



NJSIG's \$2,599,938 Partial Refund of Member Contributions from 2019/2020 WC Fund

Dear members of the New Jersey Schools Insurance Group:

I am very happy to announce that, on Monday, March 20, 2023, pursuant to NJSIG Policy 3410, NJSIG's Board of Trustees approved a resolution to conduct a partial refund of member contributions from the workers' compensation fund from the 2019/2020 fiscal year, in the amount of \$2,599,938.00, to be performed in accordance with N.J.A.C. 11:15-4.21(d) and paid in proportion to the member's participation in the 2019/2020 workers' compensation fund.

This partial refund will be conducted pursuant to N.J.A.C. 11:15-4.21(a). The refund amount of \$2,599,938 constitutes a portion of member contributions for the workers' compensation fund which is in excess of the amount necessary to fund all obligations for that fund for the 2019/2020 fiscal year. Eligible for this return are all NJSIG members who participated in NJSIG's workers' compensation fund for the 2019/2020 fiscal year.

Prior to conducting this partial member refund, NJSIG must seek approval from the Commissioner of the Department of Banking and Insurance. "If the Commissioner does not disapprove, in writing, the request to make the refund within the 30 day period [prior to the proposed refund], the request shall be deemed approved." N.J.A.C. 11:15-4.21(b). We have every confidence that the Commissioner will approve our request, and we will let the membership know as soon as final approval is received.

This return of surplus will represent NJSIG's first return of member surplus – not related to COVID-19 – since the 1990's. And don't expect it to be the last! It is my plan that we continue to return member surplus in a predictable manner that members can count on. Ultimately, we hope that these surplus returns will provide members with a useful way of stabilizing year over year rate changes.

Assuming that we receive final approval, members will receive this 2019/2020 WC refund in the form of a refund check in or about July 2023. In the next few weeks, we will be reaching out to each member individually to advise of the specific dollar amount that they can expect, and to provide more detail on the refund process and timeline.

March 23, 2023

We are so excited to be able to provide our members with this \$2,599,938 surplus return in 2023. Looking ahead, this 2019/2020 WC surplus return is in addition to the \$2 million in NJSIG safety grants that will be distributed in October 2023.

As I have said before, and will continue to emphasize, NJSIG does not operate for profit. Like our members, we are a public entity; our sole purpose is to provide cost-effective insurance coverage to our member schools. We always aim to collect the precise amount of member contributions that is needed to cover the claims -- no more and no less. If we collect too much, then those excess funds must be returned to our members. And this isn't just talk. NJSIG members have now received over ten years of safety grants, and a return of surplus related to COVID-19 for the last two years in a row. And, now we are rolling out this new return of surplus, which I hope to make a regular occurrence.

We will be in touch with eligible members soon with more details on this 2019/2020 workers' compensation fund surplus return. In the meantime, if you have any feedback on how we can better assist you, please feel free to reach out to me directly (JDeitch@njsig.org). I am always available, and I am very interested in learning what NJSIG can do to support our members.

Thank you,

Jill Deitch, Esq.

Executive Director

New Jersey Schools Insurance Group

March 23, 2023