, which agency and on what date was your license issued? _____
_____

1.16. Is the entity for which you will perform the employment or other outside activity required to be licensed or regulated by a State, County or local agency?

☐ Yes ☐ No

1.16.1. If Yes, which agency? _____
_____

I hereby certify that this request for approval of outside employment or other activity contains no willful misstatement of fact or commission of material fact.

_____ _____

Signature of Employee Date

Unless otherwise directed, this form should be submitted to your Manager for a review and recommendation. It will then be sent by your Manager to the Chief Legal Officer for review and determination. A copy of this form and the approval or disapproval will be provided to you and to the HR office for inclusion in your personnel file. If your request is denied, it may be appealed to the NJSIG Board of Trustees.

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Request for Approval of Outside Employment or Other Activity

2. **Part Two**: Review of Manager.

2.1. I have reviewed this request and recommend:

☐ Approval ☐ Disapproval

2.2. Please explain the reasons for your recommendation: _____

_____
_____
_____
_____
_____
_____

_____ _____ _____

Name of Manager Signature Date

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Request for Approval of Outside Employment or Other Activity

3. **Part Three**: Review by Chief Legal Officer and Recommendation to the Executive Director.

   3.1. I have reviewed this request and recommend:

   ☐ Approval ☐ Disapproval

   3.2. Please explain the reasons for your recommendation: _____
   _____
   _____
   _____
   _____
   _____
   _____

_____ _____ _____

Chief Legal Officer Signature Date

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Request for Approval of Outside Employment or Other Activity

4. **Part Four:** Review by the Executive Director.

4.1. I have reviewed this request, and conclude that this request is:

☐ Approved ☐ Disapproved

4.2. Comments: _____
_____
_____
_____
_____
_____
_____

_____ _____ _____

Executive Director Signature Date

Adopted: 03/17
Amended:
Reviewed: 11/16

CONTRACTING POLICIES AND PROCEDURES

1. Purpose: The purpose of the following policies and procedures are to ensure that contracts for goods and services with the New Jersey Schools Insurance Group ("NJSIG") are awarded on the basis of quality, price, and service in compliance with the Public School Contracts Law, N.J.S.A. 18A:18A-1, et seq.

2. Policy: All NJSIG employees shall comply with the Public School Contracts Law, N.J.S.A. 18A:18A-1, et seq., and the NJSIG procurement and contracting manual. NJSIG procedures related to procurement and contracting shall be set forth in the NJSIG procurement and contracting manual, which may be amended at the discretion of the Executive Director.

3. Effective date: These contracting policies and procedures shall take effect on March 15, 2017.

Adopted: 06/12
Amended:
Reviewed: 03/12

PENSION

It is a condition of employment that employees enroll in the New Jersey Public Employees Retirement System and make any required contribution. Benefits, contributions and all other terms and conditions of eligibility are set by the State, and may be modified from time to time by the State.

Adopted: 06/12
Amended:
Reviewed: 03/12

LIFE INSURANCE

Coverage is provided by the State of New Jersey Public Employees Retirement System and is contributory. Contributions and benefits are fixed by the State. The State's Public Employees Retirement system also provides non-contributory coverage for employees.

Adopted: 07/90, 06/12
Amended: 09/97, 04/09, 06/09, 06/12
Reviewed: 03/12

SICK DAYS

Sick days are granted at the rate of 1 day for each month of service, and may accumulate up to a maximum of 60 days. Sick leave shall not accrue during any period of unpaid leave of absence (leave shall not be considered "paid" for this purpose simply by virtue of the employee's receipt of Family Leave Insurance, Temporary Disability, Workers' Compensation or other similar benefit.)

Sick leave may be used in case of personal illness, accident, exposure to contagious disease, or on a short-term basis to care for a member of the employee's immediate family who is ill. "Immediate family" shall consist of child (biological or adopted), parent, spouse, or civil union partner.

Sick time may be used to supplement State Temporary Disability benefits or Workers' Compensation benefits up to a maximum of the employee's salary. (NOTE: This means an employee may collect up to their normal pay rate by supplementing Temporary Disability or Workers' Compensation benefits with accrued sick time – in such instances, the use of such sick time is prorated by the percentage of pay being augmented.)

At the end of any period of illness, sick time used will be rounded to the nearest day.

There will be no pay for unused sick time under any circumstances. Unused sick time shall not be paid on termination of employment.

In the case of employees under contract, the specific terms of the contract will apply in lieu of the policy to the extent that such terms are incompatible with this policy.

Employees who are unable to report to work because of illness will be required to call in at least one half hour in advance of their report to work time. Employees must call their supervisor or Human Resources - email or text message is not sufficient. Failure to give the required notice shall be excused only for good cause. Failure to give the required notice without good cause may result in denial of sick leave for absence and constitute cause for disciplinary action.

Adopted: 07/90, 06/12
Amended: 09/97, 04/09, 06/09, 06/12
Reviewed: 03/12

SICK DAYS

If, in the discretion of the Group, medical evidence is required to verify illness for purposes of granting sick leave, the employee shall be given timely notice on a case-by-case basis. Acceptable medical evidence shall consist of a note from a physician stating that the employee was unable to work due to a health condition or because of the need to care for a member of the immediate family who was ill. The note shall briefly identify the condition and provide the relevant medical facts and shall indicate the actual or projected date the employee is able to return to work. If the sick leave is for the care of an immediate family member, a physician's note may be required which substantiates the family member's illness and the need for the employee to care for the family member. Failure to produce adequate medical verification may result in denial of sick leave and having the absence counted as unexcused. Abuse of sick leave shall also be cause for disciplinary action. The Group reserves the right to request additional medical evidence of the need for sick leave, including requesting that the employee be examined by a physician selected by the Group, at its discretion.

The Group reserves the right to allow vacation or personal days to be used in place of sick time.

Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 05/91
Amended: 04/09, 06/12
Reviewed: 03/12

ABSENCE/LATENESS POLICY

Absenteeism and tardiness adversely affects our ability to provide good service and meet our objectives and creates difficulties both for the Group and for co-workers. Therefore, the Group expects punctual and regular attendance of all of its employees.

Scheduled Absence:
A scheduled absence occurs when an employee has given prior notice and obtains approval to take time off as Paid Time Off or other leave granted pursuant to the Group policy. (See Vacation/Sick Policy, Jury Duty Policy, Family and Medical Leave Policy, and Military Service Leave Policy)

Excused Absence:
An excused absence occurs when an employee is absent from his or her shift due to illness or injury without prior notice (pursuant to the Time Off Policies) but provides contemporaneous notice (as set forth below) and substantiates the need for the absence through a physician's note, as discussed below.

Unexcused Absence:
An unexcused absence occurs when an employee is absent from his or her shift without excuse and without leave. Employees who will be absent without excuse MUST give proper notice of the absence. Failure to give such notice will be grounds for immediate discipline.

Employees who agree or are required to work either weekend shifts and overtime shifts who fail to report to work for the shift will be documented as having an unexcused absence.

Adopted: 05/91
Amended: 04/09, 06/12
Reviewed: 03/12

ABSENCE/LATENESS POLICY

Lateness/Early Departure:
An employee is late when he or she does not clock in and/or arrive by the beginning of his or her scheduled shift without notice or leave. An early departure is when an employee clocks out and/or leaves work prior to the completion of his or her shift without notice or leave. An employee must give proper notice of any lateness or early departure. Failure to give such notice will be grounds for immediate discipline.
An employee who agrees or is required to work overtime prior to the beginning or at the end of his or her shift who fails to work the time will be documented as being late or leaving early.

Reporting Absences:
Proper notice for any absence is essential. For scheduled absences, the notice provisions applicable to the type of leave taken (i.e., for sick leave, see the Sick Leave Policy.)

Vacation and holidays must be scheduled with one's supervisor in advance at least 24 hours for one or two days; two weeks' notice for three or more consecutive days.
If for any reason, an employee is unforeseeably prevented from reporting to work on any scheduled workday or is unable to report to work on time, the employee must notify their supervisor directly, as soon as possible (in no event less than 30 minutes) prior to the start of the employee's scheduled work hours.

Failure to provide proper notice of an absence, lateness or early departure may result in disciplinary action up to and including termination, depending on the circumstances. In the event of an unscheduled absence of more than one day, the employee must notify his or her supervisor each day prior to the beginning of the employee's scheduled shift, unless, and with the permission of the employee's supervisor, notification covering a specified number of days has been received.

Adopted: 05/91
Amended: 04/09, 06/12
Reviewed: 03/12

ABSENCE/LATENESS POLICY

To report absences or lateness's, employees should first call their immediate supervisor and if not able to speak with them directly call the General Mailbox (609)386-6060. If there is no answer, employees must leave a detailed voice mail message explaining the reason for their absence and leave a number where the employee may be reached.

In order for any period of absence due to illness or injury to be considered an excused absence, a physician's note is required. This statement must describe the nature of the illness or injury and its anticipated duration. Furthermore, the Group reserves the right to request further appropriate verification of the circumstances surrounding any leave taken for illness or injury. An absence unaccompanied by a physician's note is considered unexcused.

Disciplinary Consequences:
Please note, that while unexcused absences are considered the most serious, all unscheduled time away from work, including unexcused absences, excused absences, lateness and leaving early are considered in the evaluation of employee performance. Furthermore, excused or unexcused absences, lateness or early departures, other than those covered under Family and Medical Leave Policy, which, in the judgment of the Group and determined on a case by case basis, are excessive, habitual or pattern (i.e., Monday or Friday), may result in disciplinary action up to and including termination.

Job Abandonment:
An employee who misses three (3) consecutive work days without notice or without leave will be considered to have abandoned his or her job and will be considered to have resigned not in good standing and will not be eligible for rehire.
Failure to adhere to this policy may lead to disciplinary action up to and including termination.

Adopted: 03/09
Amended: 06/12
Reviewed: 03/12

NJSIG FMLA/NJFLA LEAVE POLICY

Many of our employees are entitled by law, the Family and Medical Leave Act ("FMLA"), to an unpaid leave of absence, for up to twelve (12) weeks in any twelve (12) month period, for the birth, adoption or foster placement of a child, or the serious health condition of the employee or a family member (i.e., child, parent, or spouse) or, for any qualifying exigency (pertaining to the active duty military service or call of certain relatives) as described below.

Employees may also be eligible for up to 26 weeks of FMLA leave during a single 12-month period for a spouse, son, daughter, parent, or nearest blood relative caring for a recovering service member. Such leave shall be referred to as Service Member Caregiver Leave. A recovering service member is defined as a member of the Armed Forces who suffered an injury or illness while on active-duty that may render the person unable to perform the duties of the member's office, grade, rank or rating. The provisions of the FMLA detailed below will apply to this type of FMLA leave, including employer coverage, employee eligibility requirements, health insurance continuation, and reinstatement rights. During the single 12-month period in which an employee may use Service Member Caregiver Leave to care for an injured service member, the combined total of FMLA leave that may be taken by the employee for any reason is 26 weeks.

Eligible employees may be entitled to take FMLA leave because of "any qualifying exigency" arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty status, in the Armed Forces of the United States in support of a "contingency operation." The term "any qualifying exigency" and "contingency operation" shall have the meanings set forth in the regulations promulgated by the Secretary of Labor. Pursuant to these regulations, the term qualifying exigency includes: issues that arises from short-notice deployment; military and activities related to call to active duty; childcare and school activities; make or update financial and legal arrangements; counseling; rest and recuperation (limited to five days per leave, up to 12 weeks in a 12-month period) to spend with military member on short-term leave); post deployment activities, defined as up to 90 days following termination of active duty status; and additional activities which may be agreed to by the Group.

NJSIG FMLA/NJFLA LEAVE POLICY

Many of our employees are also covered by the New Jersey Family Leave Act ("NJFLA") which entitles covered workers to an unpaid leave of absence for a period not to exceed twelve (12) weeks in a twenty-four (24) month period for: (1) the birth, adoption, or foster placement of a child; or (2) a serious health condition of a family member.

NJSIG shall measure leave entitlement by using a **rolling** twelve (12) month period, beginning on the date of the commencement of the leave and looking back through the preceding twelve (12) months. (Under the NJFLA, the rolling period shall be measured by the twenty-four (24) months prior to the commencement of the covered leave.) An employee may only take the maximum twelve (12) weeks during this rolling period (or up to a total maximum of 26 weeks inclusive of service member caregiver leave under the FMLA).

Where leave is requested for a reason which qualifies under both laws, FMLA and NJFLA leave run at the same time and cannot be "stacked." In certain special circumstances, employees may be able to add NJFLA time to leave provided under the FMLA.

Leave granted due to the serious health condition of the employee or a family member may be taken consecutively, intermittently, or on a reduced leave (part-time) schedule with certain restrictions. Leave granted due to the birth, adoption or foster placement of a child must be taken in full consecutive weeks and must commence within one year of the birth, adoption or foster placement. Intermittent or reduced leave schedule requested for the birth, adoption or foster placement of a child is not permitted except with the express agreement of NJSIG.

NJSIG FMLA/NJFLA LEAVE POLICY

Eligible employees must provide thirty (30) days advance written notice for leave due the birth, adoption or foster placement of a child, the employee's own serious medical condition, or FMLA service member caregiver leave. Where the need for leave is not foreseeable or where the leave is for a qualifying exigency under the FMLA, an employee should give notice of the need for FMLA leave as soon as practicable, with the expectation that such notice will be given the same or next business day of learning of the need for leave absent extraordinary circumstances. Where written notice is not practical, employees should provide oral notice, and later, as soon as possible, confirm the notice in writing.

This notice must be provided to Human Resources. Other than for qualifying exigency leave, employees must provide a certification issued by a licensed health care provider (a military or veterans authorized health care provider in the case of service member caregiver leave) demonstrating the need for leave, prior to the start of leave, where possible. For qualifying exigency leave, the certification form must be completed and signed by you. The failure to provide such certification may result in the denial of leave. The Group may require periodic **recertification's** for longer leaves. The Group may also require, at the Group's expense, a second or third opinion concerning the need for leave. While on leave, employees are requested to report periodically (at least monthly) to the Human Resources office regarding their intent to return to work. Employees taking family or medical leave will be returned to their former positions or a substantially equivalent position upon return from leave, to the extent required by law. Employees taking leave for their own serious health condition will be required to present a fitness-for-duty report prior to being returned to work. The failure to return from leave at the leave's expiration may result in termination of employment. An employee requesting an extension of leave must give at least two business days' notice where possible.

Adopted: 03/09
Amended: 06/12
Reviewed: 03/12

NJSIG FMLA/NJFLA LEAVE POLICY

NJSIG will continue to provide workers taking family and medical leave under this policy with health insurance benefits as if those employees had continued to work during the leave period. However, an employee who fails to return from leave will generally be required to reimburse the Group for the costs of benefits continued during leave unless the failure to return to work was caused by the continuation, recurrence, or the onset of a serious health condition or certain other circumstances beyond the employee's control.

Employees on unpaid leave cannot be reported for pension benefit credit. This benefit may be purchased through the Division of Pension and Benefits upon return from unpaid leave.

Employees must use allotted but unused vacation, sick and personal time during any family or medical leave. However, for periods during which an employee is receiving Workers' Compensation or Temporary Disability Benefit payments, this requirement does not apply.

An employee may be automatically placed on FMLA and/or NJFLA leave (without first completing a Request Form or Certification Forms) if the Group has reason to know that the employee's absence is due to an qualifying reason (e.g. employee undergoes emergency surgery or suffers a work-related injury that is a serious health condition or the employee presents a doctor's note which, in the Group's judgment, demonstrates that the absence was due to an FMLA-qualifying reason). In such cases, the Group will unilaterally designate the leave as FMLA and/or NJFLA leave to the extent permitted by law. In addition, the Group will subsequently provide written notification of the designation of FMLA and/or NJFLA leave to the employee.

Adopted: 03/09
Amended: 06/12
Reviewed: 03/12

NJSIG FMLA/NJFLA LEAVE POLICY

Not all of the NJSIG's employees are eligible for this leave benefit. New hires and some part-time employees cannot be covered by this policy. Some executives may not be subject to reinstatement under the law. Eligibility requirements are similar, but not identical, for FMLA and NJFLA leave. Generally speaking, NJSIG's employees who have been with the Group for at least one (1) year, and have worked one thousand two hundred fifty (1,250) hours in the twelve (12) months preceding the leave request, are eligible for FMLA leave, while those who have been with the Group for one (1) year and have worked at least one thousand (1,000) base (non-overtime) hours in the prior twelve (12) months are eligible for NJFLA leave.

Policy

For more details about the type of leave, eligibility requirements, the type of certification needed, or any other aspect of the family and medical leave laws, please contact Human Resources.

Adopted: 07/90
Amended: 10/90, 10/93, 06/98, 04/03, 10/04, 02/05, 10/06, 5/07, 4/08, 11/12

MEDICAL BENEFITS

The Group recognizes the needs of employees for financial protection in the event of illness or injuries that result in medical expense and loss of income. Providing adequate, cost-effective insurance protection is a concern of the Group. The Group has selected several plans designed to meet the employees' needs.

The plans will be administered on a calendar year basis.

1. In the case of employees under contract, the terms of their contract apply in lieu of the policy.

2. Group employees and retirees are eligible for Benefits as defined by the State Health Benefit Plan. Should the Group ever leave the state program for any reason the state will not allow the retirees to continue in the state plan. Under such circumstances it will be the Group's policy to make coverage available to the retirees on the same basis as provided by the state.

3. Employees who retire with at least 25 years service with the Group and at least 60 years old at retirement will be reimbursed up to $500 per month for benefits described above.

4. The Group shall maintain a Cafeteria Plan for the benefit of all employees as required by NJ statute to permit employees to pay their share of the cost of medical benefits on a pre-tax basis. The money paid for each employee cannot exceed an amount set aside in the budget.

Adopted: 07/90
Amended: 10/90, 10/93, 06/98, 04/03, 10/04, 02/05, 10/06, 5/07, 4/08, 11/12

MEDICAL BENEFITS

Summary Plan Descriptions (SPDs) or brochures that describe each plan should be referred to for specific information. Human Resources is available to answer specific insurance questions. During new employee orientation, the cost, coverage, eligibility requirements and conversion privileges of each plan will be explained in detail. You will be provided a copy of the Summary Plan Description for each plan that you elect after you or your dependents become covered. The terms and conditions of the insurance policy, itself, will control over any inconsistent descriptions contained in this manual.

NJSIG reserves the right to change insurance companies or to modify or terminate eligibility requirements, benefits, coverage, or any Plan, program or policy at any time.

Adopted: 05/91
Amended: 01/02, 06/12, 06/19, 6/20
Reviewed: 03/12, 03/19, 05/19, 05/20

EDUCATIONAL ASSISTANCE PLAN POLICY

The Plan

NJSIG's Educational Assistance Plan (the Plan) provides full-time NJSIG employees the benefit of reimbursement for certain educational costs. This policy serves as NJSIG's formal written plan, setting forth the terms and intent of the Plan.

Employment Status

Employees qualify for the Plan only if they are current, full-time NJSIG employees, and only after they have been employed by NJSIG for at least one year. Terminated or retired employees, current employees on a performance improvement plan, and spouses or dependents of NJSIG employees are not eligible for reimbursement under this Plan.

Employees are eligible for reimbursement under this Plan only during active employment. Employees must be active at the time the course is taken and at the time of reimbursement. The employee must obtain the Executive Director's written permission to take courses during an approved leave of absence. Employees who voluntarily withdraw from a course or are discharged from a course for cause are not eligible for reimbursement under this Plan.

If an employee leaves NJSIG voluntarily prior to twelve (12) months after receipt of reimbursement under this Plan, the employee must reimburse NJSIG the full amount paid to the employee under this Plan in the previous twelve (12) months.

EDUCATIONAL ASSISTANCE PLAN POLICY

Plan Benefits

The total annual Educational Assistance Plan amount available for reimbursement to all NJSIG employees will be established in NJSIG's annual budget, which will be approved each fiscal year by NJSIG's Board of Trustees. Reimbursement is on a first-come, first-served basis. NJSIG employees shall share in the Plan's total annual budgeted funds on a rolling basis until the Plan's total annual budgeted amount is paid out. No reimbursement shall be available in excess of the budgeted amount for a given fiscal year unless specifically approved by the NJSIG Board of Trustees.

The maximum reimbursement available to a single NJSIG employee per calendar year shall be commensurate with that amount excludable from gross income, for that calendar year, under Section 127 of the Internal Revenue Code.

Plan Termination

NJSIG reserves the right to change or terminate the Plan without prior notice at any time. If NJSIG does end the Plan, NJSIG will reimburse all qualifying courses in progress, in the amount(s) and manner outlined herein, prior to termination of the Plan. NJSIG will not reimburse any employee for any classes that begin after Plan termination.

Funding

NJSIG will pay educational benefits out of its general assets and cash funds. NJSIG does not maintain a special fund to cover the educational benefits of this Plan.
NJSIG does not require employees or participants to contribute to their tuition as a condition of receiving the benefits of this Plan.

EDUCATIONAL ASSISTANCE PLAN POLICY

Prohibited Payments

This Plan prohibits payment of more than 5 percent of the amounts paid or incurred by NJSIG for educational assistance during the year for any class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the calendar year) owns more than 5 percent of the stock, capital, or profits interest in NJSIG.

After application of the previous sentence, this Plan then further prohibits payments to those in the highly compensated group when such payments violate the discrimination clause as set forth in IRC 127(b)(3).

Prohibited Choices

This plan prohibits NJSIG from offering eligible employees a choice between educational assistance and any other form of compensation or benefit.

Covered Educational Expenses

NJSIG will only reimburse tuition costs under this Plan for coursework taken at either (1) an in-State institution of higher education that is licensed by the Commission on Higher Education, or (2) an out-of-State institution of higher education that is licensed by the appropriate state agency and regionally accredited or seeking accreditation by the appropriate accrediting body recognized by the Council on Postsecondary Education or the United States Department of Education. This Plan only reimburses costs for tuition books, supplies and equipment necessary for undergraduate- and graduate-level courses. The Plan does not reimburse costs for late fees, interest, parking fees, tools or supplies that the employee may keep after the course is completed, meals, lodging, living expenses, or transportation. The Plan does not reimburse costs for any education that involves sports, games or hobbies.

Adopted: 05/91
Amended: 01/02, 06/12, 06/19, 6/20
Reviewed: 03/12, 03/19, 05/19, 05/20

EDUCATIONAL ASSISTANCE PLAN POLICY

Reimbursement requests cannot substantially deviate from the total expected reimbursement amount identified in the employee's initial request under this Plan (see below, Notification to Employer). NJSIG reserves the right to reject reimbursement requests for amounts that substantially exceed the total expected reimbursement amount identified in the employee's initial request for educational assistance.

The course(s) entitled to reimbursement under this policy must be

to the employee's current or future job responsibilities at NJSIG and must provide knowledge or skills that will enhance the employee's contribution to NJSIG in either the employee's present or future position at NJSIG. A grade of "C" or better must be attained in order to qualify for reimbursement benefits under the Plan.

Each course must be approved in writing, sixty (60) days prior to course registration, by the department manager and the Executive Director (or his/her designee), for each individual request.

Notification to Employer

Employees who plan to take advantage of the Educational Assistance Plan offered by NJSIG shall notify NJSIG in writing, no later than sixty (60) days prior to course registration, of the following with respect to the course(s) for which they plan to seek reimbursement: (1) executed acknowledgment of NJSIG's written Educational Assistance Plan, (2) course of study, (3) course description, (4) course dates and (5) total expected reimbursement amounts. The department manager and the Executive Director, or his/her designee, must provide written approval to the employee that each course is eligible for reimbursement according to the Plan and that this cost is within the remaining annual Plan balance amount. The combined manager and Executive Director written approval (and any supporting documentation) shall be forwarded to the Chief Financial Officer for review and verification that the employee would not

EDUCATIONAL ASSISTANCE PLAN POLICY

exceed the $5,250 IRS ceiling and that the requested reimbursement amount would not exceed the Plan's total annual budgeted amount. The Chief Financial Officer will then forward written approval to the employee, if warranted. Failure to adhere to this process prior to course registration may disqualify the employee from tuition reimbursement.

Reimbursement

Upon completion of the approved course(s), the employee shall provide the following to the department manager for manager approval, which the manager shall then forward to the Executive Director for his/her approval:

(1) The original manager and Executive Director written approval to register for the course(s);
(2) The official transcript of grade(s), showing a grade of "C" or better; and
(3) The original receipt(s) for all items for which the employee seeks reimbursement.

The Executive Director will review the above and, if warranted, forward final written approval and all supporting documents (listed in # (1) – (3), above) to the Chief Financial Officer. The Chief Financial Officer will then review all documents to insure that there are no overages in the Plan's balance. The Chief Financial Officer will then forward documents to the Senior Payroll and Benefits Specialist for reimbursement to the employee via NJSIG's payroll. NJSIG shall reimburse the participant via the payroll process within 30 days of the Executive Director's submission of written approval to the Chief Financial Officer.

Failure to follow or adhere to this policy may jeopardize tuition reimbursement and/or result in disciplinary action.

Adopted: 06/12
Amended:
Reviewed: 03/12

NJSIG HANDBOOK

The NJSIG Board of Trustees shall adopt a document which contains the information relating to employee benefits and the Group personnel policies. The document shall be titled "NJSIG Employee Handbook".

The material contained in the NJSIG Employee Handbook will be reviewed from time to time. Proposed changes require Trustee approval.

The manual will be issued to each employee. It will be reviewed with a NJSIG Human Resource staff member. Each employee will sign a statement acknowledging receipt and review of the manual.

Changes to policies or new policies must be approved by majority vote of the NJSIG Trustees. The new or modified policies will be reviewed with NJSIG staff and an acknowledgment of this record via signature by NJSIG staff.

Adopted: 06/12
Amended:
Reviewed: 03/12

Personnel Records and Employment Verification

The Group strives to maintain accurate personnel records for all employees.

To insure accuracy please insure that the Group has your current personal information on file.

1. Personnel Files Notify Human Resources immediately whenever there is a change in your personal information, such as home address, telephone number, marital status, beneficiaries, or number of dependents.

2. Employment Verifications

   Requests for employment verifications must be forwarded to the Human Resources.

   If you do not provide written authorization, the Group will limit verification of your employment to: dates of employment, last position held, and date of termination (for former employees).

   If you do provide written authorization, additional information may be released (as deemed appropriate by the Group and where authorized by applicable law).

3. Review of Personnel Files Upon written request, a current employee can review the contents of their personnel file with a supervisor and/or manager and Human Resources.

4. Release of Information Required by Law

   The Group shall also respond appropriately to all subpoenas, court orders, or government agency requests for information.

Adopted: 06/12
Amended:
Reviewed: 03/12

EMPLOYMENT REFERENCES

In responding to requests by third parties (anyone outside the Group) for references or information about current or former employees, information from personnel files will be limited to the dates of employment, final position, and any other data required by applicable law.

No employee, including supervisors, may respond to any request for an employment references (whether formal or informal) for any current or former employee without receiving permission from Human Resources. All requests for references should be referred to Human Resources.

Adopted: 06/12
Amended:
Reviewed: 03/12

E-MAIL AND COMPUTER USE POLICY

To assist our employees in carrying out our business, the Group maintains and provides all employees with, or access to, a variety of electronic communications and computer devices, such as an electronic mail ("e-mail") system, a computer system/network, and internet and intranet access. This policy explains that the Group has the ability and retains the right to monitor all employee use of such Group equipment or systems, whether or not an employee's use is related to Group business or purely personal. AS EXPLAINED BELOW, EMPLOYEES SHOULD HAVE NO EXPECTATION OF PRIVACY WHEN USING GROUP EQUIPMENT OR SYSTEMS.

This policy is subject to change and revision, at the Group's sole discretion, as circumstances or developing technology warrant.

Group Equipment and Group Systems:

This policy governs all access to and use of (1) computers and electronic communication equipment (including but not limited to portable devices such as Tablets, Blackberries, smartphones and laptops), (2) storage devices (including all storage media, removable or fixed, whether maintained on-site or off-site, used to store or maintain data from any Group computer or system, including the e-mail system), and, (3) computers and electronic communication systems (such as the e-mail system(s), computer system/network(s), and internet and intranet access), which are owned, operated or otherwise provided by the Group to employees for any work-related purpose. In this policy, all covered devices and/or systems are called "Group Equipment and Systems."

This policy applies to all Group Equipment and Systems, regardless of the location of where the employee uses or accesses the equipment or system and regardless of whether it is on the employee's working time or outside of working hours.

The Group Maintains All Rights and Ownership with respect to Group Equipment and Systems - Employees Have No Expectation of Privacy

Adopted: 06/12
Amended:
Reviewed: 03/12

E-MAIL AND COMPUTER USE POLICY

The Group treats ALL messages, e-mail, documents, data and information sent, received or stored over, through or on any Group Equipment and/or Systems, as business-related information of the Group.

The Group has the capability, and reserves the right to, monitor, access, review, copy and delete any messages, information, files or other data sent, received or stored on/by any Group Equipment and/or Systems, for any purpose and to disclose same to any party (inside or outside the Group) in its sole discretion. This applies to all forms of text messaging, instant messaging, chat rooms, websites (including social networking sites or services), news groups, blogs, and electronic bulletin boards.

With respect to the internet, this means that the Group reserves the right to monitor all internet usage, including but not limited to, all web sites or internet addresses accessed, all searches conducted, all files downloaded, all communications or files sent or received, and any other information sent or received via the internet or any other external computer source, such as computer bulletin boards, news groups or any other on-line services. Note that this would include web-based e-mail activity (such as an employee's personal Yahoo or G-mail account) conducted on or over Group Equipment or Systems.

WHEN MAKING USE OF GROUP EQUIPMENT OR SYSTEMS, WHETHER FOR BUSINESS PURPOSES OR PERSONAL USE, EMPLOYEES AND OTHERS SHOULD HAVE NO EXPECTATION THAT ANY COMMUNICATION OR INFORMATION TRANSMITTED OVER OR STORED ON GROUP EQUIPMENT OR SYSTEMS IS OR WILL REMAIN PRIVATE. EMPLOYEES HAVE NO EXPECTATION OF PRIVACY IN ANY ON-LINE OR COMPUTER ACTIVITY, INCLUDING E-MAIL.

When deemed necessary by the Group, the organization may disclose text or images to law enforcement agencies or other third parties without the employee's consent.

E-MAIL AND COMPUTER USE POLICY

Group Equipment and/or Systems are intended for business-use only. Employees may access e-mail and the internet for personal use only during non-working time, and strictly in compliance with the terms of this policy. Excessive personal use of e-mail and/or Group computers, personal use which interferes with any employee's work, or personal use which violates any Group policy is prohibited. Use of Group Equipment or Systems for any personal business solicitation purposes is absolutely prohibited.

Should employees make incidental use of Group Equipment and/or Systems to transmit personal messages, or to send, receive or view information, or to store information in any manner on the system, such messages, communications and/or information will be treated as all other messages and information on the Group Equipment or Systems; that is, the Group reserves the right to access, review, copy, delete or disclose such messages or information for any purpose in its sole discretion.

Use of Group Equipment or Systems in Violation of Other Group Policies:

Use of Group Equipment or Systems to engage in harassment or any communications which are in violation of Group policies, including, but not limited to, transmission or receipt of defamatory, obscene, threatening, offensive or harassing messages/information, or messages that disclose personal and/or confidential information without authorization, is prohibited. As a rule, you should not transmit anything in an e-mail message that you would not be comfortable with writing in an official letter or a memorandum.

Warning Regarding Deletion of Files and Use of Passwords:

Deleting or erasing e-mail and computer files and/or disks does not guarantee that the information contained thereon is deleted from the Group's computer system or that it is otherwise not recoverable. The Group maintains backup of data on its Group Equipment and Systems and even intentionally deleted information may be retrieved. The ultimate privacy of messages, information or files cannot be ensured to anyone.

Adopted: 06/12
Amended:
Reviewed: 03/12

E-MAIL AND COMPUTER USE POLICY

Please note that establishing a password to safeguard personal information on or transmitted over Group Equipment or Systems will not ensure that such information remains private or that the Group cannot or will not access such information. The use of passwords or encryption to avoid detection of violations of any Group policy shall itself be a violation of this policy.

Accessing, sending or viewing information on or over Group Equipment or Systems, even from external password protected sources such as an employee's personal web-based e-mail account, will often leave retrievable information on Group Equipment or Systems which can be retrieved and viewed by the Group under this policy.

ACCORDINGLY, EMPLOYEES SHOULD NOT USE GROUP EQUIPMENT OR SYSTEMS TO SEND, RECEIVE, OR STORE ANY MESSAGES OR INFORMATION THAT THEY WISH TO KEEP PRIVATE.

Violations of this policy may result in disciplinary action, up to and including termination.

Adopted: 06/12
Amended:
Reviewed: 03/12

CONFIDENTIALITY BUSINESS INFORMATION POLICY

During the course of your employment with the Group, you will be provided with confidential, sensitive and/or proprietary information or data about the Group, our clients and our products and services. Further, in the course of business with the Group, many of our clients provide us with confidential, sensitive, and/or proprietary information or data. It is crucial to the Group and its clients that this information and data not be used improperly and be kept strictly confidential.

As a condition of employment and continued employment, employees must agree that during and subsequent to their employment with the Group, they shall not use or disclose (other than in the performance of their duties to the Group or as directed by the Group):

(a) any confidential, sensitive or proprietary information and any data, plans, drawings, and/or other information of any nature provided to the Group by, or on behalf of, any client; or any prospective client; or

(b) any confidential, sensitive or proprietary information and any data, plans, drawings, and/or other information of any nature created by the Group for itself, any client, or any prospective client.

This agreement encompasses both an employee's own work as well as the work of any other employee of the Group.

The breach of this agreement may result in discipline, up to and including termination. Further, the breach of this agreement may constitute grounds for a suit for damages by the Group against the employee who has breached the agreement.

Adopted: 06/12
Amended:
Reviewed: 03/12

GROUP PROPERTY/EQUIPMENT

All employees are expected to use proper care when using the Group's property and equipment. With the exception of equipment and property issued to an employee for their use off premises, property and equipment may not be removed from the premises without the proper authorization of management. Loss, stolen, broken or damaged property or equipment must be reported to the employee's supervisor at once.

Upon termination of employment, any Group property or equipment must be returned immediately to the Group. The requirement to return property includes both tangible and intangible property, including information, documents and data.

Adopted: 06/12
Amended:
Reviewed: 03/12

PROGRESSIVE DISCIPLINE POLICY

The Group generally favors a practice of progressive discipline to correct unacceptable employee behavior and performance. Progressive discipline means a course of corrective action designed to change an employee's behavior through progressively more serious actions for each instance of poor performance or misconduct.

Progressive discipline is NOT appropriate in every case and the Group will, in its complete discretion, review each case on its own facts, and may take into account factors such as the nature of the infraction, disciplinary history, the nature of previous misconduct and an assessment of employee's work performance and contribution to the Group.

The Group reserves the right to deviate from its policy of progressive discipline at its sole and complete discretion, including skipping steps, repeating steps or foregoing progressive discipline altogether and immediately terminating an employee.

If you have any questions as to what is or is not appropriate conduct, you are encouraged to speak with your supervisor or manager. For examples of types of misconduct, see Policy #6510- Guidelines for Appropriate Conduct.

Possible Forms of Corrective Action:

Violations of the Group's rules and policies will generally result in one of the following actions:

Non-Disciplinary Verbal Counseling (if appropriate): It is the Group's desire that corrective action should take place at the lowest possible level appropriate to the conduct involved. As such, supervisors are encouraged to give timely oral feedback to employees concerning non-serious performance issues. This form of oral counseling is not a form of discipline, although it may be noted in the employee's personnel file.

PROGRESSIVE DISCIPLINE POLICY

Written warning: This is a formal written notification to the employee from the supervisor stating that the employee must improve or face further corrective action. This warning is placed in the employee's personnel file. Employees will be required to sign the warning to indicate they have reviewed the form (but not necessarily that the employee agrees with the substance of the warning.)

Final Written Warning: This is a secondary formal written notification to the employee from the supervisor that the employee must improve or face further corrective action. This warning is placed in the employee's personnel file. Employees will be required to sign the warning to indicate they have reviewed the form (but not necessarily that the employee agrees with the substance of the warning.) The employee will be placed on a time based Performance Improvement Plan.

Termination: An employee will be terminated if the employee fails to improve his or her performance or behavior despite previous corrective action. An employee may be terminated for serious misconduct immediately and without regard to the prior course of corrective action.

AS EXPLAINED EARLIER IN THIS HANDBOOK, EVERY EMPLOYEE OF THE GROUP IS AN EMPLOYEE AT-WILL AND THE GROUP CAN TERMINATE ANY EMPLOYEE AT ANY TIME WITH OR WITHOUT NOTICE AND WITH OR WITHOUT CAUSE. NOTHING IN THIS DISCIPLINE POLICY ALTERS AN EMPLOYEE'S AT-WILL STATUS.

<u>Performance Improvement Plans:</u>

At any level of corrective action from a first warning or greater, an employee may be placed on a performance improvement plan at the discretion of management. A performance improvement plan is a tool designed to give the employee goals and timeframes in which to achieve them. During the existence of a performance improvement plan, an employee will be subject to increased scrutiny to insure that he or she is making appropriate progress towards meeting the goals set forth in the plan. The failure to meet the goals in the plan may result in further corrective action and/or the extension of the plan.

Adopted: 06/12
Amended:
Reviewed: 03/12

PROGRESSIVE DISCIPLINE POLICY

Maintenance of Corrective Action Records:

Although, in the absence of other disciplines, the significance of a discipline in an employee's file will tend to diminish over time, all disciplinary notices shall remain in an employee's personnel file permanently and may be reviewed in determining the appropriate course of any future corrective actions.

Adopted: 06/12
Amended:
Reviewed: 03/12

Guidelines for Appropriate Conduct

As an integral part of the Group, each employee is expected to accept certain responsibilities, adhere to acceptable business and professional principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times.

The list below sets out some of the most common violations which may be sufficient grounds for disciplinary action, ranging from a reprimand to immediate discharge.

This list does not include every violation or type of violation for which discipline or discharge may result and, of course, other actions not included or referenced on this list may result in disciplinary action and/or the termination of employment, depending upon the facts and circumstances, in the Group's sole judgment.

- Insubordination or lack of cooperation;
- Failing to follow instructions of, or to perform work requested by, a supervisor or Manager;
- Abuse or harassment of a coworker, client, client's family, or visitor;
- Negligence or dereliction of duty;
- Fighting or threatening violence in the work place;
- Reporting for or attempting to work while under the influence of alcohol, drugs, or narcotics;
- Possessing, using, manufacturing, selling or dispensing alcohol, illegal drugs, or controlled substances on Group premises, job locations, or while performing job duties or consuming alcohol on the Group's premises or while conducting the Group's business (unless otherwise sanctioned by the Group at occasions such as Group holiday parties);
- Unauthorized possession of firearms or other weapons on the Group's property or while conducting Group business;
- Falsifying Group reports or records (including timesheets, employment applications or other personnel records);
- Unauthorized removal or use of Group property or records;
- Unauthorized placement or receipt of personal telephone calls on a Group phone or unauthorized use of Group letterhead;
- Reporting to work in a condition unfit to perform;

Guidelines for Appropriate Conduct

- Sexual or other unlawful harassment;
- Disclosing confidential or insider Group information or client information without authorization;
- Unauthorized solicitation or distribution on Group property;
- Using profanity toward other employees, clients, or non-employees, while performing job duties or on Group premises;
- Violating any Group policies, including, without limitation, a safety rule or practice or creating or contributing to unhealthy or unsanitary conditions;
- Failing to cooperate in any Group investigation or participate in required Group meetings;
- Participation in any illegal activity
- Excessive absenteeism or lateness.
- Unsatisfactory performance or conduct
- Any violation of any other policy or rule set by the Group
- Any other conduct deemed by management to be detrimental to the Group

Adopted: 06/12
Amended:
Reviewed: 03/12

OFFICE ACCESS

For safety reasons, non-employees, including family members of employees, are prohibited from being on the Group's premises at any time without the specific permission of their supervisor. Furthermore, employees may not be on Group premises other than as necessary for or incident to their work, without the permission of their supervisor.

Adopted: 06/12
Amended:
Reviewed: 03/12

PERSONAL APPEARANCE

The appearance and dress of employees is essential to the efficient operation of the Group. Employees are, therefore, required to dress in appropriate business attire and to behave in a professional, business-like manner. Choices of clothing should be made on the basis of cleanliness, practicality, modesty, and job appearance.

Use of professional judgment when planning for any of the following dress codes:

- Business Casual – example Khaki pants, collared shirts, sweaters, etc.
- Business Dress – full business suits (including ties for men)
- Jeans and Sneakers – neat looking jeans and a professional top
- *Sports/Athletic jerseys will be permitted on special days

In this regard, inappropriate casual clothing, such as halter tops, T shirts, short dresses or skirts, sweat suits, stretch pants, or flip flops may not be worn by employees while engaged in Group business. Employees should also refrain from wearing inappropriate attire such as revealing or provocative clothing while at work.

Please use discretion and good taste in your choice of work clothes and remember to conduct yourself at all times in a way that best represents you and the Group. If you have any questions regarding what is or is not appropriate in a given situation, please consult your supervisor or Human Resources.

The Group reserves the right to determine whether an outfit is appropriate business attire and, therefore, may require an employee who fails to comply with the requirements of this dress code to go home and change his or her attire. The time required to do this may be unpaid. Employees failing to adhere to proper Group standards with respect to their appearance and attire are subject to disciplinary action.

This policy applies equally to male and female staff.

Adopted: 06/12
Amended:
Reviewed: 03/12

DRUGS AND ALCOHOL TESTING

The Group is committed to providing a safe and productive workplace for all employees. The Group has a particular concern about substance abuse, since it can affect an employee's productivity and efficiency, jeopardize the safety of the employee, co-workers, and the public, and impair the reputation of the Group and its employees. In addition, an employee's substance abuse may violate state and federal statutes.

This policy pertains to possession, manufacture, distribution, sale, use or being under the influence of drugs and/or alcohol while at work, on Group premises, while engaged in Group business, or under circumstances where such activity may harm the reputation of the Group.

This policy covers all Group facilities and applies equally to all of the Group's employees and prospective employees. To the extent possible, all contractors, vendors, visitors, and independent contractors will be informed of the Group's drug and alcohol policy.

Guidelines:

The Group is committed to protecting the safety, health and well-being of all employees and other individuals in the workplace. The Group recognizes that alcohol abuse and drug use pose a significant threat to its goals. As such, it has adopted this drug and alcohol use and testing policy.

Throughout this policy, the term "drugs" includes any narcotics or other controlled substance other than alcohol.

1. DRUG/ALCOHOL USE PROHIBITED

   A. The Group prohibits the possession, manufacture, distribution, sale, use or being under the influence of drugs and/or alcohol or the presence of illegal drugs in an employee's system at a detectable level while on Group property or during Group work time.

DRUGS AND ALCOHOL TESTING

B. Prescription and over-the-counter drugs are not prohibited when taken in standard dosage and/or according to a physician's prescription. Any employee taking prescribed or over-the-counter medications will be responsible for consulting the prescribing physician and/or pharmacist to ascertain whether the medication may interfere with safe performance of his/her job. If the use of a medication could compromise the safety of the employee, fellow employees or the public, it is the employee's responsibility to use appropriate personnel procedures (e.g., call in sick, use leave, request change of duty, notify supervisor, notify Group doctor) to avoid unsafe workplace practices. For safety reasons, such an employee may be required to perform duties other than those regularly assigned or to take sick leave rather than be permitted to work under the influence of the prescribed medication.

C. The illegal or unauthorized use of prescription drugs is prohibited. It is a violation of our drug-free workplace policy to intentionally misuse and/or abuse prescription medications. Appropriate disciplinary action will be taken if job performance deterioration and/or other accidents occur.

D. The Group reserves the right to impose discipline up to and including discharge for failure to comply with paragraphs A, B or C above.

E. The moderate consumption of alcohol on Group property or on Group time is permitted at Group-supported or sponsored events where alcohol is served.

2. APPLICANT DRUG TESTING

A. Although the Group does not currently test applicants for drugs and/or alcohol, it may modify this policy in the future to provide for such testing.

DRUGS AND ALCOHOL TESTING

3. EMPLOYEE DRUG/ALCOHOL TESTING

A. The Group reserves the right to require an employee to submit to a drug/alcohol test when, in the Group's sole judgment, there is cause to believe the employee may be under the influence of drugs and/or alcohol or may be otherwise suffering the effects of drug and/or alcohol abuse.

B. The Group reserves the right to require employees whose duties pose safety risks to co-workers or to the public to submit to a drug/alcohol test at any time, without notice to the employee.

C. The Group reserves the right to impose discipline up to and including discharge upon any employee who refuses to submit to drug/alcohol testing when requested to do so by the Group in the above circumstances.

D. The Group reserves the right to impose discipline up to and including discharge upon any employee who tests positive (as that term is defined in Section 5(a) below) for prohibited drug/alcohol use.

4. SUBSTANCES TESTED FOR

The Group may test for the presence of alcohol or any controlled substance as defined by the federal Comprehensive Drug Abuse and Control Act, 21 U.S.C. §801 et seq., and as further specified in 21 C.F.R. 1301 et seq., setting forth the Schedules of Controlled Substances, specifically Schedules I, II, III, IV and V.

5. REHABILITATION

A. This section, entitled "Rehabilitation," does not apply to applicants for employment.

DRUGS AND ALCOHOL TESTING

B. It is the employee's responsibility to request assistance in obtaining treatment for a drug/alcohol problem before it affects his/her employment. Assistance may be found from a family physician or local social services agency.

C. An employee who voluntarily discloses to the Executive Director or his designee may submit to the following rehabilitation procedure for which the Group will grant a leave of absence without pay of up to twelve (12) weeks:

1. The employee must seek rehabilitation and counseling from a Group approved program, must successfully complete such program, and must provide the Group with written evidence of successful completion of the program;

2. At the end of the leave of absence, the employee will be required to submit to a drug/alcohol test, the results of which must be negative;

3. The Group reserves the right to require additional, follow up testing, at its discretion and without notice for a period of two years.

4. The employee must make such voluntary disclosure to the Executive Director or his designee prior to either being directed to take a drug/alcohol test or having knowledge that such a request is about to be made. Once an employee is directed to take a drug/alcohol test, he may not take advantage of this rehabilitation provision. Similarly, an employee who takes, and fails, a drug/alcohol test in violation of this policy will not be permitted to take advantage of this rehabilitation procedure.

D. An employee may take advantage of the above rehabilitation procedure only once. Employees who test positive at any time after completion of this rehabilitation program will be discharged.

DRUGS AND ALCOHOL TESTING

6. TESTING PROCEDURE

A. For the purposes of this Policy, the detection of any discernable amount of drugs through a drug test will be considered a positive test result. An alcohol test result will be considered positive upon a breathalyzer or other test showing .04 percent level of blood alcohol, or in accordance with the testing laboratory's internal guidelines, at the Group's discretion.

B. Drug testing under this policy will be done by way of urine samples. Any individual subject to testing under this Policy, shall be permitted to provide urine specimens in private, and in a rest room stall or similar enclosure so that the employee is not observed while providing the sample. Collection site personnel of the same gender as the individual tested, however, may observe the individual provide the urine specimen when such personnel have reason to believe the individual may alter or substitute the specimen to be provided. Collection site personnel may have reason to believe that a particular individual may alter or substitute the specimen to be provided when

1. The individual—

a. Is being tested pursuant to Section 3 relating to reasonable suspicion testing;

b. Has previously been found by the Group to be an illegal drug user; or

c. Has previously tampered with a sample; or

2. Facts and circumstances suggest that the individual

a. Is an illegal drug user;

b. Is under the influence of drugs at the time of the test; or

DRUGS AND ALCOHOL TESTING

c. Has equipment or implements capable of tampering with or altering urine samples; or

3. The specimen

a. Has a temperature outside the range of 32.5 37.7 degrees C / 90.5 99.8 degrees F; or

b. Shows signs of contaminants.

NOTE: The aforementioned list is not intended to be all-inclusive, but rather to illustrate examples of why collection site personnel may have reason to believe that a particular individual may alter or substitute the specimen.

C. Each urine sample given under this policy will be split into two samples. All initial samples registering a positive test will have the second or "split" sample retested as a safeguard on the initial test. Only samples which test positive for each half of a "split" sample will be considered positive test results. Employees and/or applicants who supply the Group with proof of a medical condition which prevents them from providing a urine sample will be required to submit to an alternative testing method (such as blood sample or hair sampling) administered in accordance with the testing laboratory's internal guidelines, at the Group's discretion.

D. Urine samples are initially tested by way of a first screen immunoassay test. The "split" samples of all samples initially testing positive under the immunoassay test are tested by the gas chromatography/mass spectrometry (GC/MS) method. Employees and/or applicants whose samples test positive may be asked to disclose whether and what type of medications they may be taking which could have resulted in a "false positive." Samples will be tested only for drug/alcohol use.

DRUGS AND ALCOHOL TESTING

E. Alcohol testing may be done by way of a "breathalyzer." Such testing will not utilize "split" samples.

F. Drug/alcohol testing and results will be kept confidential to the extent practicable and as required by applicable law.

G. Employees may request and receive a copy of their test results.

7. OFF SITE INVOLVEMENT

Conviction for unlawful drug related activity on or off Group premises, regardless of whether the activity took place during an employee's working hours, will be cause for cause for discipline up to and including discharge. All employees so convicted are required to notify the Human Resources Department within five (5) days of the conviction.

8. CONSEQUENCES

A. The following will be grounds for disciplinary action up to and including discharge:

1. Refusal of the employee to cooperate with a test request;

2. Impaired work performance due to the influence of drugs/alcohol;

3. Positive drug/alcohol test results;

4. Conviction for unlawful drug related activity;

DRUGS AND ALCOHOL TESTING

5. The manufacture, distribution, dispensation, possession, or use or being under the influence of a controlled substance (drugs or alcohol) either on Group premises or during an employee's working hours either on or off Group premises. This does not include the lawful use or possession of prescription medication to the extent that the employee has complied with all other policies regarding reporting the use of medication which may diminish an employee's capacity to work safely.

6. Any violation of this policy.

H. A decision by an employee to seek treatment for substance abuse will not preclude appropriate disciplinary action by the Group for any of the above enumerated grounds for disciplinary action.

I. Employees separated from the Group's employment due to violations of this policy are not eligible for rehire.

J. The Group may also pursue appropriate criminal charges against those violating this policy.

K. A positive drug or alcohol screen is not a prerequisite for taking appropriate disciplinary action for any policy violation, including violations of this drug and alcohol policy.

9. ADMINISTRATION

A. Each employee will receive a copy of this Policy and acknowledge receipt in writing.

B. Employees should contact Benefits Administrator for information concerning any benefits that are offered under the Group's health plans to cover rehabilitation expenses.

Adopted: 06/12
Amended:
Reviewed: 03/12

DRUGS AND ALCOHOL TESTING

10. WARNING

Employees should be aware that traces of many drugs remain in their bodies and body fluids for significant periods of time after they have been ingested. For example, studies by the National Institute on Drug Abuse (NIDA) have shown that marijuana may remain in the body for as long as thirty days; cocaine for up to four days; amphetamines for up to two days; and barbiturates for up to three weeks. These time periods may vary from individual to individual and could be longer under some circumstances.

Adopted: 06/12
Amended:
Reviewed: 03/12

WORKPLACE SAFETY AND CLEANLINESS

The Group has established health and safety standards that are designed to protect employees and make working conditions as safe as possible. Employees are required to comply with these health and safety standards.

The Group will not tolerate violence or threats of violence in the workplace.

Guidelines:

You are required to report to your immediate supervisor any condition observed to be dangerous or potentially dangerous, including any threats to you or other employees, or to the Group's property.

For safety and security reasons, personal visits to the Group's offices by relatives, friends, and former employees are not encouraged and when they occur require approval from your immediate supervisor.

You are expected to keep all snack and beverage service areas neat and clean so that these facilities can be enjoyed by all employees.

As a general rule, you must keep your work area neat and maintain your office in good condition.

Violation of this policy may result in disciplinary action, up to and including termination.

Procedural Steps:

These are the steps that will be followed should you witness conditions believed to be dangerous or potentially dangerous, including threats in the workplace:

Adopted: 06/12
Amended:
Reviewed: 03/12

WORKPLACE SAFETY AND CLEANLINESS

If the dangerous condition can be made safe by you without risk to your own safety, you should take the necessary action and, where further action may be required, report the condition to your supervisor.

If the situation is an emergency, you should inform your immediate supervisor immediately.

If you become ill or injured and must go for immediate medical care, 911 will be contacted and given the address and directions to the facility in order to ensure the safety of all involved. Once the emergency has been attended to, the immediate supervisor will notify your family or designated party.

Adopted: 06/12
Amended:
Reviewed: 03/12

VOLUNTARY RESIGNATION POLICY

For various reasons, from time to time employees elect to voluntarily terminate their employment with the Group. We request that you do so professionally by providing adequate written notice of your intent to resign. Employees providing proper notice will be entitled to certain benefits, as described below.

Guidelines for Resignations and Unused Personal, Sick, and Vacation Days:

Upon termination of employment:

- Employees are requested to give written notice of their intent to resign 2 weeks prior to their desired termination date, unless they have an individual employment agreement calling for more notice.

- At the time resignation is tendered, sick time or vacation time are no longer available and may not be taken during the notice period (time between resignation and departure date).

- Resigning employees who comply with the requested notice periods set forth above will be paid for all unused vacation benefits (which are granted on a pro rata basis) in their final paycheck. Employees who do not give the requested notice or who are discharged for cause will forfeit any accrued vacation and will not be paid for such vacation upon termination.

- Unused sick time will not be paid upon termination under any circumstances.

- The Group reserves the right to accelerate the notice period, and make an employee's resignation effective immediately, or on any other dates prior to the employee's intended last day of work which the Group deems appropriate.

Adopted: 06/12
Amended:
Reviewed: 03/12

VOLUNTARY RESIGNATION POLICY

-In such situations, employees will have been considered to have given proper notice. Other than when the circumstances of the employee's resignation makes their continued presence in the workplace detrimental to the proper functioning of the office, at the complete discretion of management, employees will be paid for the remainder of the two week notice period.

Procedural Steps:

- If you resign from the Group, it is expected that you provide written notice to your immediate supervisor. You must provide your expected date of termination in your notice.

- You are expected by the Group to give two weeks' notice, or as otherwise provided in any written agreement between you and the Group.

- You are expected to participate in an exit interview if requested by the Group.

- All Group property, including this Employee Handbook, must be returned upon termination. Otherwise, the Group may take action to recoup any replacement costs and/or seek the return of Group property through appropriate legal recourse.

- You should notify the Group if your address changes during the calendar year in which termination occurs so that your tax information will be sent to the proper address.

Adopted: 06/12
Amended:
Reviewed: 03/12

Index #: 6650
Page 1 of 1

BEREAVEMENT LEAVE

The Group offers up to five (5) days with pay to employees coping with the death of an immediate family member. For purposes of this policy, "immediate family" is defined as an employee's spouse, domestic partner, parent, parent-in-law, step-parent, grandparent, sibling, sibling-in-law, step-sibling, child, step-child, grandchild, legal guardian or ward (including those of a spouse or domestic partner).

Employees should inform their supervisors as soon as possible that bereavement leave is needed. A copy of the obituary or a notice from the funeral service may be required to substantiate requests for leave under this policy.

Employees may request to use Vacation Time Off or remaining Traditional Time Off Hours if additional time beyond the Bereavement Leave benefit is needed or to attend the services for an individual not considered to be a member of the employee's "immediate family" as defined above.

Adopted: 06/12
Amended:
Reviewed: 03/12

BREAKS

Meal Periods: Employees are given a one (1) hour unpaid meal break.

Meal periods will be scheduled in the sole discretion of your supervisor but will normally be taken between the hours of 12:00 p.m. and 2:30 p.m.

Break Periods: In the sole discretion of a manager or supervisor, an employee may utilize two break periods not to exceed 10 minutes in length. Prior approval of the break must be obtained by a supervisor or manager before the break can be taken by the employee. Timing of breaks is to be determined by the manager. Violations or abuses of this policy may result in disciplinary action, up to and including termination. This break period will be paid and will be considered as work time.

Employees who have questions or concerns should speak to a member of the management team or Human Resources.

Adopted: 06/12
Amended:
Reviewed: 03/12

COMPANY SPONSORED TRAINING

NJSIG may arrange for you to attend external training programs that enable you to improve your technical, job-related knowledge. If you become aware of a particular seminar that you believe is appropriate for enhancing your skills (and/or those of other employees) please bring it to the attention of your Manager.

You must obtain your Manager's approval prior to enrolling in a seminar or training course. Your department's budget restrictions may have an impact on obtaining approval.

If you do not attend or complete a company sponsored training program in which you have been enrolled and for which NJSIG has paid, you may subject to disciplinary action up to and including termination or be expected to reimburse the Group for the cost of the training program.

Adopted: 06/12
Amended:
Reviewed: 03/12

EMPLOYEE CLASSIFICATION

For purposes of determining eligibility for overtime, as well as for certain employee benefits and programs, NJSIG uses various classifications to distinguish between the different kinds of employees on its payroll. For a discussion of Exempt and Non-Exempt employees and overtime, see the Exempt and Non-Exempt Employees and Overtime Policy.

Details:

- Regular Full-Time employees are those scheduled to work 35 hours or more per week.
- Part-Time employees are those regularly scheduled to work less than 24 hours per week.
- Temporary or Casual employees are those hired and paid by NJSIG for a specific time period or for the duration of a specific project. Generally, the length of employment should not exceed three (3) months or the duration of the project for which the employee was hired.

Employees with questions regarding employee classifications, overtime eligibility and/or benefits eligibility should speak to Human Resources for more information.

Adopted: 06/12
Amended:
Reviewed: 03/12

OPEN DOOR POLICY

NJSIG has an Open Door Policy designed to promote speedy resolution of good faith concerns or problems. We want all employees to feel comfortable raising work-related issues with a member of the management team without fear of retaliation or prejudice.

Speaking with his/her immediate supervisor is usually the quickest way for an employee to resolve work-related problems or issues. However, if an employee does not feel comfortable in discussing certain situations with his/her immediate supervisor or, if after having taken an issue to the supervisor, the employee does not feel the problem has been resolved to his/her satisfaction, he/she should request a meeting with the next level manager, another appropriate management representative, or the Human Resources Manager.

Most situations can be resolved within a Department; however, if that is not the case, employees are free to contact the Executive Director, who shall have the final say. The Company cannot guarantee that an employee's concern or problem will be resolved to his/her satisfaction. In each case, however, the Company values employee input and employees should feel free to raise issues or concerns in good faith without fear of retaliation.

Employees who have questions or concerns should speak to a member of the management team or Human Resources.

Adopted: 06/12
Amended:
Reviewed: 03/12

SEVERE WEATHER CLOSINGS

In the event of severe weather conditions or other emergencies, the Executive Director may decide, in his or her sole discretion, to close the office. Should a closure occur after the workday has begun employees will be notified as soon as possible. No loss of regular pay will occur because of closures due to inclement weather or emergencies. Likewise, you will be paid if you report to work and find the office is unexpectedly closed due to inclement weather or other emergencies.

Employees are expected to work their regular hours. Employees must contact their supervisor if adverse weather conditions threaten to cause the employee to arrive late for work, or to determine if the office will be closed. If the office is open for business and an employee decides that s/he cannot report to work due to adverse weather conditions, the employee will only be paid for that day if s/he uses accrued vacation, works from home with Supervisor/Manager approval or floating holiday.

Employees who have questions or concerns should speak to a member of the management team or Human Resources.

Adopted: 06/12
Amended:
Reviewed: 03/12

SMOKING

To maintain a safe and comfortable working environment and to ensure compliance with applicable laws, smoking is prohibited in Group offices, facilities, and within 20ft of the entrance.

Employees working at the facilities of Group clients are expected to follow any rules regarding smoking maintained by that organization.

Smoking in non-smoking areas may be subject to disciplinary action, up to and including termination. Employees will not be permitted extra or longer breaks to smoke.

Adopted: 06/12
Amended:
Reviewed: 03/12

MILITARY LEAVE

Unpaid military leaves of absence shall be granted as required by the Uniformed Services Employment and Reemployment Rights Act or as otherwise required by law. Employees requiring military leave should inform Human Resources and the Executive Director of the necessity for leave and should provide a copy of their military orders necessitating the leave as soon as possible.

Adopted: 06/12
Amended:
Reviewed: 03/12

WHISTLEBLOWER PROTECTION POLICY

The Group strives to maintain an environment of open communication. The Group shall not take or tolerate any retaliatory action (e.g. demotion, suspension, termination or other retaliatory action) against any employee who: disclose or threatens to disclose to a supervisor or public body a practice or policy of the employer which the employee reasonably believes to be in violation of the law; provides information to, or testifies before, any public investigatory body conducting an investigation into alleged violations of the law by the employer; or, objects to or refuses to participate in any policy or practice which the employee reasonably believes is illegal, fraudulent, or is against a clear mandate of public policy concerning public health, safety or welfare.

If an employee has knowledge of or a concern about an activity of the Group she/he reasonably believes to be: illegal; fraudulent; or contrary to a clear public policy concerning the health, safety or welfare (of an employee, volunteer, or the public), the employee is to contact her/his immediate supervisor and/or the Executive Director.

The identity of an employee who engages in protected whistle blowing activity will, to the extent practicable, be kept confidential. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. The Group will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse action such as termination, compensation decreases, or poor work assignments and threats of physical harm.

Any whistleblower who believes she/he is being retaliated against must contact the Executive Director and/or Human Resources immediately. All complaints will be taken seriously and promptly investigated.

Any employee who is found to have engaged in retaliation contrary to this policy will be subject to discipline, up to and including termination of employment.

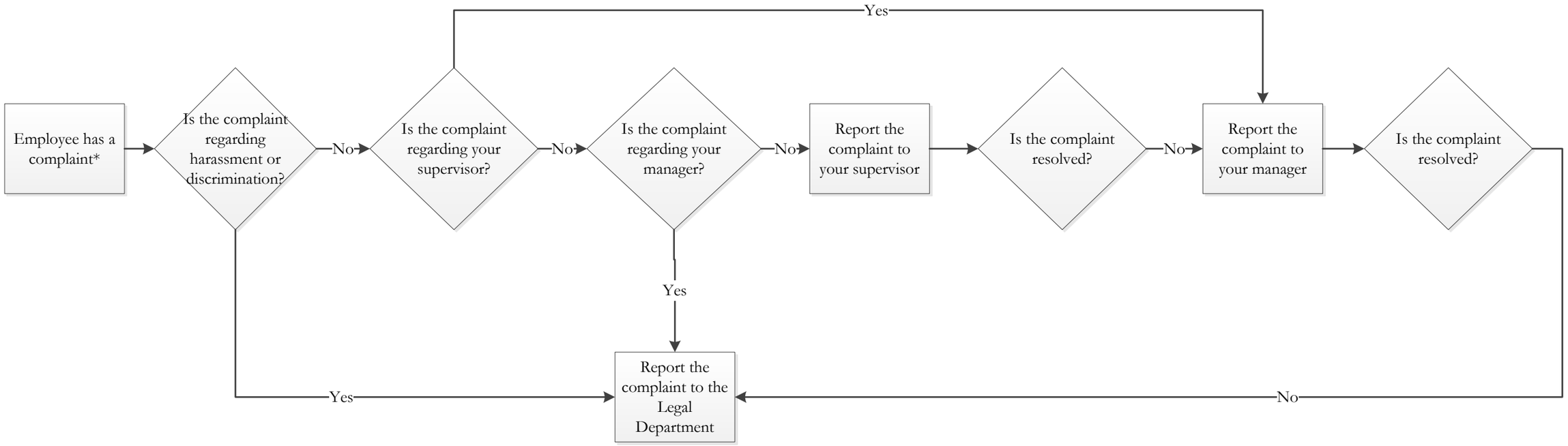
Adopted: 06/12
Amended:
Reviewed: 03/12

WHISTLEBLOWER PROTECTION POLICY

Of course, the right of a whistleblower to protection from retaliation does not include immunity for any personal wrongdoing that is found to have occurred. Further, all employees should exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Employees with any questions regarding this policy should contact Human Resources.

New Jersey Schools Insurance Group Employee Grievance Reporting Procedure



*All complaints may be immediately reported to the Legal Department at the option of the employee

New Jersey Schools Insurance Group

Grievance Form

1. **PART ONE**: To be completed by the employee.

   1.1. Employee Name: _____

   1.2. Department: _____

   1.3. Position: _____

   1.4. Direct Supervisor: _____

   1.5. Are you alleging that you have been subject to or have witnessed discrimination or harassment related to the workplace?

   ☐ Yes ☐ No

   1.5.1. If "Yes," do you believe that the discrimination or harassment was related to a protected classification, such as race, age, sex (or gender), national origin, religion, disability, or sexual orientation?

   ☐ Yes ☐ No

   1.5.1.1. If "Yes," describe which protected class(es) you believe was/were the basis for the discrimination or harassment: _____

   _____

   _____

   1.6. Statement of Grievance – describe what you believe happened and who may have witnessed the conduct (attach additional pages if necessary): _____

   _____

   _____

   _____

   _____

   _____

New Jersey Schools Insurance Group

Grievance Form

1.7. Date on which this grievance was first reported: _____

1.8. To whom was this grievance first reported: _____

Signature: _____ Date: _____

Unless otherwise directed, employee should submit this form in accordance with the New Jersey Schools Insurance Group's policy on reporting grievances. A copy of this form should always be sent to the Legal Department. If you have any questions regarding the policy, you may direct them to the Legal Department.

☐ Employee refused to complete the grievance form.

Completed by: _____

Signature: _____ Date: _____

2. **PART TWO**: Review of Supervisor (Note: Supervisor review is appropriate for complaints not alleging illegal harassment or discrimination and not involving allegations against a manager or the supervisor).

   ☐ Review of Supervisor Not applicable.

   2.1. Employee Name: _____

   2.2. Department: _____

   2.3. Position: _____

   2.4. Manager: _____

   2.5. Date of receipt of this grievance: _____

   2.6. Describe any information you have regarding the grievance: _____
   _____
   _____
   _____
   _____
   _____

   2.7. Please set forth any recommended solution you may have to resolve this grievance: _____
   _____
   _____
   _____
   _____

   2.8. Please explain the reasons for your recommendation: _____
   _____
   _____

New Jersey Schools Insurance Group

Grievance Form

_____

_____

Completed by: _____

Signature: _____ Date: _____

Upon completion by the Supervisor, this form should be submitted directly to their Manager, with a copy to the Legal Department.

3. **PART THREE**: Review of Manager. (Note: Manager review is appropriate for complaints not alleging illegal harassment or discrimination and not involving allegations against the manager).

   ☐ Not applicable.

   3.1. Employee Name: _____

   3.2. Department: _____

   3.3. Position: _____

   3.4. Direct Supervisor: _____

   3.5. Date of receipt of this grievance: _____

   3.6. Describe any information you have regarding the grievance: _____
   _____
   _____
   _____
   _____
   _____

   3.7. Please set forth any recommended solution you may have to resolve this grievance: _____
   _____
   _____
   _____
   _____

3.8. Please explain the reasons for your recommendation: _____

_____

_____

_____

_____

Upon completion by the Manager, this form should be submitted directly to the Legal Department.

Completed by: _____

Signature: _____ Date: _____

4. **PART FOUR**: Review of Legal Department. (Note – in some circumstances, a separate investigatory report may be included with or substituted for this form.)

   4.1. Employee Name: _____

   4.2. Date of receipt of this grievance: _____

   4.3. Assessment and determination of facts: _____
   _____
   _____
   _____
   _____

   4.4. Action to be taken: _____
   _____
   _____
   _____
   _____

Completed by: _____

Signature: _____ Date: _____

CLAIM OPERATION

7680* Discretionary Settlement Authority

Adopted: 11/83
Amended: 08/89, 09/90, 04/93, 09/01, 03/03, 10/05, 06/10, 05/11, 11/12, 5/14, 6/16, 06/18

POLICY

This policy has been moved to the Plan of Risk Management.

NJSIG
Policies

BROKER OPERATION

8010* Broker Commissions

8020* Brokers of Record

8030* Employment practices counseling hotline program

Adopted: 06/18
Amended:
Reviewed: 05/18, 06/18

POLICY

BROKER COMMISSIONS

1. **Purpose.** This policy governs the New Jersey Schools Insurance Group's standard broker commission structure.

2. **Definitions.** Wherever used in this policy, the following terms are defined accordingly.

   2.1. Insurance broker: Also known as a risk manager. The insurance broker is the individual that has submitted a valid broker of record letter on behalf of a NJSIG member for the applicable policy year.

   2.2. Broker commissions: Broker commissions are part of member contributions (premiums). These commissions are calculated as a percentage of gross contributions (premiums). These commissions are paid to the insurance broker on behalf of the NJSIG member. These commissions include all costs associated with the insurance broker providing risk management services to the NJSIG member, which includes, but is not limited to: the cost of providing risk management services to the member regarding what coverage, and the extent of coverage that the NJSIG member should obtain, as well as professional liability coverage to protect the member against errors and omissions committed by the insurance broker.

3. **Standard broker commission percentages**.

   3.1. Workers' compensation coverage: 6%

   3.2. Supplemental workers' compensation indemnity coverage: 10%

   3.3. All other coverages: 15%

   3.4. Include the requested effective date of the change;

Adopted: 06/18
Amended:
Reviewed: 05/18, 06/18

POLICY

BROKER COMMISSIONS

4. **New commission arrangements.** All broker commission arrangements executed on or after July 1, 2008 will be quoted at the standard broker commission percentages outlined above.

5. **Pre-existing commission arrangements.** All broker commission agreements that existed prior to July 1, 2008 are grandfathered at existing rates.

6. **Direct writing.** NJSIG does not provide any coverage without a member receiving coverage advice from an insurance broker.

7. **Exceptions.** Any request for an exception to this policy shall be addressed to the Executive Director.

8. **Effective date.** This policy is effective July 1, 2018.

Adopted: 06/18
Amended:
Reviewed: 05/18, 06/18

POLICY

BROKER OF RECORD

1. **Purpose.** This policy governs the New Jersey Schools Insurance Group's handling of broker of record letters received from NJSIG members.

2. **Definitions.** Wherever used in this policy, the following terms are defined accordingly.

   2.1. Insurance broker: Also known as a risk manager. The insurance broker is the individual that has submitted a valid broker of record letter on behalf of a NJSIG member for the applicable policy year.

   2.2. Broker commissions: Broker commissions are part of member contributions (premiums). These commissions are calculated as a percentage of gross contributions (premiums). These commissions are paid to the insurance broker on behalf of the NJSIG member. These commissions include all costs associated with the insurance broker providing risk management services to the NJSIG member, which includes, but is not limited to: the cost of providing risk management services to the member regarding what coverage, and the extent of coverage that the NJSIG member should obtain, as well as professional liability coverage to protect the member against errors and omissions committed by the insurance broker.

3. **Form and contents**. The broker of record letter must:

   3.1. Be on the NJSIG member's official letterhead;

   3.2. Be executed by an authorized representative (such as the business administrator) of the NJSIG member;

   3.3. Include the name and contact information for the newly appointed risk manager;

   3.4. Include the requested effective date of the change;

   3.5. Include the date on which the letter was executed by an authorized representative of the NJSIG member.

BROKER OF RECORD

3.6. Be received by NJSIG within thirty days of its execution by the NJSIG member;

3.7. Include the lines of coverage and policy numbers to which the broker of record change is requested;

3.8. Include a copy of the insurance broker's applicable producer license(s); and,

3.9. Be addressed to the head of the NJSIG Underwriting Department.

4. **Procedure.** Upon receipt of a broker of record letter, we will notify the incumbent broker and the new broker. If NJSIG does not receive a rescinding letter from the NJSIG member within ten business days, NJSIG will process the broker of record transfer. NJSIG does not accept cancellation/re-write requests after a change of broker has occurred.

4.1. The new broker must submit completed submission for quoting purposes using new applications. NJSIG will only issue a quote proposal based upon an application completed by the incumbent broker (or release applications completed by the incumbent broker) upon receipt of a letter from the new broker agreeing to defend and indemnify NJSIG and the relevant NJSIG member against any errors and omissions stemming from the use of previously completed applications.

5. **Deadlines**. For July 1 business, NJSIG must receive the Broker of Record letter (and copy of producer's license for agent and agency) by 5:00 p.m. on June 10 of the preceding policy year. For any other renewal date the letter must be received 15 business days prior by 5:00 p.m.

6. **Minimum requirements**. All insurance brokers must be licensed by the State of New Jersey, Department of Banking and Insurance. All insurance brokers must carry professional liability coverage to protect the NJSIG member against errors and omissions committed by the insurance broker an amount not less than that set forth in NJSIG's plan of risk management.

Adopted: 06/18
Amended:
Reviewed: 05/18, 06/18
POLICY

BROKER OF RECORD

7. **Effective date for broker of record changes**. All broker of record changes are effective July 1 of the following policy year. No broker of record changes will be effective mid-policy year. To be effective July 1 of the following policy year, NJSIG must receive the broker of record letter by June 10 at 5:00 p.m.

   7.1. For all mid-year broker of record changes, NJSIG will treat the newly appointed broker as the servicing broker; however, any broker commissions associated with endorsements and mid-year coverage changes will continue to be forwarded to the incumbent broker until July 1.

8. **Effective date.** This policy is effective July 1, 2018.

Adopted: 06/19
Amended:
Reviewed: 05/19, 06/19

POLICY

Employment Practices Counseling Hotline Program

1. **Purpose.** This policy governs the New Jersey Schools Insurance Group's employment practices counseling hotline program. The employment practices counseling hotline is intended to reduce school board leader liability claim frequency and severity.

2. **Definitions.** Wherever used in this policy, the following terms are defined accordingly.

   2.1. **Claim:** is defined in the **School board leader liability policy.**

   2.2. **Inquiry:** means a telephonic or written communication made to the Hotline regarding an issue that may form the basis of a prospective employment action that could give rise to a **claim.**

   2.3 **Hotline**: means the New Jersey Schools Insurance Group's employment practices counseling hotline program.

   2.4 **School board leader liability policy**: means the New Jersey Schools Insurance Group's School board leader liability policy that applies to the time period for which the claim is made.

3. **Availability.** The **hotline** is available to NJSIG members that participate in school board leader liability line of coverage as of the date of the **inquiry**.

4. **Procedure and requirements.**

   4.1. A NJSIG member makes an **inquiry**;

   4.2. The NJSIG member accurately and completely conveys the factual predicate which forms the basis of the NJSIG member's prospective employment action that could give rise to a **claim**.

   4.3. The NJSIG member receives written advice from the **hotline**;

   4.4. The NJSIG member follows the advice; and,

Employment Practices Counseling Hotline Program

4.5. A **claim** is submitted to the NJSIG member as a result of the factual predicate which formed the basis of the **inquiry**.

4.6. The NJSIG member submits the claim to NJSIG, along with a copy of the documentation that was generated as a result of the **inquiry**;

4.7. The Executive Director, or their designee, will determine whether the member followed the advice received from the **hotline**, and at the discretion of the Executive Director, will cover the cost of the NJSIG member's **school board leader liability policy** deductible relating to the **claim** about which the member complied with the hotline's advice.

5. **Result.** If the member follows the written advice provided by the **hotline**, NJSIG will, at the discretion of the Executive Director, cover the cost of the NJSIG member's **school board leader liability policy** deductible relating to the **claim** about which the member complied with the hotline's advice.

6. **Effective date.** This policy is effective July 1, 2019.