



New Jersey Schools Insurance Group
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Request for comment: U-2017-0002
For: Sub-fund
Administration Services

	Event	Date
	Request for comment posted:	7/7/2017
	Comments regarding the scope of work due:	7/28/2017

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1 Information for commenters

1.1 Purpose and intent

The New Jersey Schools Insurance Group (“NJSIG”) is seeking comments from interested organizations and individuals regarding the scope of work for the provision of sub-fund administration services. You are invited to submit comment(s).

1.2 Organizational background

NJSIG is a public entity insurance group, also known as a self-insurance pool, established in accordance with P.L. 1983, c. 108, that provides insurance coverage and risk management services to member school districts.

The concept of pooling is one whereby public entities can join together to provide protection from risks on a group basis. As a self-insurance pool, NJSIG is governed by a Board of Trustees which is comprised of School Board members, Superintendents and Business Administrators from NJSIG member districts.

By joining NJSIG, members collectively attain benefits not possible individually and pool their premiums into a common fund to be used for the benefit of all member districts. NJSIG is comprised of approximately four hundred boards of education and charter school districts, and offers members a cost-effective method of obtaining coverage for the following lines: workers’ compensation, supplemental indemnity, general liability, automobile liability, excess liability, property, error and omissions, bonds, crime, electronic data processing, environmental liability, equipment breakdown, and auto physical damage coverages. NJSIG provides claims administration, underwriting and loss control services for members.

1.3 Sub-fund background

In 1998, NJSIG established its first workers’ compensation “sub-fund” in an effort to foster greater accountability and participation among members and garner deeper discounts through regional pooling and risk management education. Because sub-fund members share in a single workers’ compensation discount rate, they have a vested interest in the success of their sub-fund as a whole. For that reason, sub-fund members actively participate in risk management and loss control training at a sub-fund level, which helps to reduce losses and premiums. NJSIG currently has seven

sub-funds. Each sub-fund is administered by an insurance brokerage firm that specializes in school insurance and risk management, and that brokerage firm acts as an extension of NJSIG in administering each of the NJSIG sub-funds. Membership in a sub-fund is determined at NJSIG's sole discretion, in accordance with NJSIG's bylaws and plan of risk management. While sub-fund members share in a single workers' compensation rate, these sub-funds are not separately incorporated entities.

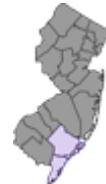
1. Burlington & Camden County Educators Insurance Consortium (BACCEIC)

- a. Burlington and Camden Counties



2. Cape May Atlantic Insurance Pool (CAIP)

- a. Atlantic and Cape May Counties



3. Educational Risk & Insurance Consortium – North (ERIC North)

- b. Mercer, Middlesex, Somerset and Union Counties



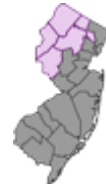
4. Educational Risk & Insurance Consortium – South (ERIC South)

- a. Cumberland, Gloucester and Salem Counties



5. Educational Risk & Insurance Consortium – West (ERIC West)

- a. Hunterdon, Morris, Passaic, Sussex and Warren Counties



6. Monmouth Ocean County Shared Services Insurance Fund (MOCSSIF)

- a. Monmouth and Ocean Counties



7. North Jersey Educational Insurance Fund (NJEIF)

a. Bergen, Essex and Hudson Counties



2 Scope of work

The scope of work for sub-fund administration services includes, but is not limited, to the following:

- Sub-fund administrators are responsible for administering a NJSIG sub-fund in the specified geographic area. While not all NJSIG members may be a member of the sub-fund, the sub-fund administrator will be required to make all safety and risk management services available to all NJSIG members located in the geographic area of the sub-fund, notwithstanding the fact that the member may not be eligible for membership in the sub-fund.
- Sub-fund administrators are responsible for providing safety and risk management (loss control) services to sub-fund members:
 - Planning and execution of a minimum of three sub-fund educational conferences per year, with a fourth educational conference at NJSIG's request. The sub-fund administrator is responsible for all costs associated with these educational conferences;
 - These education conferences should include courses that address issues relevant to school officials, including business administrators;
 - Aggregating and analyzing member loss issues and trends;
 - Respond to sub-fund membership questions and concerns regarding insurance coverage and safety and risk management issues;
 - Sub-fund administrators are responsible for the performance of their sub-fund, and must respond appropriately to member loss issues and trends.
- Sub-fund administrators are responsible for handling communication regarding NJSIG policy and NJSIG sub-fund policy with members of the sub-fund and the brokers of record for sub-fund members;
 - This includes proactively identifying broker concerns and bringing these issues to NJSIG's attention for resolution;

- Sub-fund administrators are required to be knowledgeable regarding NJSIG's coverage forms, including coverage form language and limits. Sub-fund administrators are responsible for working collaboratively with NJSIG to recommend coverage form updates based on market conditions.
- Sub-fund administrators are responsible for the governance of the sub-fund rate-stabilization fund and administration of safety grant allocation;
 - This includes organizing a committee to effectuate decision-making with regard to the sub-fund rate-stabilization fund and administration of safety grant allocation. This committee must be governed in accordance with Robert's Rules must fairly represent the voice of the sub-fund membership;
- The sub-fund administrator is responsible for representing their sub-fund membership and for acting as a communications conduit to the NJSIG Board of Trustees;
- Sub-fund administrators are responsible for providing support services brokers within their sub-fund to retain existing sub-fund members and acquire new sub-fund members;
 - Sub-fund administrators are responsible for purchasing and preparing sub-fund marketing and advertising material (brochures, e.g.). All advertising materials must be approved in writing by NJSIG.
- Sub-fund administrators are responsible for completing renewal applications for members where the sub-fund administrator is the current broker of record;
- Sub-fund administrators must agree to not solicit current NJSIG members in the sub-fund's geographic area in an effort to become the broker of record for that member. This requirement is necessary to promote cooperation, collegiality and educational initiatives between the sub-fund administrator and brokers within the sub-fund's geographic region.
- Sub-fund administrators, along with any relevant employees, shall be licensed by the State of New Jersey, Department of Banking and Insurance as a licensed insurance major line producer, along with any other licensure required by law, and shall maintain such licensure for the duration of the contract.

- Sub-fund administrators must also be trusted members of the brokerage community.

Because of the qualitative nature of the partnership between NJSIG and the sub-fund administrator(s), this scope of work is merely demonstrative, and is not intended to be a comprehensive list of all required receivables for a sub-fund administrator.

3 Comment preparation and submission

3.1 Method of submission of comments

NJSIG will accept written comments from all interested organizations and individuals electronically via its website. The cut-off date for questions and inquiries relating to this request for comment is indicated on the cover sheet. Any comments received after that date will not be accepted.

3.2 Time for submission of comments

In order to be considered, the comment must be received by NJSIG via its website. Any comment not received by the cutoff date on the cover page of this RFP will be rejected. Comments must be received by 11:00 a.m. on the date indicated on the cover sheet.