

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

TABLE OF CONTENTS

Page No.

Statement Signature Page	1
Independent Auditor's 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 Auditor's 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	23
Schedule 2	Six-Year Claims Development Information	24

Supplementary Information

Schedule A	Historical Balance Sheet--Statutory Basis	26
Schedule B	Statement of Historical Operating Results Analysis -- Statutory Basis	27
	Notes to Supplementary Information	28
Schedule C	Statement of Fund Year Operating Results Analysis-- Statutory Basis	29
Schedule D	Statement of Fund Year Account Operating Results Analysis--Statutory Basis	35
Schedule E	Statement of Fund Year Claims Analysis - Statutory Basis	41
Schedule F	Statement of Fund Year Expense Analysis - Statutory Basis	47
Schedule G	Statement of Fund Year Program Summary - Statutory Basis	53
Schedule H	Schedule of Cash Accounts -- Statutory Basis	59
Schedule I	Schedule of Accrued Expenses	60

Schedule of Findings and Recommendations

Schedule of Findings and Recommendations	62
Schedule of Financial Statement Findings	62
Summary Schedule of Prior Year Audit Findings as Prepared by Management Appreciation	62

ANNUAL STATEMENT FOR THE INITIAL PERIOD ENDED DECEMBER 31, 2015

New Jersey Department of Insurance Joint Insurance Fund Code: _____

Joint Insurance Fund Name: NEW JERSEY COUNTIES EXCESS INSURANCE FUND

Street Address: _____ Mail Address: C/O PERMA
9 CAMPUS DRIVE
SUITE 216
PARSIPPANY, NJ 07054

Primary location of books and records: PERMA, 9 CAMPUS DRIVE,
SUITE 216, PARSIPPANY, NJ 07054

Statement Contact Person: PAULINE KONTOMANOLIS, CPA Phone No. (201) 518-7023

EXECUTIVE COMMITTEE

Chairman	<u>ROSS ANGILELLA</u>	<u>ANDREW MAIR</u>
Secretary	<u>JOHN KELLY</u>	<u>EDMUND SHEA</u>
	<u>GERALD WHITE</u>	_____
	<u>NORMAN ALBERT</u>	_____
	<u>KENNETH MECOUCH</u>	_____

EXECUTIVE COMMITTEE ALTERNATES

<u>ANNA MARIE WRIGHT</u>	_____
<u>CARL BLOCK</u>	_____
<u>KATIE COLEMEN</u>	_____
_____	_____

State of NEW JERSEY
 County of CAMDEN

ROSS ANGILELLA (Chairman), JOHN KELLY (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, 2015 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, 2015, 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 _____, 2016

INDEPENDENT AUDITOR'S 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, 2015 and 2014, 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.

Auditor's 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, 2015 and 2014 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 an opinion 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.

Board of Commissioners
New Jersey Counties Excess Joint Insurance Fund

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2016 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,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 22, 2016

**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 AUDITOR'S 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, 2015, 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 22, 2016.

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,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
September 22, 2016

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

Management's Discussion and Analysis Unaudited

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, 2015, 2014 and 2013. 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, 2015, 2014 and 2013.

Summary Statements of Net Position	12/31/2015	12/31/2014	12/31/2013	2015 to 2014 Change	
				Amount	Percentage
Assets					
Cash & Cash Equivalents	\$ 17,194,034	\$ 13,038,229	\$ 7,954,903	\$ 4,155,805	31.9%
Contributions and Refund Receivable	59,548	141,117	40,286	(81,569)	-57.8%
Other Assets	-	97,544	1,854,228	(97,544)	-100.0%
Total Assets	17,253,582	13,276,890	9,849,417	3,976,692	30.0%
Liabilities, Reserves & Net Position					
Liabilities					
Loss Reserves	10,951,153	7,923,713	5,558,660	3,027,440	38.2%
Other Liabilities & Reserves	438,257	29,603	504,378	408,654	1380.4%
Total Liabilities and Reserves	11,389,410	7,953,316	6,063,038	3,436,094	43.2%
Net Position - Unrestricted	\$ 5,864,172	\$ 5,323,574	\$ 3,786,379	\$ 540,598	10.2%

Net position increased by \$540,598 from 2014 to 2015 or 10.2%. Comparatively, net position had increased by \$1,537,195 from 2013 to 2014 or 40.6%. The Fund recognized a 30.0% increase in its assets and a 43.2% increase in liabilities from 2014 to 2015. Comparatively, the Fund recognized a 34.8% increase in its assets and a 31.2% increase in liabilities from 2013 to 2014.

Summary Statements of Revenues, Expenses, and Changes in Net Position	12/31/2015	12/31/2014	12/31/2013	2015 to 2014 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	\$ 21,242,764	\$ 18,722,335	\$13,006,029	\$ 2,520,429	13.5%
Operating Expenses:					
Net Claims and Claims Adjustment					
Expenses	3,705,909	2,540,486	1,148,134	1,165,423	45.9%
Reinsurance & Group					
Insurance Premiums	11,152,022	9,565,872	8,784,972	1,586,150	16.6%
Professional & Contractual Services	5,726,413	5,106,525	923,517	619,888	12.1%
Total Operating Expenses	20,584,344	17,212,883	10,856,623	3,371,461	19.6%
Operating Income	658,420	1,509,452	2,149,406	(851,032)	-56.4%
Non-Operating Revenue:					
Investment Income	32,178	27,743	34,765	4,435	16.0%
Distributions To Members	(150,000)	-	(607,551)	(150,000)	100.0%
Change In Net Position	\$ 540,598	\$ 1,537,195	\$ 1,576,620	\$ (996,597)	-64.8%

Financial Highlights Continued

Effective March 1, 2010, the Camden County Insurance 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, Hudson County, Mercer County Insurance Fund Commission, and Ocean County joined the Fund in 2014 and Atlantic County Insurance Commission joined the Fund in 2015.

The Fund's total assets at the end of the fifth year of operations were \$17,253,582 and total liabilities were \$11,389,410 resulting in an unrestricted net position of \$5,864,172.

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 2015, investment income was \$32,178 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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 17,194,034	\$ 13,038,229
Contributions Receivable	59,548	107,485
Refund Receivable		33,632
Prepaid Expenses		97,544
Total Assets	17,253,582	13,276,890
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	44,272	29,603
Accrued Excess Insurance	41,034	
Due To Member	202,951	
Authorized Return of Surplus	150,000	
Total Liabilities	438,257	29,603
Claims Reserves:		
Case Reserves	2,413,317	683,534
IBNR Reserves	9,188,911	8,429,959
Less Reserve Discount	(651,075)	(1,189,780)
Total Reserves	10,951,153	7,923,713
Total Liabilities and Reserves	11,389,410	7,953,316
 <u>NET POSITION</u>		
Unrestricted	\$ 5,864,172	\$ 5,323,574

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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating Revenue:		
Regular Contributions	<u>\$ 21,242,764</u>	<u>\$ 18,722,335</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	3,705,909	2,540,486
Excess Insurance Premiums	11,152,022	9,565,872
Ancillary Insurance Premiums	4,155,151	3,740,712
Administrative Expenses:		
Actuary	20,797	20,604
Attorney	15,000	15,000
Auditor	12,750	12,750
Contingencies	4,215	9,337
Claims Administrator	60,000	35,708
Fund Administrator	613,893	534,442
Miscellaneous Expenses	5,723	5,239
Safety Director	372,477	324,748
Treasurer	15,000	15,000
Underwriting Managers	<u>451,407</u>	<u>392,985</u>
Total Operating Expenses	<u>20,584,344</u>	<u>17,212,883</u>
Operating Income	<u>658,420</u>	<u>1,509,452</u>
Non-Operating Revenue:		
Investment Income	<u>32,178</u>	<u>27,743</u>
Change In Net Position	690,598	1,537,195
Net Position - Beginning of Year	5,323,574	3,786,379
Distributions to Members	<u>(150,000)</u>	<u>-</u>
Net Position - End of Year	<u>\$ 5,864,172</u>	<u>\$ 5,323,574</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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 21,493,652	\$ 18,562,774
Payments for Claim Payments	(678,469)	(175,433)
Payments for Insurance Premiums	(10,979,812)	(7,810,087)
Payments to Professionals and Suppliers	(5,711,744)	(5,097,311)
	<u>4,123,627</u>	<u>5,479,943</u>
Net Cash Flows Provided By Operating Activities		
Cash Flows From Investing Activities:		
Investment Income	<u>32,178</u>	<u>27,743</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>-</u>	<u>(424,360)</u>
Net Increase in Cash and Cash Equivalents	4,155,805	5,083,326
Cash and Cash Equivalents - Beginning of Year	<u>13,038,229</u>	<u>7,954,903</u>
Cash and Cash Equivalents - End of Year	<u>\$ 17,194,034</u>	<u>\$ 13,038,229</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 658,420	\$ 1,509,452
Adjustments to Reconcile Operating Income to		
Net Cash Provided By Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	47,937	(104,865)
Refund Receivable	33,632	4,034
Prepaid Expense	97,544	1,756,684
Accrued Administrative Expenses	14,669	9,214
Accrued Excess Insurance	41,034	(4,933)
Due To Member	202,951	(54,696)
Claims Reserves	3,027,440	2,365,053
	<u>4,123,627</u>	<u>5,479,943</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 4,123,627</u>	<u>\$ 5,479,943</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 2015, members of the Fund included the Camden County Insurance 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, Union County and Atlantic 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.

In addition, 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
- Privacy Liability
- Non-Owned Aircraft 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.

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.

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 Act. 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.

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 Board of Commissioners.

Supplemental Contributions

The Board of Commissioners 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, 2015. 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/Board of Commissioners 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/Board of Commissioners. 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, 2015, \$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, 2014, \$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 2015 and 2014 for all open Fund years net of excess insurance recoveries:

	<u>2015</u>	<u>2014</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 7,923,713	\$ 5,558,660
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	3,409,576	2,535,470
Changes in provision for insured events of prior fund years	<u>296,333</u>	<u>5,016</u>
Total incurred claims and claims adjustment expenses all Fund years	<u>11,629,622</u>	<u>8,099,146</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	130,464	-
Attributable to insured events of prior fund years	<u>548,005</u>	<u>175,433</u>
Total Payments all Fund years	<u>678,469</u>	<u>175,433</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	10,951,153	7,923,713
Reserve Discount	<u>651,075</u>	<u>1,189,780</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year - Statutory Basis	<u>\$ 11,602,228</u>	<u>\$ 9,113,493</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 5: NET POSITION

As of December 31, 2015 and 2014, 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>2015</u>	<u>2014</u>
Atlantic County Insurance Commission	39,258	-
Burlington County Insurance Commission	445,003	435,134
Camden County Insurance Commission	\$ 2,068,866	\$ 1,978,450
Cumberland County Insurance Commission	181,019	154,910
Gloucester County Insurance Commission	1,218,992	1,157,670
Hudson County	143,231	95,578
Mercer County Insurance Fund Commission	368,830	245,491
Ocean County	115,583	60,968
Salem County Insurance Fund Commission	52,541	49,989
Union County	1,230,850	1,145,384
	<u>\$ 5,864,172</u>	<u>\$ 5,323,574</u>

Note 6: RELATED PARTY TRANSACTIONS

Each member has an ownership interest in the New Jersey Counties Excess Liability Joint Insurance Fund and pays excess insurance premiums to the CEL. Total excess insurance premiums paid to the CEL for the years ended December 31, 2015 and 2014 were as follows:

<u>Member</u>	<u>2015</u>	<u>2014</u>
Atlantic County Insurance Commission	\$ 1,444,977	
Burlington County Insurance Commission	1,958,345	\$ 1,912,552
Camden County Insurance Commission	4,787,136	4,766,671
Cumberland County Insurance Commission	1,084,711	1,056,912
Gloucester County Insurance Commission	2,670,810	2,707,764
Hudson County	1,852,898	1,847,459
Mercer County Insurance Fund Commission	2,437,175	2,250,966
Ocean County	1,668,005	933,839
Salem County Insurance Fund Commission	779,357	779,132
Union County	2,559,350	2,467,040
	<u>\$ 21,242,764</u>	<u>\$ 18,722,335</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: RETURN OF SURPLUS

During the year, the Board of Commissioners approved a dividend in the amount of \$150,000 payable from the 2010 Year Fund Account.

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, 2015

	<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	\$ -	\$ 3,185,336	\$ -	\$ 4,738,377	\$ 7,923,713
Incurring claims and claims adjustment expenses:					
Provision for insured events of current Fund year		1,048,300		2,361,276	3,409,576
Changes in provision for insured events of prior Fund years		181,194		115,139	296,333
Total incurred claims and claims adjustment expenses all Fund years	-	4,414,830	-	7,214,792	11,629,622
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current Fund year		385,818		130,464	130,464
Attributable to insured events of prior Fund years				162,187	548,005
Total payments all Fund years	-	385,818	-	292,651	678,469
Total unpaid claims and claim adjustment expenses - end of year	-	4,029,012	-	6,922,141	10,951,153
Reserve Discount		136,073		515,002	651,075
Total unpaid claims and claim adjustment expenses - end of year - Statutory Basis	\$ -	\$ 4,165,085	\$ -	\$ 7,437,143	\$ 11,602,228

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SIX-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2015

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net Earned Required Contribution and Investment Revenue:						
Earned	\$ 4,400,301	\$ 8,018,978	\$ 10,934,305	\$ 13,032,517	\$ 18,739,456	\$ 21,246,173
Ceded	2,651,209	5,056,336	6,950,333	8,784,972	13,306,584	15,331,171
	<u>1,749,092</u>	<u>2,962,642</u>	<u>3,983,972</u>	<u>4,247,545</u>	<u>5,432,872</u>	<u>5,915,002</u>
Unallocated Expenses	<u>389,756</u>	<u>599,519</u>	<u>802,401</u>	<u>916,133</u>	<u>1,373,201</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	3,650,000
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>	<u>3,650,000</u>
Paid (Cumulative) as of:						
End of Policy Year	-	-	38,135	-	-	130,464
One Year Later	-	-	96,320	-	120,096	
Two Years Later	-	139,753	125,214	15,975		
Three Years Later	-	144,097	515,889			
Four Years Later (A)	142,195	144,097				
Five Years Later (A)	326,545					
Reestimated Incurred Claims and Expenses:						
End of Policy Year	1,122,004	2,054,999	2,729,999	2,410,000	3,010,000	3,650,000
One Year Later	1,047,136	1,875,000	2,550,000	2,325,000	2,845,000	
Two Years Later	931,000	1,350,000	2,300,000	2,185,000		
Three Years Later	600,000	1,260,000	2,492,203			
Four Years Later (A)	629,999	1,030,000				
Five Years Later (A)	490,000					
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<u>\$ (632,004)</u>	<u>\$ (1,024,999)</u>	<u>\$ (237,796)</u>	<u>\$ (225,000)</u>	<u>\$ (165,000)</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, 2015

ASSETS

Cash and Cash Equivalents	\$ 17,194,034	
Receivables:		
Contributions Receivable	<u>59,548</u>	
Total Assets		\$ 17,253,582

LIABILITIES

Claims:			
Case Reserves	\$ 2,413,317		
IBNR Reserve	<u>9,188,911</u>		
Total Claims		11,602,228	
Accrued Expenses:			
Excess Insurance	41,034		
Administrative Expenses	<u>44,272</u>		
Total Accrued Expenses		85,306	
Other Liabilities:			
Due To Member	202,951		
Authorized Return of Surplus	<u>150,000</u>		
Total Other Liabilities		<u>352,951</u>	
Total Liabilities			<u>12,040,485</u>
Net Statutory Surplus			<u>\$ 5,213,097</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, 2015

Operating Revenue:			
Regular Contributions			\$ 76,187,005
Incurring Liabilities:			
Claims:			
Paid (Net of Recoveries)	\$ 1,089,975		
Case Reserves	2,413,317		
IBNR Reserves	<u>9,188,911</u>		
Total Limited Incurred Claims		\$ 12,692,203	
Expenses:			
Excess Insurance	34,446,308		
Ancillary Insurance	17,610,299		
Administrative	<u>5,652,272</u>		
Total Expenses		<u>57,708,879</u>	
Total Incurred Liabilities			<u>70,401,082</u>
Underwriting Income			5,785,923
Investment Income			<u>184,725</u>
Gross Statutory Surplus			5,970,648
Return of Surplus:			
Paid		757,551	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>757,551</u>
Net Statutory Surplus			<u><u>\$ 5,213,097</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY 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>2015</u>	<u>2014</u>
Total Liabilities and Reserves - Statements of Net Position	\$ 11,389,410	\$ 7,953,316
Plus Reserve Discount	<u>651,075</u>	<u>1,189,780</u>
Total Liabilities and Reserves - Statutory Basis	<u>\$ 12,040,485</u>	<u>\$ 9,143,096</u>
Net Position - Statements of Net Position	\$ 5,864,172	\$ 5,323,574
Less Reserve Discount	<u>651,075</u>	<u>1,189,780</u>
Net Statutory Surplus	<u>\$ 5,213,097</u>	<u>\$ 4,133,794</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

Underwriting Income:			
Regular Contributions	<u>\$ 21,242,764</u>		
Total Underwriting Income			\$ 21,242,764
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	130,464		
Case Reserves	470,629		
IBNR Reserves	<u>3,048,907</u>		
Subtotal		\$ 3,650,000	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		3,650,000	
Expenses:			
Excess Insurance	11,155,424		
Ancillary Insurance	4,175,747		
Administrative	<u>1,587,987</u>		
Total Expenses		<u>16,919,158</u>	
Total Incurred Liabilities			<u>20,569,158</u>
Underwriting Income			673,606
Investment Income			<u>3,409</u>
Gross Statutory Surplus			677,015
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 677,015</u></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, 2015

Underwriting Income:			
Regular Contributions	<u>\$ 18,722,335</u>		
Total Underwriting Income			\$ 18,722,335
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	120,096		
Case Reserves	313,106		
IBNR Reserves	<u>2,411,798</u>		
Subtotal		\$ 2,845,000	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		2,845,000	
Expenses:			
Excess Insurance	9,562,666		
Ancillary Insurance	3,722,312		
Administrative	<u>1,356,476</u>		
Total Expenses		<u>14,641,454</u>	
Total Incurred Liabilities			<u>17,486,454</u>
Underwriting Income			1,235,881
Investment Income			<u>17,121</u>
Gross Statutory Surplus			1,253,002
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 1,253,002</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, 2015

Underwriting Income:			
Regular Contributions		<u>\$ 13,006,028</u>	
Total Underwriting Income			\$ 13,006,028
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	15,975		
Case Reserves	511,304		
IBNR Reserves	<u>1,657,721</u>		
Total Limited Incurred Claims		\$ 2,185,000	
Expenses:			
Excess Insurance	5,601,171		
Ancillary Insurance	3,181,409		
Administrative	<u>916,133</u>		
Total Expenses		<u>9,698,713</u>	
Total Incurred Liabilities			<u>11,883,713</u>
Underwriting Income			1,122,315
Investment Income			<u>26,489</u>
Gross Statutory Surplus			1,148,804
Return of Surplus:			
Paid		-	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>-</u>
Net Statutory Surplus			<u><u>\$ 1,148,804</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, 2015

Underwriting Income:			
Regular Contributions		<u>\$ 10,894,134</u>	
Total Underwriting Income			\$ 10,894,134
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	515,889		
Case Reserves	856,270		
IBNR Reserves	<u>1,120,044</u>		
Total Limited Incurred Claims			\$ 2,492,203
Expenses:			
Excess Insurance	4,168,463		
Ancilliary Insurance	2,781,870		
Administrative	<u>802,401</u>		
Total Expenses		<u>7,752,734</u>	
Total Incurred Liabilities			<u>10,244,937</u>
Underwriting Income			649,197
Investment Income			<u>40,171</u>
Gross Statutory Surplus			689,368
Return of Surplus:			
Paid		293,856	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>293,856</u>
Net Statutory Surplus			<u><u>\$ 395,512</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, 2015

Underwriting Income:			
Regular Contributions	<u>\$ 7,965,927</u>		
Total Underwriting Income			\$ 7,965,927
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	144,097		
Case Reserves	262,007		
IBNR Reserves	<u>623,896</u>		
Subtotal		\$ 1,030,000	
Less Excess Insurance:			
Received	-		
Recoverable	<u>-</u>		
Subtotal		<u>-</u>	
Total Limited Incurred Claims		1,030,000	
Expenses:			
Excess Insurance	2,530,201		
Ancilliary Insurance	2,526,135		
Administrative	<u>599,519</u>		
Total Expenses		<u>5,655,855</u>	
Total Incurred Liabilities			<u>6,685,855</u>
Underwriting Income			1,280,072
Investment Income			<u>53,051</u>
Gross Statutory Surplus			1,333,123
Return of Surplus:			
Paid		225,532	
Authorized and Unpaid		<u>-</u>	
Total Return of Surplus			<u>225,532</u>
Net Statutory Surplus			<u><u>\$ 1,107,591</u></u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

Underwriting Income:			
Regular Contributions	\$	4,355,817	
Total Underwriting Income			\$ 4,355,817
Incurred Liabilities:			
Claims:			
Paid (Net of Recoveries)	163,454		
Case Reserves	1		
IBNR Reserves	326,545		
Subtotal		\$ 490,000	
Less Excess Insurance:			
Received	-		
Recoverable	-		
Subtotal		-	
Total Limited Incurred Claims		490,000	
Expenses:			
Excess Insurance	1,428,383		
Ancillary Insurance	1,222,826		
Administrative	389,756		
Total Expenses		3,040,965	
Total Incurred Liabilities			3,530,965
Underwriting Income			824,852
Investment Income			44,484
Gross Statutory Surplus			869,336
Return of Surplus:			
Paid		238,163	
Authorized and Unpaid		-	
Total Return of Surplus			238,163
Net Statutory Surplus			\$ 631,173

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 4,559,292	\$ 3,525,543	\$ 242,603	\$ 7,155,080	\$ -	\$ 4,077,144	\$ 1,683,102	\$ 21,242,764
Incurred Liabilities:								
Claims		1,100,000		2,550,000				3,650,000
Expenses	4,543,639	2,534,250		4,077,535		4,175,747	1,587,987	16,919,158
Total Liabilities	4,543,639	3,634,250		6,627,535		4,175,747	1,587,987	20,569,158
Underwriting Surplus (Deficit)	15,653	(108,707)	242,603	527,545	-	(98,603)	95,115	673,606
Adjustments:								
Investment Income		806	290	1	2,268	44		3,409
Permanent Transfers								-
Total Adjustments		806	290	1	2,268	44		3,409
Gross Statutory Surplus (Deficit)	15,653	(107,901)	242,893	527,546	2,268	(98,559)	95,115	677,015
Return of Surplus								-
Net Statutory Surplus (Deficit)	\$ 15,653	\$ (107,901)	\$ 242,893	\$ 527,546	\$ 2,268	\$ (98,559)	\$ 95,115	\$ 677,015

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, 2015

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
Underwriting Income:								
Regular Contributions	\$ 3,791,237	\$ 2,976,328	\$ 230,782	\$ 6,501,430	\$ -	\$ 3,759,004	\$ 1,463,554	\$ 18,722,335
Incurred Liabilities:								
Claims		815,000		2,030,000				2,845,000
Expenses	3,791,240	2,491,556		3,279,870		3,722,312	1,356,476	14,641,454
Total Liabilities	3,791,240	3,306,556		5,309,870		3,722,312	1,356,476	17,486,454
Underwriting Surplus (Deficit)	(3)	(330,228)	230,782	1,191,560	-	36,692	107,078	1,235,881
Adjustments:								
Investment Income	39	5,612	914	551	2,450	803	6,752	17,121
Permanent Transfers								-
Total Adjustments	39	5,612	914	551	2,450	803	6,752	17,121
Gross Statutory Surplus (Deficit)	36	(324,616)	231,696	1,192,111	2,450	37,495	113,830	1,253,002
Return of Surplus								-
Net Statutory Surplus (Deficit)	\$ 36	\$ (324,616)	\$ 231,696	\$ 1,192,111	\$ 2,450	\$ 37,495	\$ 113,830	\$ 1,253,002

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, 2015

	<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	\$ 2,651,144	\$ 3,803,663	\$ 201,831	\$ 1,973,068	\$ -	\$ 3,414,670	\$ 961,652	\$ 13,006,028
Incurred Liabilities:								
Claims		795,000		1,390,000				2,185,000
Expenses	2,578,765	3,022,406				3,181,409	916,133	9,698,713
Total Liabilities	2,578,765	3,817,406		1,390,000		3,181,409	916,133	11,883,713
Underwriting Surplus (Deficit)	72,379	(13,743)	201,831	583,068	-	233,261	45,519	1,122,315
Adjustments:								
Investment Income	3,889	8,458	1,590	4,519	2,991	797	4,245	26,489
Permanent Transfers								-
Total Adjustments	3,889	8,458	1,590	4,519	2,991	797	4,245	26,489
Gross Statutory Surplus (Deficit)	76,268	(5,285)	203,421	587,587	2,991	234,058	49,764	1,148,804
Return of Surplus								-
Net Statutory Surplus (Deficit)	\$ 76,268	\$ (5,285)	\$ 203,421	\$ 587,587	\$ 2,991	\$ 234,058	\$ 49,764	\$ 1,148,804

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, 2015

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		1,365,000		1,127,203				2,492,203
Expenses	2,284,162	1,025,494	209,861	648,946		2,781,870	802,401	7,752,734
Total Liabilities	2,284,162	2,390,494	209,861	1,776,149		2,781,870	802,401	10,244,937
Underwriting Surplus (Deficit)	121,823	(653,077)	204,403	687,093	-	106,811	182,144	649,197
Adjustments:								
Investment Income	1,588	8,093	2,537	14,593	3,187	334	9,839	40,171
Permanent Transfers								-
Total Adjustments	1,588	8,093	2,537	14,593	3,187	334	9,839	40,171
Gross Statutory Surplus (Deficit)	123,411	(644,984)	206,940	701,686	3,187	107,145	191,983	689,368
Return of Surplus						107,103	186,753	293,856
Net Statutory Surplus (Deficit)	\$ 123,411	\$ (644,984)	\$ 206,940	\$ 701,686	\$ 3,187	\$ 42	\$ 5,230	\$ 395,512

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, 2015

Coverages and Other Accounts

	Property	General Liability	Automobile	Workers' Compensation	Loss Fund Contingency	Ancillary Coverages	Expense & Contingency	Total
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
Incurred Liabilities:								
Claims		425,000		605,000				1,030,000
Expenses	1,502,240	632,583	84,589	310,789		2,526,135	599,519	5,655,855
Total Liabilities	1,502,240	1,057,583	84,589	915,789		2,526,135	599,519	6,685,855
Underwriting Surplus	(3,236)	143,968	150,301	638,512	131,707	61,145	157,675	1,280,072
Adjustments:								
Investment Income	7	9,971	7,900	21,877	2,392	2,655	8,249	53,051
Permanent Transfers								-
Total Adjustments	7	9,971	7,900	21,877	2,392	2,655	8,249	53,051
Gross Statutory Surplus Return of Surplus	(3,229)	153,939	158,201	660,389	134,099	63,800	165,924	1,333,123
Net Statutory Surplus	\$ (3,229)	\$ 153,939	\$ 158,201	\$ 660,389	\$ 134,099	\$ 207	\$ 3,985	\$ 1,107,591

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 ACCOUNT OPERATING RESULTS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<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	\$ 904,713	\$ 585,702	\$ 145,097	\$ 918,380	\$ 109,208	\$ 1,232,757	\$ 459,960	\$ 4,355,817
Incurred Liabilities:								
Claims		195,000		295,000				490,000
Expenses	901,560	198,141	70,173	258,509		1,222,826	389,756	3,040,965
Total Liabilities	901,560	393,141	70,173	553,509		1,222,826	389,756	3,530,965
Underwriting Surplus	3,153	192,561	74,924	364,871	109,208	9,931	70,204	824,852
Adjustments:								
Investment Income	368	12,226	1,770	18,959	1,096	4,072	5,993	44,484
Permanent Transfers								-
Total Adjustments	368	12,226	1,770	18,959	1,096	4,072	5,993	44,484
Gross Statutory Surplus	3,521	204,787	76,694	383,830	110,304	14,003	76,197	869,336
Return of Surplus						13,957	224,206	238,163
Net Statutory Surplus (Deficit)	\$ 3,521	\$ 204,787	\$ 76,694	\$ 383,830	\$ 110,304	\$ 46	\$ (148,009)	\$ 631,173

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<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)	\$ -	\$ -	\$ -	\$ 130,464	\$ 130,464
Case Reserves		76,093		394,536	470,629
IBNR Reserves		1,023,907		2,025,000	3,048,907
Subtotal	-	1,100,000	-	2,550,000	3,650,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 1,100,000	\$ -	\$ 2,550,000	\$ 3,650,000
Number of Claims		96	1	23	120
Average Cost Per Claim	\$ -	\$ 11,458	\$ -	\$ 110,870	\$ 30,417

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, 2015

	<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)	\$ -	\$ 2,547	\$ -	\$ 117,549	\$ 120,096
Case Reserves		135,155		177,951	313,106
IBNR Reserves		677,298		1,734,500	2,411,798
Subtotal	-	815,000	-	2,030,000	2,845,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 815,000	\$ -	\$ 2,030,000	\$ 2,845,000
Number of Claims		98	1	23	122
Average Cost Per Claim	\$ -	\$ 8,316	\$ -	\$ 88,261	\$ 23,320

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, 2015

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ 15,975	\$ 15,975
Case Reserves		26,030		485,274	511,304
IBNR Reserves		768,970		888,751	1,657,721
Subtotal	-	795,000	-	1,390,000	2,185,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 795,000	\$ -	\$ 1,390,000	\$ 2,185,000
Number of Claims		61	2	19	82
Average Cost Per Claim	\$ -	\$ 13,033	\$ -	\$ 73,158	\$ 26,646

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, 2015

	<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)	\$ -	\$ 383,271	\$ -	\$ 132,618	\$ 515,889
Case Reserves		665,601		190,669	856,270
IBNR Reserves		316,128		803,916	1,120,044
Subtotal	-	1,365,000	-	1,127,203	2,492,203
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 1,365,000	\$ -	\$ 1,127,203	\$ 2,492,203
Number of Claims	2	57	5	12	76
Average Cost Per Claim	\$ -	\$ 23,947	\$ -	\$ 93,934	\$ 32,792

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, 2015

	<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		91,246		170,761	262,007
IBNR Reserves		189,657		434,239	623,896
Subtotal	-	425,000	-	605,000	1,030,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 425,000	\$ -	\$ 605,000	\$ 1,030,000
Number of Claims	1	59	3	13	76
Average Cost Per Claim	\$ -	\$ 7,203	\$ -	\$ 46,538	\$ 13,553

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2010 CLAIMS ANALYSIS--STATUTORY BASIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ 163,454	\$ 163,454
Case Reserves		1			1
IBNR Reserves		194,999		131,546	326,545
Subtotal	-	195,000	-	295,000	490,000
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 195,000	\$ -	\$ 295,000	\$ 490,000
Number of Claims		38		4	42
Average Cost Per Claim	\$ -	\$ 5,132	\$ -	\$ 73,750	\$ 11,667

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 EXPENSE ANALYSIS--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 11,155,424		\$ 11,155,424
Ancillary Insurance	4,175,747		4,175,747
	<hr/>		
Subtotal Excess Insurance	15,331,171	-	15,331,171
	<hr/>		
Administrative Expenses:			
Actuary	10,404	\$ 10,393	20,797
Attorney	15,000		15,000
Auditor		12,750	12,750
Contingencies		20,937	20,937
Claims Administrator	60,000		60,000
Fund Administrator	613,893		613,893
Miscellaneous Expenses	5,534	192	5,726
Safety Director	372,477		372,477
Treasurer	15,000		15,000
Underwriting Managers	451,407		451,407
	<hr/>		
Subtotal Administrative Expenses	1,543,715	44,272	1,587,987
	<hr/>		
Total Expenses	<u>\$ 16,874,886</u>	<u>\$ 44,272</u>	<u>\$ 16,919,158</u>

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, 2015

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 9,562,666		\$ 9,562,666
Ancillary Insurance	3,722,312		3,722,312
	<hr/>		
Subtotal Excess Insurance	13,284,978	-	13,284,978
	<hr/>		
Administrative Expenses:			
Actuary	20,604		20,604
Attorney	15,000		15,000
Auditor	12,750		12,750
Claims Administrator	35,708		35,708
Fund Administrator	534,442		534,442
Miscellaneous Expenses	5,239		5,239
Safety Director	324,748		324,748
Treasurer	15,000		15,000
Underwriting Managers	392,985		392,985
	<hr/>		
Subtotal Administrative Expenses	1,356,476	-	1,356,476
	<hr/>		
Total Expenses	\$ 14,641,454	-	\$ 14,641,454
	<hr/> <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, 2015

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 5,601,171		\$ 5,601,171
Ancillary Insurance	3,181,409		3,181,409
	<hr/>		
Subtotal Excess Insurance	8,782,580	-	8,782,580
	<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	\$ 9,698,713	-	\$ 9,698,713
	<hr/> <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, 2015

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 4,168,463		\$ 4,168,463
Ancillary 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/> <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, 2015

	<u>Paid</u>	<u>Accrued</u>	<u>Total</u>
Excess Insurance Premiums			
Excess Insurance	\$ 2,530,201		\$ 2,530,201
Ancilliary 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
Auditor	11,200		11,200
Claims Administrator	5,000		5,000
Fund Administrator	215,146		215,146
Legal Fee Reimbursement to Camden County	12,500		12,500
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 MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<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	\$ 3,040,965	-	\$ 3,040,965
	<hr/> <hr/>		

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
STATEMENT OF FUND YEAR 2015 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each				
Aggregate	\$260,000,000	\$20,000,000 \$30,000,000	\$20,000,000 N/A	STATUTORY
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Atlantic	\$100,000	\$500,000	\$500,000	\$750,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$250,000	\$250,000
Cumberland	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Hudson	\$0	\$750,000	\$750,000	\$1,000,000
Mercer	\$100,000	\$250,000	\$250,000	\$250,000
Ocean	\$0	\$250,000	\$250,000	\$750,000
Salem	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich, Mitsui, Scottsdale, Starr	Underwriters at Lloyd's, National Casualty		Arch, Safety, Wesco
Number of Participants	10	10	10	10
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$1,100,000	\$0	\$2,550,000
Administrative Expenses (1)	4,549,384	2,898,048	89,034	5,206,945
	<u>\$4,549,384</u>	<u>\$3,998,048</u>	<u>\$89,034</u>	<u>\$7,756,945</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 2014 PROGRAM SUMMARY--STATUTORY BASIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$25,000,000	STATUTORY
Aggregate		\$45,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$500,000	\$250,000
Cumberland	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Hudson	\$0	\$750,000	\$750,000	\$750,000
Mercer	\$100,000	\$250,000	\$250,000	\$250,000
Ocean	\$0	\$250,000	\$250,000	\$750,000
Salem	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers				
	Zurich, RSUI, Underwriters at Lloyd's, Scottsdale	Underwriters at Lloyd's, National Casualty, Markel		Underwriters at Lloyd's, Safety, Arch, Wesco
Number of Participants	9	9	9	9
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$815,000	\$0	\$2,030,000
Administrative Expenses (1)	3,791,239	2,658,577	79,513	4,389,813
	<u>\$3,791,239</u>	<u>\$3,473,577</u>	<u>\$79,513</u>	<u>\$6,419,813</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, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000/\$25,000,000	STATUTORY
Aggregate		\$30,000,000/\$45,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$250,000	\$250,000
Cumberland	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Salem	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	*Star Insurance Company, Starr Indemnity Underwriters at Lloyd's		*Star Insurance Company Safety, Wesco
Number of Participants	6	6	6	6
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$795,000	\$0	\$1,390,000
Administrative Expenses (1)	2,600,660	3,258,737	61,054	596,854
	<u>\$2,600,660</u>	<u>\$4,053,737</u>	<u>\$61,054</u>	<u>\$1,986,854</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, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000	STATUTORY
Aggregate		\$25,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$500,000
Burlington	\$100,000	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$250,000	\$250,000	\$250,000
Cumberland (Entered 10/4/12)	\$100,000	\$250,000	\$250,000	\$250,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Salem (Entered 10/15/12)	\$100,000	\$250,000	\$250,000	\$250,000
Union	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	*Star Insurance Company, Starr Indemnity		*Star Insurance Company
Number of Participants	6	6	6	6
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$1,365,000	\$0	\$1,127,203
Administrative Expenses (1)	2,318,431	1,225,760	267,360	1,159,313
	<u>\$2,318,431</u>	<u>\$2,590,760</u>	<u>\$267,360</u>	<u>\$2,286,516</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, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000	STATUTORY
Aggregate		\$25,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$250,000
Camden	\$100,000	\$500,000	\$500,000	\$500,000
Gloucester	\$100,000	\$250,000	\$250,000	\$250,000
Union (Entered 3/1/11)	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	Star Insurance Company, Starr Indemnity		Star Insurance Company
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$425,000	\$0	\$605,000
Administrative Expenses (1)	1,501,250	806,658	130,573	691,239
	<u>\$1,501,250</u>	<u>\$1,231,658</u>	<u>\$130,573</u>	<u>\$1,296,239</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 MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers Compensation</u>
Each	\$260,000,000	\$20,000,000	\$20,000,000	STATUTORY
Aggregate		\$25,000,000	N/A	
Fund Retention				
NJCE	\$0	\$250,000	\$250,000	\$250,000
Camden	\$0	\$500,000	\$500,000	\$500,000
Gloucester	\$0	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	Star Insurance Company, Starr Indemnity		Star Insurance Company
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule D)	\$0	\$195,000	\$0	\$295,000
Administrative Expenses (1)	902,652	332,351	96,119	487,018
	<u>\$902,652</u>	<u>\$527,351</u>	<u>\$96,119</u>	<u>\$782,018</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, 2015

<u>Description</u>	<u>Amount</u>
<u>Cash and Cash Equivalents</u>	
First Colonial Bank	
General Account	\$ 17,183,972
Workers' Compensation Claims Account	1,165
Liability Claims Account	<u>8,897</u>
 Total Cash and Equivalents per Schedule A - Historical Balance Sheet	 <u>\$ 17,194,034</u>
 Total Cash and Cash Equivalents by Fund Year:	
2015	\$ 4,425,087
2014	3,978,080
2013	3,317,829
2012	2,371,824
2011	1,993,495
2010	<u>1,107,719</u>
	<u>\$ 17,194,034</u>

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCRUED EXPENSES
AS OF DECEMBER 31, 2015

<u>Description</u>	<u>Fund Year</u>	<u>Amount</u>
Administrative Expenses:		
Auditor - Bowman & Company LLP	2015	\$ 12,750
Actuary - Actuarial Advantage	2015	10,393
Contingencies	2015	20,937
Miscellaneous Expenses	2015	<u>192</u>
Total Accrued Expenses per Schedule A - Historical Balance Sheet		<u>\$ 44,272</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

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
Certified Public Accountants
& Consultants



James J. Miles, Jr