

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

TABLE OF CONTENTS

Page No.

Statement Signature Page	1
Independent Auditors' Report	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards – Independent Auditors' Report	5
Management's Discussion and Analysis	7

Financial Statements

Exhibit A-1	Comparative Statements of Net Position	10
Exhibit A-2	Comparative Statements of Revenues, Expenses and Changes in Net Position	11
Exhibit A-3	Comparative Statements of Cash Flows	12
	Notes to Financial Statements	13

Required Supplementary Information

Schedule 1	Reconciliation of Claims Liabilities by Fund	22
Schedule 2	Five-Year Claims Development Information	23

Supplementary Information

Schedule A	Historical Balance Sheet--Statutory Basis	25
Schedule B	Statement of Historical Operating Results Analysis -- Statutory Basis	26
	Notes to Supplementary Information	27
Schedule C	Statement of Fund Year Operating Results Analysis-- Statutory Basis	28
Schedule D	Statement of Fund Year Account Operating Results Analysis--Statutory Basis	33
Schedule E	Statement of Fund Year Claims Analysis - Statutory Basis	38
Schedule F	Statement of Fund Year Expense Analysis - Statutory Basis	43
Schedule G	Statement of Fund Year Program Summary - Statutory Basis	48
Schedule H	Schedule of Cash Accounts -- Statutory Basis	53
Schedule I	Schedule of Accrued Expenses	54

Schedule of Findings and Recommendations

Schedule of Findings and Recommendations	56
Schedule of Financial Statement Findings	56
Summary Schedule of Prior Year Audit Findings as Prepared by Management	56
Appreciation	56

ANNUAL STATEMENT FOR THE INITIAL PERIOD ENDED DECEMBER 31, 2014

New Jersey Department of Insurance Joint Insurance Fund Code: _____

Joint Insurance Fund Name: NEW JERSEY COUNTIES EXCESS INSURANCE FUNDStreet Address: _____

_____Mail Address: C/O PERMA
9 CAMPUS DRIVE
SUITE 216
PARSIPPANY, NJ 07054Primary location of books and records: _____
PERMA, 9 CAMPUS DRIVE,
SUITE 216, PARSIPPANY, NJ 07054Statement Contact Person: PAULINE KONTOMANOLIS, CPA Phone No. (201) 518-7023

EXECUTIVE COMMITTEE

Chairman ROSS ANGILELLAANDREW MAIR

Secretary _____

KEN MECOUCHGERALD WHITENORMAN ALBERTKEVIN CROUCH

EXECUTIVE COMMITTEE ALTERNATES

EDMUND SHEAJOHN KELLYJEANNETTE KESSLERKENDALL COLLINSState of NEW JERSEYCounty of CAMDEN

ROSS ANGILELLA (Chairman), _____ (Secretary), of the NEW
JERSEY COUNTIES EXCESS INSURANCE FUND being duly sworn, each for himself
 deposes and says that they are the above described executive committee members of the said joint insurance fund,
 and that on the 31st day of December, 2014 all of the herein described assets were the absolute property of the
 said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that
 this annual statement, together with related exhibits, schedules and explanations therein contained, annexed
 or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of
 the said joint insurance fund as of the 31st day of December, 2014, and of its income and deductions there from
 for the year ended on that date, according to the best of their information, knowledge and belief respectively.

Chairman_____
Secretary(a) Is this an original filing X Yes No

(b) If no, _____

(i) State the amendment number _____

(ii) Date filed _____

(iii) Number of pages attached _____

Subscribed and sworn to before me the _____
day of _____, 2015

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
New Jersey Counties Excess Joint Insurance Fund
9 Campus Drive
Suite 216
Parsippany, NJ 07054

Report on the Financial Statements

We have audited the accompanying financial statements of the New Jersey Counties Excess Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the New Jersey Counties Excess Joint Insurance Fund as of December 31, 2014 and 2013 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

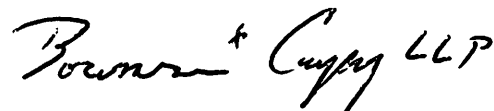
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Jersey Counties Excess Joint Insurance Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2015 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Bowman & Company LLP", is written over the printed name of the firm.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 24, 2015

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
New Jersey Counties Excess Joint Insurance Fund
9 Campus Drive
Suite 216
Parsippany, NJ 07054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the New Jersey Counties Excess Joint Insurance Fund (the "Fund") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collective comprise the Fund's basic financial statements, and have issued our report thereon dated September 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards, audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 24, 2015

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

Management's Discussion and Analysis

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2014, 2013 and 2012. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property and casualty insurance coverage for county insurance commissions that are members of the Fund. The Fund maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Comparative Statements of Net Position – This statement presents information reflecting the Fund's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – This statement reflects the Fund's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, investing activities and noncapital financing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the year

Financial Highlights

The following tables summarize the Net Position and results of operations for the Fund as of and for the years ended December 31, 2014, 2013 and 2012.

Summary Statements of Net Position			<u>2014 to 2013 Change</u>	
	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>Amount</u> <u>Percentage</u>
Assets				
Cash & Cash Equivalents	\$ 13,038,229	\$ 7,954,903	\$ 6,497,779	\$ 5,083,326 63.9%
Contributions and Refund Receivable	141,117	40,286	325,080	100,831 250.3%
Other Assets	97,544	1,854,228	45,309	(1,756,684) -94.7%
Total Assets	<u>13,276,890</u>	<u>9,849,417</u>	<u>6,868,168</u>	<u>3,427,473</u> <u>34.8%</u>
Liabilities & Net Position				
Liabilities				
Loss Reserves	7,923,713	5,558,660	4,608,464	2,365,053 42.5%
Other Liabilities & Reserves	29,603	504,378	49,945	(474,775) -94.1%
Total Liabilities	<u>7,953,316</u>	<u>6,063,038</u>	<u>4,658,409</u>	<u>1,890,278</u> <u>31.2%</u>
Net Position - Unrestricted	<u>\$ 5,323,574</u>	<u>\$ 3,786,379</u>	<u>\$ 2,209,759</u>	<u>\$ 1,537,195</u> <u>40.6%</u>

Net position increased by \$1,537,195 from 2013 to 2014 or 40.6%. Comparatively, net position had increased by \$1,576,620 from 2012 to 2013 or 71.3%. The Fund recognized a 34.8% increase in its assets and a 31.2% increase in liabilities from 2013 to 2014. Comparatively, the Fund recognized a 43.4% increase in its assets and a 30.2% increase in liabilities from 2012 to 2013.

Summary Statements of Revenues, Expenses, and Changes in Net Position			<u>2014 to 2013 Change</u>	
	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>Amount</u> <u>Percentage</u>
Operating Revenue				
Regular Contributions & Other Income	<u>\$ 18,722,335</u>	<u>\$13,006,029</u>	<u>\$10,894,133</u>	<u>\$ 5,716,306</u> <u>44.0%</u>
Operating Expenses:				
Net Claims and Claims Adjustment Expenses	2,540,486	1,148,134	2,066,077	1,392,352 121.3%
Reinsurance & Group Insurance Premiums	9,565,872	8,784,972	6,950,333	780,900 8.9%
Professional & Contractual Services	<u>5,106,525</u>	<u>923,517</u>	<u>785,257</u>	<u>4,183,008</u> <u>452.9%</u>
Total Operating Expenses	<u>17,212,883</u>	<u>10,856,623</u>	<u>9,801,667</u>	<u>6,356,260</u> <u>58.5%</u>
Operating Income	<u>1,509,452</u>	<u>2,149,406</u>	<u>1,092,466</u>	<u>(639,954)</u> <u>-29.8%</u>
Non-Operating Revenue:				
Investment Income	<u>27,743</u>	<u>34,765</u>	<u>45,923</u>	<u>(7,022)</u> <u>-20.2%</u>
Return of Surplus	<u>-</u>	<u>(607,551)</u>	<u>-</u>	<u>607,551</u> <u>100.0%</u>
Change In Net Position	<u>\$ 1,537,195</u>	<u>\$ 1,576,620</u>	<u>\$ 1,138,389</u>	<u>\$ (39,425)</u> <u>-2.5%</u>

Financial Highlights Continued

Effective March 1, 2010, the Camden County Insurance Fund Commission and the Gloucester County Insurance Commission formed the New Jersey Counties Excess Joint Insurance Fund (the "Fund"). The Fund was established under N.J.S.A. 40A:10-36 and N.J.A.C. 11:15-2, which authorizes the establishment of a joint insurance fund for the purposes provided by law. This was based on the Commissions' determination that cost savings and efficiencies can be achieved if the two commissions share the cost of excess insurance claim management and services and consolidation of insurance policies. Subsequently, Union County joined the Fund in 2011; the Burlington County Insurance Commission, Cumberland County Insurance Commission, and Salem County Insurance Fund Commission joined the Fund in 2012 and Hudson County, Mercer County Insurance Fund Commission, and Ocean County joined the Fund in 2014.

The Fund's total assets at the end of the fifth year of operations were \$13,276,890 and total liabilities were \$7,953,316 resulting in an unrestricted net position of \$5,323,574.

Insurance premiums represent premiums paid to excess carriers for coverage on claims in excess of the Fund's self-insured retentions points and various ancillary coverages.

In 2014, investment income was \$27,743 due to the low interest rate environment which limited the ability of the Fund to earn investment income during this reporting period.

Economic Conditions

The future financial position of the Fund will be impacted by trends in medical costs which affect workers compensation costs. The Fund will attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management.

Contacting the Fund's Management

This financial report is designed to provide the New Jersey Counties Excess Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the New Jersey Counties Excess Joint Insurance Fund's office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 13,038,229	\$ 7,954,903
Contributions Receivable	107,485	2,620
Refund Receivable	33,632	37,666
Prepaid Expenses	<u>97,544</u>	<u>1,854,228</u>
Total Assets	<u>13,276,890</u>	<u>9,849,417</u>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	29,603	20,389
Accrued Excess Insurance		4,933
Due To Member		54,696
Authorized Return of Surplus		<u>424,360</u>
Total Liabilities	<u>29,603</u>	<u>504,378</u>
Claims Reserves:		
Case Reserves	683,534	759,995
IBNR Reserves	8,429,959	5,913,932
Less Reserve Discount	<u>(1,189,780)</u>	<u>(1,115,267)</u>
Total Reserves	<u>7,923,713</u>	<u>5,558,660</u>
Total Liabilities and Reserves	<u>7,953,316</u>	<u>6,063,038</u>
<u>NET POSITION</u>		
Unrestricted	<u>\$ 5,323,574</u>	<u>\$ 3,786,379</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating Revenue:		
Regular Contributions	<u>\$ 18,722,335</u>	<u>\$ 13,006,029</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	2,540,486	1,148,134
Excess Insurance Premiums	9,565,872	5,601,367
Ancillary Insurance Premiums	3,740,712	3,183,605
Administrative Expenses:		
Actuary	20,604	20,206
Attorney	15,000	15,000
Auditor	22,087	20,035
Claims Administrator	35,708	12,000
Fund Administrator	534,442	348,645
Miscellaneous Expenses	5,239	6,359
Safety Director	324,748	228,001
Treasurer	15,000	15,000
Underwriting Managers	<u>392,985</u>	<u>258,271</u>
Total Operating Expenses	<u>17,212,883</u>	<u>10,856,623</u>
Operating Income	<u>1,509,452</u>	<u>2,149,406</u>
Non-Operating Revenue:		
Investment Income	<u>27,743</u>	<u>34,765</u>
Change In Net Position	1,537,195	2,184,171
Net Position - Beginning of Year	3,786,379	2,209,759
Distributions to Members	<u> </u>	<u>(607,551)</u>
Net Position - End of Year	<u><u>\$ 5,323,574</u></u>	<u><u>\$ 3,786,379</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 18,562,774	\$ 13,353,728
Payments for Claim Payments	(175,433)	(197,938)
Payments for Insurance Premiums	(7,810,087)	(7,448,528)
Payments to Professionals and Suppliers	(5,097,311)	(4,101,712)
Net Cash Flows Provided By Operating Activities	<u>5,479,943</u>	<u>1,605,550</u>
Cash Flows From Investing Activities:		
Investment Income	<u>27,743</u>	<u>34,765</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(424,360)</u>	<u>(183,191)</u>
Net Increase in Cash and Cash Equivalents	5,083,326	1,457,124
Cash and Cash Equivalents - Beginning of Year	<u>7,954,903</u>	<u>6,497,779</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 13,038,229</u></u>	<u><u>\$ 7,954,903</u></u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 1,509,452	\$ 2,149,406
Adjustments to Reconcile Operating Income to		
Net Cash Provided By Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(104,865)	322,460
Refund Receivable	4,034	(37,666)
Prepaid Expense	1,756,684	(1,808,919)
Accrued Administrative Expenses	9,214	5,410
Accrued Excess Insurance	(4,933)	(576)
Due To Member	(54,696)	25,239
Claims Reserves	2,365,053	950,196
Net Cash Flows Provided By Operating Activities	<u><u>\$ 5,479,943</u></u>	<u><u>\$ 1,605,550</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

On March 1, 2010, the New Jersey Counties Excess Joint Insurance Fund (the "Fund") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government", under the provisions of N.J.S.A. 40A: 10-36. And N.J.A.C. 11:15-2. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

During 2014, members of the Fund included the Camden County Insurance Fund Commission, Cumberland County Insurance Commission, Burlington County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Mercer County Insurance Fund Commission, Ocean County, Salem County Insurance Fund Commission and Union County.

The Board of Commissioners of the Fund may approve subsequent membership by majority vote or may terminate any member by a majority vote, after proper notice has been given. New memberships are effective upon approval by the Commissioners of Insurance and Community Affairs. Early terminations require prior approval by the Commissioner of Insurance.

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund offers the following coverages to its members:

- Workers' compensation and employers' liability.
- Liability other than motor vehicles.
- Property damage including motor vehicles and comprehensive employee dishonesty.
- Motor vehicles liability.
- Environmental impairment liability through membership in an Environmental Impairment Liability Fund.

In addition, through reinsurance, the Fund offers the following ancillary insurance coverage to its members:

- Public Officials Liability/School Board Legal/Employment Practices Liability
- Crime
- Pollution Liability
- Medical Professional Liability
- Employed Lawyers Liability
- Cyber Liability

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies followed by the New Jersey Counties Excess Joint Insurance Fund:

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria the Fund has no component units and is not includable in any other reporting entity.

Basis of Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governments units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Additionally, the Fund has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Annual Contributions

Annual contributions are based on loss estimates as determined by the Fund's actuary and are received in three installments. Total contributions are recognized as earned revenue evenly over the annual contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Executive Committee.

Supplemental Contributions

The Executive Committee shall by majority vote levy upon the participating members additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment Income Allocation

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on market value of investments are allocated every month based upon each line of coverage's share of opening cash balance.

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for a coverage such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. Reported Claims Case Reserves

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Amerihealth Casualty Services, Inc.

B. Claims Incurred But Not Reported (IBNR) Reserve

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary, The Actuarial Advantage Inc.

Case and IBNR Reserves represent the estimated liability for the expected future development of claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2014. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity and frequency and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Excess Coverage

Consistent with N.J.A.C. 11:15-2.6(a)6, and N.J.A.C. 11:15-2.23, the Fund shall secure excess insurance or reinsurance in a form, in an amount and by an insurer, or other entity authorized to provide such coverage in New Jersey pursuant to law, acceptable to the Commissioner, if commercially available and

unreasonably priced, as determined by the Fund Commissioners/Executive Committee for each Fund year, and as approved by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The policies of excess insurance and/or reinsurance issued by an insurer to the Fund shall provide single accident (single occurrence) excess insurance and aggregate excess insurance. Losses in excess of the established self-insured retention shall be borne by the excess carrier(s) according to the terms and conditions of the excess contract(s). Any proposed change in the terms or limits of excess insurance and/or reinsurance shall be submitted to the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey for approval at least 30 days prior to the effective date of the proposed change.

The Fund is not required to maintain single accident (single occurrence) excess insurance if the Fund's single accident (single occurrence) limit of liability as set forth in its approved plan of risk management is equal to or less than its single accident (single occurrence) self-insured retention as approved by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Fund is not required to maintain aggregate excess insurance if its accumulated budgeted losses pursuant to N.J.A.C. 11:15-2.23(g) qualify the Fund for an exemption pursuant to N.J.A.C. 11:15-2.23 (f), or the Fund maintains an excess loss contingency balance in the Claims Accounting conformance with N.J.A.C. 11:15-2.23(f).

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Refunds

As per Article VIII of the Fund's Bylaws, any monies for a Fund year in excess of the amount necessary to fund all obligations for that year as certified by an actuary may be declared to be refundable by the Fund. A refund for any year shall be paid only in proportion to the member's participation in the Fund for such year. Payment of a refund shall not be contingent on the member's continued membership in the Fund. The Fund may apply a refund to any arrearage owed by the member to the Fund. Otherwise, at the option of the member, the refund may be retained by the Fund and applied towards the member's next annual contribution.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Commissioners/Executive Committee. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Taxes

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code.

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Fund has classified its net position as unrestricted as described in Note 5. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance and administrative expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Fund in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Fund's bank balance of \$12,246,860 as of December 31, 2014, \$250,000 was insured while \$11,996,860 was collateralized under GUDPA.

Of the Fund's bank balance of \$8,099,805 as of December 31, 2013, \$250,000 was insured while \$7,849,805 was collateralized under GUDPA.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Fund during 2014 and 2013 for all open Fund years net of excess insurance recoveries:

	<u>2014</u>	<u>2013</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 5,558,660	\$ 4,608,464
Incurring claims and claims adjustment expenses:		
Provision for insured events of current fund year	2,535,470	1,952,580
Changes in provision for insured events of prior fund years	<u>5,016</u>	<u>(804,446)</u>
Total incurred claims and claims adjustment expenses all Fund years	<u>8,099,146</u>	<u>5,756,598</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	-	-
Attributable to insured events of prior fund years	<u>175,433</u>	<u>197,938</u>
Total Payments all Fund years	<u>175,433</u>	<u>197,938</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	7,923,713	5,558,660
Reserve Discount	<u>1,189,780</u>	<u>1,115,267</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year - Statutory Basis	<u><u>\$ 9,113,493</u></u>	<u><u>\$ 6,673,927</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: NET POSITION

The Fund is carrying the individual member's fund year surplus as unrestricted net position on the Statement of Net Position. The allocations of those funds attributed to the individual members are listed below and are based on the member's percentage of assessments.

<u>Member</u>	<u>2014</u>	<u>2013</u>
Camden County Insurance Fund Commission	\$ 1,978,450	\$ 1,711,324
Cumberland County Insurance Commission	154,910	107,370
Burlington County Insurance Commission	435,134	315,011
Gloucester County Insurance Commission	1,157,670	977,426
Hudson County	95,578	
Mercer County Insurance Fund Commission	245,491	
Ocean County	60,968	
Salem County Insurance Fund Commission	49,989	89,440
Union County	1,145,384	585,808
	<u>\$ 5,323,574</u>	<u>\$ 3,786,379</u>

Note 6: SUBSEQUENT EVENTS

Subsequent to year end, the Atlantic County Insurance Commission joined the Fund effective January 1, 2015.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - beginning of year	\$ -	\$ 2,572,601	\$ -	\$ 2,986,059	\$ 5,558,660
Inurred claims and claims adjustment expenses:					
Provision for insured events of current Fund year		807,170		1,728,300	2,535,470
Changes in provision for insured events of prior Fund years		95,476		(90,460)	5,016
Total incurred claims and claims adjustment expenses all Fund years	-	3,475,247	-	4,623,899	8,099,146
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current Fund year		4,344		171,089	-
Attributable to insured events of prior Fund years					175,433
Total payments all Fund years	-	4,344	-	171,089	175,433
Total unpaid claims and claim adjustment expenses - end of year	-	3,470,903	-	4,452,810	7,923,713
Reserve Discount		-		1,189,780	1,189,780
Total unpaid claims and claim adjustment expenses - end of year - Statutory Basis	\$ -	\$ 3,470,903	\$ -	\$ 5,642,590	\$ 9,113,493

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
FIVE-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2014

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net Earned Required Contribution and Investment Revenue:					
Earned	\$ 4,397,809	\$ 8,014,522	\$ 11,018,728	\$ 13,025,185	\$ 18,730,544
Ceded	2,651,209	5,056,336	6,950,333	8,784,972	13,306,584
	<u>1,746,600</u>	<u>2,958,186</u>	<u>4,068,395</u>	<u>4,240,213</u>	<u>5,423,960</u>
Unallocated Expenses	<u>389,756</u>	<u>599,519</u>	<u>802,401</u>	<u>916,133</u>	<u>1,373,201</u>
Estimated Claims and Expenses, End of Policy Year:					
Incurred	1,122,004	2,054,999	2,729,999	2,410,000	3,010,000
Ceded					
Net Incurred	<u>1,122,004</u>	<u>2,054,999</u>	<u>2,729,999</u>	<u>2,410,000</u>	<u>3,010,000</u>
Paid (Cumulative) as of:					
End of Policy Year	-	-	38,135	-	-
One Year Later	-	-	96,320	-	-
Two Years Later	-	139,753	125,214		
Three Years Later	-	144,097			
Four Years Later (A)	142,195				
Reestimated Incurred Claims and Expenses:					
End of Policy Year	1,122,004	2,054,999	2,729,999	2,410,000	3,010,000
One Year Later	1,047,136	1,875,000	2,550,000	2,325,000	
Two Years Later	931,000	1,350,000	2,300,000		
Three Years Later	600,000	1,260,000			
Four Years Later (A)	<u>629,999</u>				
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<u>\$ (492,005)</u>	<u>\$ (794,999)</u>	<u>\$ (429,999)</u>	<u>\$ (85,000)</u>	<u>\$ -</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET--STATUTORY BASIS
AS OF DECEMBER 31, 2014

ASSETS

Cash and Cash Equivalents	<u>\$ 13,038,229</u>	
Total Cash and Equivalents		\$ 13,038,229
Receivables:		
Contributions Receivable	107,485	
Refund Receivable	<u>33,632</u>	
Total Receivables		141,117
Prepaid Expenses		<u>97,544</u>
Total Assets		\$ 13,276,890

LIABILITIES

Claims:		
Case Reserves	683,534	
IBNR Reserve	<u>8,429,959</u>	
Total Claims		9,113,493
Accrued Expenses:		
Administrative Expenses	<u>29,603</u>	
Total Accrued Expenses		<u>29,603</u>
Total Liabilities		<u>9,143,096</u>
Net Statutory Surplus		<u><u>\$ 4,133,794</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF HISTORICAL OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD FROM INCEPTION, MARCH 1, 2010 TO DECEMBER 31, 2014

Operating Revenue:			
Regular Contributions	<u>\$ 54,944,241</u>		
Total Operating Revenue			\$ 54,944,241
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	411,506		
Case Reserves	683,534		
IBNR Reserves	<u>8,429,959</u>		
Total Limited Incurred Claims		\$ 9,524,999	
Expenses:			
Excess Insurance	23,294,286		
Ancillary Insurance	13,455,148		
Administrative	<u>4,081,010</u>		
Total Expenses		<u>40,830,444</u>	
Total Incurred Liabilities			<u>50,355,443</u>
Underwriting Income			4,588,798
Investment Income			<u>152,547</u>
Gross Statutory Surplus			4,741,345
Return of Surplus:			
Paid		607,551	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>607,551</u>
Net Statutory Surplus			<u>\$ 4,133,794</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY AND COMBINING INFORMATION – STATUTORY BASIS

Note 1: **RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS**

The information in the Fund's basic financial statements, Exhibits A-1 through A-3, differ from the accompanying Supplementary schedules required by the Division of Banking and Insurance. The Supplementary schedules do not reflect the Reserve Discount as follows:

	<u>2014</u>	<u>2013</u>
Total Liabilities and Reserves - Statements of Net Position	\$ 7,953,316	\$ 6,063,038
Plus Reserve Discount	<u>1,189,780</u>	<u>1,115,267</u>
Total Liabilities and Reserves - Statutory Basis	<u>\$ 9,143,096</u>	<u>\$ 7,178,305</u>
Net Position - Statements of Net Position	\$ 5,323,574	\$ 3,786,379
Less Reserve Discount	<u>1,189,780</u>	<u>1,115,267</u>
Net Statutory Surplus	<u>\$ 4,133,794</u>	<u>\$ 2,671,112</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2014

Underwriting Income:		
Regular Contributions	<u>\$ 18,722,335</u>	
Total Underwriting Income		\$ 18,722,335
Incurring Liabilities:		
Claims:		
Paid (Net of Recoveries)	-	
Case Reserves	1,058	
IBNR Reserves	<u>3,008,942</u>	
Subtotal		\$ 3,010,000
Less Excess Insurance:		
Received	-	
Recoverable	<u>-</u>	
Subtotal		<u>-</u>
Total Limited Incurred Claims		3,010,000
Expenses:		
Excess Insurance	9,565,872	
Ancillary Insurance	3,740,712	
Administrative	<u>1,373,201</u>	
Total Expenses		<u>14,679,785</u>
Total Incurred Liabilities		<u>17,689,785</u>
Underwriting Income		1,032,550
Investment Income		<u>8,209</u>
Gross Statutory Surplus		1,040,759
Return of Surplus:		
Paid	-	
Authorized and Unpaid	<u>-</u>	
Total Return of Surplus		<u>-</u>
Net Statutory Surplus		<u><u>\$ 1,040,759</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2014

Underwriting Income:			
Regular Contributions	<u>\$ 13,006,028</u>		
Total Underwriting Income			\$ 13,006,028
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	-		
Case Reserves	2,025		
IBNR Reserves	<u>2,322,975</u>		
Subtotal		\$ 2,325,000	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		2,325,000	
Expenses:			
Excess Insurance	5,601,367		
Ancillary Insurance	3,183,605		
Administrative	<u>916,133</u>		
Total Expenses		<u>9,701,105</u>	
Total Incurred Liabilities			<u>12,026,105</u>
Underwriting Income			979,923
Investment Income			<u>19,157</u>
Gross Statutory Surplus			999,080
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 999,080</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2014

Underwriting Income:			
Regular Contributions	<u>\$ 10,894,134</u>		
Total Underwriting Income			\$ 10,894,134
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	125,214		
Case Reserves	653,695		
IBNR Reserves	<u>1,521,091</u>		
Total Limited Incurred Claims		\$ 2,300,000	
Expenses:			
Excess Insurance	4,168,463		
Ancillary Insurance	2,781,870		
Administrative	<u>802,401</u>		
Total Expenses		<u>7,752,734</u>	
Total Incurred Liabilities			<u>10,052,734</u>
Underwriting Income			841,400
Investment Income			<u>34,594</u>
Gross Statutory Surplus			875,994
Return of Surplus:			
Paid		293,856	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>293,856</u>
Net Statutory Surplus			<u><u>\$ 582,138</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2011 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2014

Underwriting Income:			
Regular Contributions	<u>\$ 7,965,927</u>		
Total Underwriting Income			\$ 7,965,927
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	144,097		
Case Reserves	2,671		
IBNR Reserves	<u>1,113,232</u>		
Total Limited Incurred Claims		\$ 1,260,000	
Expenses:			
Excess Insurance	2,530,201		
Ancillary Insurance	2,526,135		
Administrative	<u>599,519</u>		
Total Expenses		<u>5,655,855</u>	
Total Incurred Liabilities			<u>6,915,855</u>
Underwriting Income			1,050,072
Investment Income			<u>48,595</u>
Gross Statutory Surplus			1,098,667
Return of Surplus:			
Paid		225,532	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>225,532</u>
Net Statutory Surplus			<u><u>\$ 873,135</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD FROM INCEPTION, MARCH 1, 2010 TO DECEMBER 31, 2014

Underwriting Income:			
Regular Contributions	<u>\$ 4,355,817</u>		
Total Underwriting Income			\$ 4,355,817
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	142,195		
Case Reserves	24,085		
IBNR Reserves	<u>463,719</u>		
Subtotal		\$ 629,999	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		629,999	
Expenses:			
Excess Insurance	1,428,383		
Ancillary Insurance	1,222,826		
Administrative	<u>389,756</u>		
Total Expenses		<u>3,040,965</u>	
Total Incurred Liabilities			<u>3,670,964</u>
Underwriting Income			684,853
Investment Income			<u>41,992</u>
Gross Statutory Surplus			726,845
Return of Surplus:			
Paid		88,163	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>88,163</u>
Net Statutory Surplus			<u><u>\$ 638,682</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2014

		<u>Coverages and Other Accounts</u>							
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>	
Underwriting Income:									
Regular Contributions	\$ 3,791,237	\$ 6,588,392	\$ 230,782	\$ 2,889,366	\$ -	\$ 3,759,004	\$ 1,463,554	\$ 18,722,335	
Incurred Liabilities:									
Claims		910,000		2,100,000				3,010,000	
Expenses	3,791,256	2,494,746		3,279,870		3,740,712	1,373,201	14,679,785	
Total Liabilities	3,791,256	3,404,746		5,379,870		3,740,712	1,373,201	17,689,785	
Underwriting Surplus (Deficit)	(19)	3,183,646	230,782	(2,490,504)	-	18,292	90,353	1,032,550	
Adjustments:									
Investment Income	39	247	400	6		765	6,752	8,209	
Permanent Transfers								-	
Total Adjustments	39	247	400	6		765	6,752	8,209	
Gross Statutory Surplus (Deficit)	20	3,183,893	231,182	(2,490,498)	-	19,057	97,105	1,040,759	
Return of Surplus								-	
Net Statutory Surplus (Deficit)	\$ 20	\$ 3,183,893	\$ 231,182	\$ (2,490,498)	\$ -	\$ 19,057	\$ 97,105	\$ 1,040,759	

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2014

		<u>Coverages and Other Accounts</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>
Underwriting Income:							
Regular Contributions	\$ 2,651,144	\$ 3,803,663	\$ 201,831	\$ 1,973,068	\$ -	\$ 3,414,670	\$ 961,652
							\$ 13,006,028
Incurred Liabilities:							
Claims		875,000		1,450,000			2,325,000
Expenses	2,578,765	3,022,602				3,183,605	916,133
							9,701,105
Total Liabilities	2,578,765	3,897,602		1,450,000		3,183,605	916,133
							12,026,105
Underwriting Surplus (Deficit)	72,379	(93,939)	201,831	523,068	-	231,065	45,519
							979,923
Adjustments:							
Investment Income	3,718	6,693	1,135	4,050	140	276	3,145
Permanent Transfers							19,157
							-
Total Adjustments	3,718	6,693	1,135	4,050	140	276	3,145
							19,157
Gross Statutory Surplus (Deficit)	76,097	(87,246)	202,966	527,118	140	231,341	48,664
Return of Surplus							999,080
							-
Net Statutory Surplus (Deficit)	\$ 76,097	\$ (87,246)	\$ 202,966	\$ 527,118	\$ 140	\$ 231,341	\$ 48,664
							\$ 999,080

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2014

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 2,405,985	\$ 1,737,417	\$ 414,264	\$ 2,463,242	\$ -	\$ 2,888,681	\$ 984,545	\$ 10,894,134
Incurred Liabilities:								
Claims		1,000,000		1,300,000				2,300,000
Expenses	2,284,162	1,025,494	209,861	648,946		2,781,870	802,401	7,752,734
Total Liabilities	2,284,162	2,025,494	209,861	1,948,946		2,781,870	802,401	10,052,734
Underwriting Surplus (Deficit)	121,823	(288,077)	204,403	514,296	-	106,811	182,144	841,400
Adjustments:								
Investment Income	1,312	7,067	2,074	14,189	371	334	9,247	34,594
Permanent Transfers								-
Total Adjustments	1,312	7,067	2,074	14,189	371	334	9,247	34,594
Gross Statutory Surplus (Deficit)	123,135	(281,010)	206,477	528,485	371	107,145	191,391	875,994
Return of Surplus						107,103	186,753	293,856
Net Statutory Surplus (Deficit)	\$ 123,135	\$ (281,010)	\$ 206,477	\$ 528,485	\$ 371	\$ 42	\$ 4,638	\$ 582,138

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2014

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Loss Fund Contingency</u>	<u>Ancillary Coverages</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:								
Regular Contributions	\$ 1,499,004	\$ 1,201,551	\$ 234,890	\$ 1,554,301	\$ 131,707	\$ 2,587,280	\$ 757,194	\$ 7,965,927
Incurring Liabilities:								
Claims		550,000		710,000				1,260,000
Expenses	1,502,240	632,583	84,589	310,789		2,526,135	599,519	5,655,855
Total Liabilities	1,502,240	1,182,583	84,589	1,020,789		2,526,135	599,519	6,915,855
Underwriting Surplus (Deficit)	(3,236)	18,968	150,301	533,512	131,707	61,145	157,675	1,050,072
Adjustments:								
Investment Income	7	8,999	7,546	21,313	296	2,655	7,779	48,595
Permanent Transfers								-
Total Adjustments	7	8,999	7,546	21,313	296	2,655	7,779	48,595
Gross Statutory Surplus (Deficit)	(3,229)	27,967	157,847	554,825	132,003	63,800	165,454	1,098,667
Return of Surplus						63,593	161,939	225,532
Net Statutory Surplus (Deficit)	\$ (3,229)	\$ 27,967	\$ 157,847	\$ 554,825	\$ 132,003	\$ 207	\$ 3,515	\$ 873,135

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD FROM INCEPTION, MARCH 1, 2010 TO DECEMBER 31, 2014

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 904,713	\$ 585,702	\$ 145,097	\$ 918,380	\$ 109,208	\$ 1,232,757	\$ 459,960	\$ 4,355,817
Incurred Liabilities:								
Claims		280,000		349,999				629,999
Expenses	901,560	198,141	70,173	258,509		1,222,826	389,756	3,040,965
Total Liabilities	901,560	478,141	70,173	608,508		1,222,826	389,756	3,670,964
Underwriting Surplus	3,153	107,561	74,924	309,872	109,208	9,931	70,204	684,853
Adjustments:								
Investment Income	360	11,332	1,599	18,612	234	4,072	5,783	41,992
Permanent Transfers								-
Total Adjustments	360	11,332	1,599	18,612	234	4,072	5,783	41,992
Gross Statutory Surplus	3,513	118,893	76,523	328,484	109,442	14,003	75,987	726,845
Return of Surplus						13,957	74,206	88,163
Net Statutory Surplus	\$ 3,513	\$ 118,893	\$ 76,523	\$ 328,484	\$ 109,442	\$ 46	\$ 1,781	\$ 638,682

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ -	\$ -
Case Reserves		258		800	1,058
IBNR Reserves		909,742		2,099,200	3,008,942
Subtotal	-	910,000	-	2,100,000	3,010,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 910,000	\$ -	\$ 2,100,000	\$ 3,010,000
Number of Claims		66		13	79
Average Cost Per Claim	\$ -	\$ 13,788	\$ -	\$ 161,538	\$ 38,101

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ -	\$ -
Case Reserves		2,025			2,025
IBNR Reserves		872,975		1,450,000	2,322,975
Subtotal	-	875,000	-	1,450,000	2,325,000
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 875,000	\$ -	\$ 1,450,000	\$ 2,325,000
Number of Claims		49		17	66
Average Cost Per Claim	\$ -	\$ 17,857	\$ -	\$ 85,294	\$ 35,227

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ 125,214	\$ 125,214
Case Reserves		512,519		141,176	653,695
IBNR Reserves		487,481		1,033,610	1,521,091
Subtotal	-	1,000,000	-	1,300,000	2,300,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 1,000,000	\$ -	\$ 1,300,000	\$ 2,300,000
Number of Claims	2	53	3	11	69
Average Cost Per Claim	\$ -	\$ 18,868	\$ -	\$ 118,182	\$ 33,333

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ 144,097	\$ -	\$ -	\$ 144,097
Case Reserves		2,671			2,671
IBNR Reserves		403,232		710,000	1,113,232
Subtotal	-	550,000	-	710,000	1,260,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 550,000	\$ -	\$ 710,000	\$ 1,260,000
Number of Claims	1	57	3	12	73
Average Cost Per Claim	\$ -	\$ 9,649	\$ -	\$ 59,167	\$ 17,260

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD FROM INCEPTION, MARCH 1, 2010 TO DECEMBER 31, 2014

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ 142,195	\$ 142,195
Case Reserves		4		24,081	24,085
IBNR Reserves		279,996		183,723	463,719
Subtotal	-	280,000	-	349,999	629,999
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 280,000	\$ -	\$ 349,999	\$ 629,999
Number of Claims		38		4	42
Average Cost Per Claim	\$ -	\$ 7,368	\$ -	\$ 87,500	\$ 15,000

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2014 EXPENSE ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2014

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 9,565,872		\$ 9,565,872
Ancilliary Insurance	3,740,712		3,740,712
	<hr/>		
Subtotal Excess Insurance	13,306,584	-	13,306,584
	<hr/>		
Administrative Expenses:			
Actuary	20,604		20,604
Attorney	15,000		15,000
Auditor	-	\$ 29,472	29,472
Claims Administrator	35,708		35,708
Fund Administrator	534,442		534,442
Miscellaneous Expenses	5,111	131	5,242
Safety Director	324,748		324,748
Treasurer	15,000		15,000
Underwriting Managers	392,985		392,985
	<hr/>		
Subtotal Administrative Expenses	1,343,598	29,603	1,373,201
	<hr/>		
Total Expenses	\$ 14,650,182	\$ 29,603	\$ 14,679,785
	<hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2013 EXPENSE ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2014

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 5,601,367		\$ 5,601,367
Ancilliary Insurance	3,183,605		3,183,605
	<hr/>		
Subtotal Excess Insurance	8,784,972	-	8,784,972
	<hr/>		
Administrative Expenses:			
Actuary	20,206		20,206
Attorney	15,000		15,000
Auditor	12,650		12,650
Claims Administrator	12,000		12,000
Fund Administrator	348,645		348,645
Miscellaneous Expenses	6,360		6,360
Safety Director	228,001		228,001
Treasurer	15,000		15,000
Underwriting Managers	258,271		258,271
	<hr/>		
Subtotal Administrative Expenses	916,133	-	916,133
	<hr/>		
Total Expenses	\$ 9,701,105	-	\$ 9,701,105
	<hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2014

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 4,168,463		\$ 4,168,463
Ancilliary Insurance	2,781,870		2,781,870
	<hr/>		
Subtotal Excess Insurance	6,950,333	-	6,950,333
	<hr/>		
Administrative Expenses:			
Actuary	20,000		20,000
Attorney	15,000		15,000
Auditor	11,941		11,941
Claims Administrator	11,000		11,000
Fund Administrator	301,005		301,005
Miscellaneous Expenses	2,227		2,227
Safety Director	206,879		206,879
Treasurer	15,000		15,000
Underwriting Managers	219,349		219,349
	<hr/>		
Subtotal Administrative Expenses	802,401	-	802,401
	<hr/>		
Total Expenses	\$ 7,752,734	-	\$ 7,752,734
	<hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2014

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 2,530,201		\$ 2,530,201
Ancillary Insurance	2,526,135		2,526,135
	<hr/>		
Subtotal Excess Insurance	5,056,336	-	5,056,336
	<hr/>		
Administrative Expenses:			
Actuary	20,259		20,259
Attorney	12,500		12,500
Auditor	11,200		11,200
Claims Administrator	5,000		5,000
Fund Administrator	215,146		215,146
Miscellaneous Expenses	2,879		2,879
Safety Director	162,388		162,388
Treasurer	15,000		15,000
Underwriting Managers	155,147		155,147
	<hr/>		
Subtotal Administrative Expenses	599,519	-	599,519
	<hr/>		
Total Expenses	\$ 5,655,855	-	\$ 5,655,855
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
 STATEMENT OF FUND YEAR 2010 EXPENSE ANALYSIS--STATUTORY BASIS
 FOR THE PERIOD FROM INCEPTION, MARCH 1, 2010 TO DECEMBER 31, 2014

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 1,428,383		\$ 1,428,383
Ancillary Insurance	1,222,826		1,222,826
	<hr/>		
Subtotal Excess Insurance	2,651,209	-	2,651,209
	<hr/>		
Administrative Expenses:			
Actuary	16,361		16,361
Auditor	10,000		10,000
Fund Administrator	124,930		124,930
Legal Fee Reimbursement to Camden County	20,000		20,000
Miscellaneous Expenses	4,805		4,805
Safety Director	104,970		104,970
Treasurer	15,000		15,000
Underwriting Managers	93,690		93,690
	<hr/>		
Subtotal Administrative Expenses	389,756	-	389,756
	<hr/>		
Total Expenses	<u>\$ 3,040,965</u>	<u>-</u>	<u>\$ 3,040,965</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2014 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2014

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$260,000,000	\$5,000,000	\$5,000,000	STATUTORY
Aggregate		\$10,000,000	\$10,000,000	
Fund Retention				
Burlington	\$0	\$250,000	\$250,000	\$250,000
Camden	\$0	\$500,000	\$500,000	\$500,000
Cumberland	\$0	\$250,000	\$250,000	\$250,000
Gloucester	\$0	\$250,000	\$250,000	\$250,000
Hudson	\$0	\$250,000	\$250,000	\$750,000
Mercer	\$0	\$250,000	\$250,000	\$250,000
Ocean	\$0	\$250,000	\$250,000	\$250,000
Salem	\$0	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	Underwriters at Lloyds Starr Indemnity	Underwriters at Lloyds Starr Indemnity	Wesco Safety National
Number of Participants	9	9	9	9
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$910,000	\$0	\$2,100,000
Administrative Expenses (1)	3,791,249	3,923,707	80,559	3,143,557
	<u>\$3,791,249</u>	<u>\$4,833,707</u>	<u>\$80,559</u>	<u>\$5,243,557</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2013 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2014

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$260,000,000	\$5,000,000	\$5,000,000	STATUTORY
Aggregate		\$10,000,000	\$10,000,000	
Fund Retention				
Burlington	\$0	\$250,000	\$250,000	\$250,000
Camden	\$0	\$500,000	\$500,000	\$500,000
Cumberland	\$0	\$250,000	\$250,000	\$250,000
Gloucester	\$0	\$250,000	\$250,000	\$250,000
Salem	\$0	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	*Star Underwriters at Lloyds Starr Indemnity	*Star Underwriters at Lloyds Starr Indemnity	*Star Wesco Safety National
Number of Participants	6	6	6	6
Incurring Liabilities:				
Claims (Schedule D)	\$0	\$875,000	\$0	\$1,450,000
Administrative Expenses (1)	2,600,661	3,258,889	61,058	596,892
	<u>\$2,600,661</u>	<u>\$4,133,889</u>	<u>\$61,058</u>	<u>\$2,046,892</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

(2) *Star was excess carrier through June 2013

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2012 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2014

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$260,000,000	\$5,000,000	\$5,000,000	STATUTORY
Aggregate		\$10,000,000	\$10,000,000	
Fund Retention				
Burlington	\$0	\$250,000	\$250,000	\$250,000
Camden	\$0	\$500,000	\$500,000	\$500,000
Cumberland	\$0	\$250,000	\$250,000	\$250,000
Gloucester	\$0	\$250,000	\$250,000	\$250,000
Salem	\$0	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	Star	Star	Star
Number of Participants	6	6	6	6
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$1,000,000	\$0	\$1,300,000
Administrative Expenses (1)	2,318,431	1,225,761	267,360	1,159,315
	<u>\$2,318,431</u>	<u>\$2,225,761</u>	<u>\$267,360</u>	<u>\$2,459,315</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2011 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2014

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$260,000,000	\$5,000,000	\$5,000,000	STATUTORY
Aggregate		\$10,000,000	\$10,000,000	
Fund Retention				
Camden	\$0	\$500,000	\$500,000	\$500,000
Gloucester	\$0	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	Star	Star	Star
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$550,000	\$0	\$710,000
Administrative Expenses (1)	1,501,250	806,658	130,573	691,239
	<u>\$1,501,250</u>	<u>\$1,356,658</u>	<u>\$130,573</u>	<u>\$1,401,239</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD FROM INCEPTION, MARCH 1 2010 TO DECEMBER 31, 2014

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Limits	\$260,000,000	\$5,000,000	\$5,000,000	STATUTORY
Aggregate		\$10,000,000	\$10,000,000	
Fund Retention				
Camden	\$0	\$500,000	\$500,000	\$500,000
Gloucester	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	Star	Star	Star
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$280,000	\$0	\$349,999
Administrative Expenses (1)	902,652	332,351	96,119	487,018
	<u>\$902,652</u>	<u>\$612,351</u>	<u>\$96,119</u>	<u>\$837,017</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property, General Liability Auto, and Workers Compensation account insurance premiums.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CASH ACCOUNTS - STATUTORY BASIS
AS OF DECEMBER 31, 2014

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
First Colonial Bank	
General Account	\$ 13,034,215
Workers' Compensation Claims Account	4,014
Liability Claims Account	<u>-</u>
Total Cash and Equivalents per Schedule A - Historical Balance Sheet	<u>\$ 13,038,229</u>
Total Cash and Cash Equivalents by Fund Year:	
2014	\$ 3,841,703
2013	3,324,081
2012	2,756,923
2011	1,989,037
2010	<u>1,126,485</u>
	<u>\$ 13,038,229</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCRUED EXPENSES
AS OF DECEMBER 31, 2014

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Administrative Expenses:		
Auditor - Bowman & Company LLP	2014	\$ 29,472
Miscellaneous Expenses	2014	<u>131</u>
Total Administrative Expenses		<u>29,603</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet		<u><u>\$ 29,603</u></u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,
BOWMAN & COMPANY LLP



James J. Miles, Jr

