

## NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND

(Hereinafter the "Fund" or the "NJC")

### ESTABLISHING THE 2019 PLAN OF RISK MANAGEMENT

**BE IT RESOLVED** by the Fund's Executive Committee that effective 1/1/19, the 2019 Plan of Risk Management shall be:

1.) The perils or liability to be insured against.

The following coverage's are provided to the Fund's member Insurance Commission's and County.

- Excess Workers' Compensation including employers liability
- Excess General Liability including Law Enforcement Liability
- Excess Auto Liability
- Excess Property including Boiler and Machinery
- Public Officials Liability/School Board Legal/Employment Practices Liability
- Crime
- Pollution Liability
- Medical Professional and General Liability
- Excess Medical Professional and General Liability
- Employed Lawyers Professional Liability
- Cyber Liability
- Non Owned Aviation Liability

2.) The limits of coverage.

This is a general overview of coverage; full details, including other terms, conditions, limits, sublimits and deductibles may apply.

a.) Workers' Compensation limits.

The NJC covers excess claims to the following limits.

- Workers' Compensation - Statutory per occurrence less the member's \$300,000 SIR for CCIC, GCIC, MCIC, CuCIC, UCIC and BCIC  
There is an exception for four (4) members of the underlying Camden County Insurance Commission: Camden County College (CCC), Camden County Municipal Utilities Authority (CCMUA), Camden County Health Services (CCHS) and Camden County Police Department (CCPD). CCMUA AND CCHS retain the first \$800,000. CCC and CCPD do not currently purchase workers' compensation insurance from the NJC. Camden County has a deductible of \$5,000. Also the County of Hudson, County of Atlantic and County of Ocean retain the first \$750,000. USL&H – Included less NJ State benefits less the member's applicable SIR.
- Employer's Liability –
  - \$26,000,000 per occurrence and \$26,000,000 in the aggregate less the member's \$300,000 SIR. [Gloucester County Insurance Commission]

- \$26,000,000 per occurrence and \$26,000,000 in the aggregate less the member's \$300,000 SIR [Camden County Insurance Commission]
- \$16,000,000 per occurrence and \$16,000,000 in the aggregate less the member's \$300,000 SIR. [Union County Insurance Commission]
- \$21,000,000 per occurrence and \$26,000,000 in the aggregate less the member's \$300,000 SIR. [Burlington County Insurance Commission]
- \$26,000,000 per occurrence and \$26,000,000 in the aggregate less the member's \$300,000 SIR. [Cumberland County Insurance Commission]
- \$26,000,000 per occurrence and \$26,000,000 in the aggregate less the member's \$300,000 SIR. [Mercer County Insurance Fund Commission]
- \$12,000,000 per occurrence and \$12,000,000 in the aggregate less the member's \$750,000 SIR. [County of Hudson]
- \$26,000,000 per occurrence and \$26,000,000 in the aggregate less the member's \$750,000 SIR. [County of Ocean].
- \$21,000,000 per occurrence and \$21,000,000 in the aggregate less the member's \$750,000 SIR.[Atlantic County Insurance Commission]
- Jones Act - Included less NJ State benefits less the Member's applicable SIR.

b.) Excess General Liability limits.

The NJC covers excess liability claims as follows:

- General Liability

- \$20,500,000 CSL per occurrence less the member's \$250,000 SIR. Subject to a \$20,500,000 12 month aggregate limit less the member's \$250,000 SIR. [Gloucester County Commission]
- \$20,500,000 CSL per occurrence less the member's \$250,000 SIR. Subject to a \$20,500,000 12 month aggregate limit less the member's \$250,000 SIR. [Camden County Commission]
- \$10,500,000 CSL per occurrence less the member's \$250,000 SIR. Subject to a \$10,500,000 12 month aggregate limit less the member's \$250,000 SIR. [Union County Insurance Commission]
- \$20,500,000 CSL per occurrence less the member's \$250,000 SIR. Subject to a \$20,500,000 12 month aggregate limit includes public officials and employment liability less the member's \$250,000 SIR. [Burlington County Insurance Commission]
- \$20,500,000 per occurrence and \$20,500,000 12 month aggregate less the member's \$250,000 SIR less the member's \$250,000 SIR. [Cumberland County Insurance Commission]
- \$20,500,000 per occurrence and \$20,500,000 12 month aggregate less the member's \$250,000 SIR. [Mercer County Insurance Fund Commission]

- \$11,000,000 per occurrence and \$11,000,000 12 month aggregate less the member's \$750,000 SIR. [County of Hudson]
  - \$20,500,000 per occurrence and \$20,500,000 - 12 month aggregate less the member's \$250,000 SIR. Public officials and employment liability - \$10,500,000 per occurrence and \$10,500,000 Annual Aggregate [County of Ocean]
  - \$15,250,000 per occurrence and \$25,250,000 12 month aggregate less the member's \$500,000 SIR. [County of Atlantic]
- Law Enforcement - included in the NJC's excess General Liability limit.
  - Employee Benefits Liability - included in the NJC's excess General Liability limits.
  - Subsidence Liability - \$1,000,000 less the Member's SIR. NJC retains 100% of the limit less the member's SIR.
  - Sexual Abuse /Molestation - \$1,000,000 less the Member's SIR. NJC retains 100% of the limit less the member's SIR.
  - Owned Watercraft 35' in length or less - \$1,000,000 less the Member's SIR. NJC retains 100% of the limit less the member's SIR.
  - Garagekeepers Legal Liability - \$1,000,000 less the Member's SIR. NJC retains 100% of the limit less the member's SIR.

c.) Excess Automobile Liability limits.

- The NJC covers Automobile Liability and Property Damage Liability claims in the NJC's excess General Liability limit.
- The NJC does not provide PIP coverage or similar Automobile Medical Expense coverage.
- The NJC does not provide excess Uninsured/Underinsured Motorist Coverage.

NOTE: The excess limits for each Underlying Commission/County broken down by layer are as follows:

Primary Limit	Lloyds of London (Brit)
• CCIC	\$15,000,000/\$20,000,000
• GCIC	\$15,000,000/\$20,000,000
• UCIC	\$15,000,000/\$20,000,000
• BCIC	\$15,000,000/\$20,000,000
• CUIC	\$15,000,000/\$20,000,000
• MCIFC	\$15,000,000/\$20,000,000
• Hudson	\$15,000,000/\$20,000,000
• Ocean	\$15,000,000/\$20,000,000
• ACIC	\$15,000,000/\$20,000,000
Excess Limit Argonaut (excess of Brit limits)	
• CCIC	\$5,000,000/\$5,000,000
• GCIC	\$5,000,000/\$5,000,000
• BCIC	\$5,000,000/\$10,000,000

- CUIIC \$5,000,000/\$5,000,000
- MCIFC \$5,000,000/\$10,000,000
- Ocean \$5,000,000/\$5,000,000
- ACIC \$5,000,000/\$5,000,000

All excess limits are per Commission/County. For the underlying Commissions the limits above do not include the Commission and NJC retentions. For BCIC and Ocean County the limits include POL/EPL. Camden County Police Department (CCPD) does not currently purchase workers compensation, employer's liability, general liability, law enforcement liability and auto liability insurance from the NJC.

**THE UNDERWRITERS AT LLOYDS AMENDED THE EXCESS LIABILITY POLICY AVIATION/AIRCRAFT EXCLUSION TO MAKE AN EXCEPTION FOR SCHEDULED UNMANNED AERIAL VEHICLE**

- d.) Excess Property/Equipment Breakdown - The NJC provides property coverage of \$150,000 excess of the underlying Insurance Commissions' limit of \$100,000, and excess property commercially insured with Zurich American Insurance Company and a mix of insurers for the excess all-risk and flood quota share programs. NJC only retains certain coverages and limits as noted. The coverage has the following limits excess of member retentions and member entity deductibles (*shared by all NJC member commissions/counties and their member entities*):

Property per Occurrence Limits:

- A. \$110,000,000 Per Occurrence with Zurich American Insurance Company
- B. \$150,000,000 Per Occurrence (excess \$110m) with various insurers on a quota share basis
- C. \$50,000,000 Flood / \$100,000,000 Earthquake Per Occurrence (excess Zurich) with various insurers on a quota share basis
- D. \$260,000,000 per Occurrence Total Program Limit

Property Sub-Limits:

- Earthquake - \$100,000,000 (Annual Aggregate) + Excess Earthquake - \$100,000,000
- Flood - \$100,000,000 (Annual Aggregate) Except;
  - Flood, Special Flood Hazard Area (SFHA) - \$25,000,000
- Business Interruption -Included
- Extra Expense – \$10,000,000
- Miscellaneous Unnamed Locations - \$10,000,000
- New Construction & Additions - \$25,000,000 (the lesser of \$1,000,000 sublimit or 60 days for soft costs, subject to applicable deductible per cause of loss and 24 hour qualifying period)
- Newly Acquired Locations – \$25,000,000 per location (90 day reporting period)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage Including Overhead Transmission Lines within 1 mile of insured premises, 24 hour qualifying period)
- Auto Physical Damage - \$15,000,000

- **Underground Piping - \$5,000,000** (ONLY IF WITHIN 5 MILES OF A PUMP STATION, PROCESS PLANT, METERING PIT, WELLS OR SIMILAR OPERATIONAL LOCATIONS WHICH ARE OWNED, LEASED, USED OCCUPIED OR INTENDED FOR USE BY THE MEMBER ENTITY). NOTE: THERE IS NO COVERAGE FOR UNDERGROUND PIPING FOR THE PERILS OF EARTHQUAKE, FLOOD OR NAMED STORM.
- **Outdoor Property - \$10,000,000**
- **Equipment Breakdown - \$100,000,000**

#### Property Deductibles

- The standard member Insurance Commission/County retention is \$100,000 per occurrence less the applicable member entity deductibles below. Also applies to time element, auto physical damage and flood, except as noted below:
  - The Equipment Breakdown deductible is \$25,000 per occurrence per member entity.
  - The Flood deductible is \$100,000 per occurrence (combined property damage and time element).
  - Flood loss for property within the Special Flood Hazard Area (SFHA) is subject to a deductible of \$500,000 each building for municipality buildings, and \$500,000 each building for building contents member entity deductible per occurrence, and \$250,000 for each building for loss of income; or the National Flood Insurance Plan's (NFIP) maximum available limits for public entities, whichever is greater, regardless of whether National Flood Insurance program coverage is purchased or not. Losses shall also be adjusted subject to a \$250,000 per occurrence Insurance Commission deductible for pumping stations, pistol ranges, vehicles and mobile equipment less the applicable member entity deductible.
    - **Special Flood Hazard Area (SFHA)** - Is an area defined by FEMA or any foreign equivalent that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to by FEMA as the base flood or 100-year EDGE-100-B (12/10) flood. SFHA's per FEMA include but are not limited to Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. If not defined by FEMA or any foreign equivalent, it is an area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year.
  - "Named Storm as respects to covered property in Atlantic, Ocean, Monmouth and Burlington Counties located east of the Garden State Parkway and any covered property in Cape May County" For Property Damage: subject to a deductible of 1% of the value, per the Valuation clause of the General Conditions section, of the property insured as of the date of

loss, for the Location where the direct physical loss or damage occurred, per occurrence; For Time Element: 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence. Combined PD and TE deductible subject to a minimum deductible of \$250,000 per Location and a maximum deductible of \$1,000,000 per occurrence.

- Named Storm is defined as any storm or weather disturbance that is named by the U.S. National Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center or any comparable worldwide equivalent. Location is defined as a building(s) bounded on all sides by public streets, clear land space or open waterways, each not less than 50 feet wide, a site or tract of land occupied or available for occupancy with tangible property. If the Named Storm involves covered property within the Special Flood Hazard Area (SFHA), the SFHA deductible above applies.
- Underground Piping \$100,000 per occurrence less the member entity deductibles as stated above.
- Golf Carts - \$25,000

e.) Public Officials/School Board Legal/Employment Practices Limits:

The NJC covers Public Officials/School Board Legal/Employment Practices claims as follows:

- Camden County Insurance Commission \$10,000,000 each claim/annual aggregate less the member entity retentions
  - Camden County - \$250,000 each
  - CCPD - \$250,000 EPL
  - Camden County College - \$25,000 SBL/\$50,000 EPL
  - Camden County College Foundation- \$25,000 SBL/\$50,000 EPL
  - Camden County Municipal Utilities Authority - \$25,000 each
  - Camden County Board of Social Services - \$5,000 each
  - Camden County Pollution Finance Authority - \$25,000 each
  - Camden County Improvement Authority - \$10,000 each
- Gloucester County Insurance Commission \$15,000,000 (except for member school entities \$10,000,000) each claim/annual aggregate less the member entity retentions below;
  - Gloucester County - \$100,000
  - Rowan College at Gloucester County - \$25,000 SBL/\$50,000 EPL

- Gloucester County Improvement Authority - \$25,000 POL/\$100,000 EPL
  - Gloucester County Utilities Authority - \$5,000 each
  - Gloucester County Library Commission - \$5,000 each
- Union County Insurance Commission \$10,000,000 each claim/annual aggregate less the County's individual retention below;
  - Union County - \$250,000
  - Runnells Hospital - \$250,000
  - Union County Board of Social Services - \$250,000
- Cumberland County Insurance Commission \$10,000,000 each claim/annual aggregate less the member entity retentions;
  - Cumberland County - \$100,000 POL/\$250,000 EPL
  - Cumberland County Improvement Authority - \$15,000 POL/\$25,000 EPL
  - Cumberland County Board of Social Services - \$10,000 POL/\$25,000 EPL
  - Cumberland County Utilities Authority - \$15,000 POL/\$25,000 EPL
- Mercer County Insurance Fund Commission \$5,000,000 each claim/annual aggregate;
  - Mercer County - \$100,000 POL/\$175,000 EPL
  - Mercer County BOSS - \$100,000 POL/\$175,000 EPL
  - Mercer County Improvement Authority - \$25,000
- Atlantic County Insurance Commission \$10,000,000 each claim/annual aggregate less the member entity retentions below
  - County of Atlantic – \$500,000 POL/\$250,000 EPL
  - Atlantic County Utilities Authority - \$15,000 POL/\$35,000 EPL
  - Atlantic County Improvement Authority - \$10,000

Public Officials Liability applies to the member entities other than schools, and School Board Legal Liability applies to the member schools. **NJC does not retain any risk as it is fully insured in the commercial market.**

f.) Crime

The NJC via the commercial market provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):

Limit per occurrence (all coverage parts):

- Gloucester County – \$1,000,000
- Gloucester County Library Commission - \$1,000,000
- Gloucester County Utilities Authority - \$1,000,000
- Rowan College at Gloucester County - \$1,000,000
- Gloucester County Improvement Authority - \$1,000,000

- Camden County – \$4,000,000 (Includes CCPD)
- Camden County Health Services - \$1,000,000
- Camden County Municipal Utilities Authority - \$1,000,000
- Camden County Board of Social Services - \$1,000,000
- Camden County College - \$1,000,000
- Camden County College Foundation- \$1,000,000
- Camden County Pollution Control Finance Authority - \$1,000,000
- Camden County Improvement Authority – Not covered
- Union County including BOSS - \$1,000,000
- Burlington County including BC BOSS - \$1,000,000
- Burlington County Bridge Commission - \$1,000,000
- Cumberland County - \$1,000,000
- Cumberland County BOSS - \$1,000,000
- Mercer County - \$1,000,000
- Atlantic County Utilities Authority \$1,000,000
- Atlantic County (Including Meadowview Nursing Home) \$1,500,000 to be effective 3/12/15
- Atlantic County Improvement Authority - \$1,000,000
- Hudson County - \$1,000,000
- Ocean County - \$2,000,000

Deductible per occurrence (each coverage part):

- Gloucester County – \$15,000
- Gloucester County Library Commission - \$10,000
- Gloucester County Utilities Authority - \$10,000
- Rowan College at Gloucester County - \$10,000
- Gloucester County Improvement Authority - \$10,000
- Camden County – \$50,000 (Includes CCPD)
- Camden County Health Services - \$15,000
- Camden County Municipal Utilities Authority - \$10,000
- Camden County Board of Social Services - \$10,000
- Camden County College - \$10,000
- Camden County College Foundation - \$10,000
- Camden County Pollution Control Finance Authority - \$10,000
- Camden County Improvement Authority – Not covered
- Union County Including BOSS - \$25,000
- Burlington County including BOSS - \$10,000
- Burlington County Bridge Commission - \$10,000
- Cumberland County - \$25,000
- Cumberland County BOSS - \$10,000
- Cumberland County Utilities Authority - \$25,000 (Eff. 1/1/14)
- Mercer County - \$25,000
- Hudson County - \$25,000
- Ocean County - \$25,000
- Atlantic County Utilities Authority \$15,000
- Atlantic County (Including Meadowview Nursing Home) \$25,000



- Atlantic County Improvement Authority - \$15,000

NJC does not retain any risk as it is fully insured in the commercial market.

g.) Pollution Liability

The NJC via the commercial market provides pollution liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for Pollution Liability):

- Limit of Liability: \$10,000,000 per claim and \$25,000,000 annual aggregate
- Member Entity Deductible: \$25,000

All policy aggregate limits are shared by all NJC member Commissions and their respective member entities except for County of Ocean and County of Hudson

NJC does not retain any risk as it is fully insured in the commercial market.

h.) Medical Professional General Liability/Excess Medical Professional

The NJC via the commercial market provides medical professional general liability/excess medical professional coverage at the following limits and deductibles (the Insurance Commission retains no risk for medical professional general liability):

- Limit per claim/annual aggregate: \$1,000,000/\$3,000,000 per member Commission
  - This primary aggregate limit is shared by each member entity of each NJC member Commission.
- Excess Limit: \$10,000,000 each / \$10,000,000 aggregate
- Excess Limit: \$10,000,000 each / \$10,000,000 aggregate
- Member Entity Deductibles GL and PL:
  - Gloucester County – \$25,000 (includes Department of Corrections, Division of Education and Disability, Division of Senior Services and Division of Health Services).
  - Gloucester County (Prosecutors)-\$5,000
  - Gloucester County IA (Shady Lane) - \$10,000
  - Gloucester County Prosecutors Office (SANE) - \$5,000
  - Rowan College at Gloucester County (Nursing Program) – \$5,000
  - GC Emergency Response Center - \$20,000
  - Gloucester County IA – Not applicable

- Gloucester County UA – Not applicable.
- GCIC Scheduled Physicians - \$5,000
  - G. Feigin – GC, CuC and SC
  - J. Palmer - GC
  - J. Briskin - GC
  - C. Siebert - GC
  - S. White – GCC
  - Lois Lawson-Briddell – RC at GC
- Camden County (Clinic) – \$5,000
- Camden County Health Services– \$25,000 GL & \$50,000 PL
- Camden County Municipal Utilities Authority – Not Applicable
- Camden County Board of Social Services – Not Applicable
- Camden County College (Nursing Program)– \$5,000
- Camden County Pollution Control Finance Authority – Not Applicable
- Camden County Improvement Authority – Not applicable
- Burlington County - \$5,000 (Includes Department of Health and Burlington County Buttonwood Hospital Divested Operations)
- Burlington County Scheduled Physicians - \$5,000
  - I. Hood, BC
  - R. Sharpe, BC
  - Nicoletta Turner-Foster B.C.
- Cumberland County Health Dept. Outpatient Clinic — \$50,000
- Cumberland Juvenile Department of Corrections (Nurses) – \$100,000
- Cumberland County SANE– \$50,000
- Employed Nurses of Mercer County Corrections - \$25,000
- County of Mercer Reserve Corps - \$2,500 Effective
- Mercer County Scheduled Physicians - \$5,000
  - D. Shah, MC
  - R. Ahmad, MC

County of Union, County of Ocean, and County of Hudson do not participate in this line of coverage. NJC does not retain any risk as it is fully insured in the commercial market.

i.) Employed Lawyers Professional Liability

The NJC via the commercial market provides employed lawyers professional liability coverage at the following limits and deductibles

(the Insurance Commission retains no risk for employed lawyer's professional liability):

- Limit per claim and annual aggregate: \$5,000,000/\$10,000,000
- Member Entity Self Insured Retentions:
  - Gloucester County \$25,000
  - Camden County \$50,000
  - Camden County College: \$25,000
  - Camden County Municipal Utilities Authority: \$25,000
  - Camden County Board of Social Services: \$25,000
  - Union County (including the hospital): \$25,000
  - Union County BOSS: \$25,000
  - Cumberland County \$25,000

All policy aggregates limits are shared by all NJC member Commissions and their respective member entities.

NJC does not retain any risk as it is fully insured in the commercial market.

j.) Cyber Liability – Network Privacy & Security Liability

The NJC via the commercial market provides on an optional basis Network Privacy & Security Liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for Network Privacy & Security Liability coverage):

- Limits vary per member Insurance Commission/County from \$1,000,000 to \$5,000,000 (sublimits also vary).
- Retention per member Insurance Commission/County vary between \$10,000 to \$25,000 with variations for each underlying coverage (\$0 for Breach Coach)
- Participating Member Entities are:
  - Camden County (includes CCBOSS and CCIA)
  - Camden County Municipal Utilities Authority
  - Camden County Pollution Control Financing Authority
  - Gloucester County
  - Gloucester County Improvement Authority
  - Burlington County
  - Burlington County Board of Social Services
  - Cumberland County
  - Mercer County
  - Mercer County Improvement Authority
  - Gloucester County Library
  - Rowan College at Gloucester County
  - Hudson County
  - Atlantic County Utilities Authority

- Cumberland County Improvement Authority
- Atlantic County
- Atlantic County Improvement Authority

k.) Non-Owned Aircraft. The NJCE covers \$9,000,000 CSL for Bodily Injury and Property Damage Liability, and \$5,000 medical expense for each passenger.

All policy aggregates limits are shared by all NJC member Commissions and their respective member entities. The NJCE retains no risk as this coverage is commercially insured.

NOTICE: The above description is a general overview of the coverage and limits provided by the Joint Insurance Fund. The actual terms and conditions are defined in the individual policy documents. All issues and/or conflicts shall be decided upon by the individual policy documents.

3.) **The amount of risk to be retained by the NJC Fund.**

a.) Workers' Compensation/Employers Liability–

- Camden: \$500,000 excess of member's SIR of \$300,000.  
(Except CCMUA, CCHS & CCPD-NJC has no retention)
- Gloucester: \$250,000 excess of member's SIR of \$300,000.
- Union: \$250,000 excess of member's SIR of \$300,000.
- Burlington: \$250,000 excess of member's SIR of \$300,000.
- Cumberland: \$250,000 excess of member's SIR of \$300,000.
- Mercer: \$250,000 excess of member's SIR of \$300,000.
- Hudson: \$250,000 excess of member's SIR of \$750,000.
- Ocean: \$250,000 excess of member's SIR of \$750,000
- Atlantic: \$250,000 excess of member's SIR of \$750,000

USL&H –

- Camden: \$250,000 excess of member's SIR of \$300,000.
- Gloucester: \$250,000 excess of member's SIR of \$300,000
- Burlington: \$250,000 excess of member's SIR of \$300,000
- Cumberland: \$250,000 excess of member's SIR of \$300,000.
- Mercer: \$250,000 excess of member's SIR of \$300,000.
- Atlantic: \$250,000 excess of member's SIR of \$750,000.
- Hudson: \$250,000 excess of member's SIR of \$750,000.
- Union: \$250,000 excess of member's SIR of \$300,000.
- Ocean: \$250,000 excess of member's SIR of \$750,000.

Jones Act-

- Camden: \$250,000 excess of member's SIR of \$300,000.
- Gloucester: \$250,000 excess of member's SIR of \$300,000
- Burlington: \$250,000 excess of member's SIR of \$300,000
- Cumberland: \$250,000 excess of member's SIR of \$300,000.
- Mercer: \$250,000 excess of member's SIR of \$300,000.
- Atlantic: \$250,000 excess of member's SIR of \$750,000.
- Hudson: \$250,000 excess of member's SIR of \$750,000.

- Union: \$250,000 excess of member's SIR of \$300,000.
- Ocean: \$250,000 excess of member's SIR of \$750,000.

b.) General Liability –

- Camden: \$250,000 excess of member's SIR of \$250,000.
- Gloucester: \$250,000 excess of member's SIR of \$250,000.
- Union: \$250,000 excess of member's SIR of \$250,000.
- Burlington: \$250,000 excess of member's SIR of \$250,000.
- Cumberland: \$250,000 excess of member's SIR of \$250,000.
- Mercer: \$250,000 excess of member's SIR of \$250,000.
- Hudson: \$250,000 excess of member's SIR of \$750,000.
- Ocean: \$250,000 excess of member's SIR of \$250,000.
- Atlantic: \$250,000 excess of member's SIR of \$750,000

Subsidence Liability - \$250,000 excess of the Member's SIR.

Sexual Abuse /Molestation - \$250,000 excess of the Member's SIR.

Owned Watercraft 35' in length or less - \$250,000 excess of the Member's SIR.

c.) Automobile Liability –

- Camden: \$250,000 excess of member's SIR of \$250,000.
- Gloucester: \$250,000 excess of member's SIR of \$250,000.
- Union: \$250,000 excess of member's SIR of \$250,000.
- Burlington: \$250,000 excess of member's SIR of \$250,000.
- Cumberland: \$250,000 excess of member's SIR of \$250,000.
- Mercer: \$250,000 excess of member's SIR of \$250,000.
- Hudson: \$250,000 excess of member's SIR of \$750,000.
- Ocean: \$250,000 excess of member's SIR of \$250,000.
- Atlantic: \$250,000 excess of member's SIR of \$750,000

d.) Law Enforcement Liability –

- Camden: \$250,000 excess of member's SIR of \$250,000.
- Gloucester: \$250,000 excess of member's SIR of \$250,000.
- Union: \$250,000 excess of member's SIR of \$250,000.
- Burlington: \$250,000 excess of member's SIR of \$250,000.
- Cumberland: \$250,000 excess of member's SIR of \$250,000.
- Mercer: \$250,000 excess of member's SIR of \$250,000.
- Hudson: \$250,000 excess of member's SIR of \$750,000.
- Ocean: \$250,000 excess of member's SIR of \$250,000.
- Atlantic: \$250,000 excess of member's SIR of \$750,000

e.) Property/BM - \$150,000 excess \$100,000 (Boiler & Machinery not included)

f.) Public Officials/School Board Legal and EPL Liability - None

g.) Crime – None

h.) Pollution Liability – None

- i.) Medical Professional Liability – None
- j.) Employed Lawyers – None
- k.) Cyber – None
- l.) Non Owned Aircraft - None

4.) **The amount of unpaid claims to be established.**

- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Fund expects the claims servicing company to set reserves at 85% accuracy. The Fund also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the Fund has adequate reserves to pay all claims and allocated loss adjusted expense liability.
- b.) Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Executive Committee and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverage's to the Fund.

5.) **The method of assessing contributions to be paid by each member of the Fund.**

- a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Fund year by line of coverage and for each prior Fund year. The actuary includes all budget items in these computations. The annual assessment of each participating member entity is it's pro rata share of the probable net cost of the upcoming Fund year for each line of coverage as computed by the actuary.
- b.) The calculation of pro rata shares is based on each member entity's experience modified manual premium for that line of coverage. The total amount of each member's annual assessment is certified by majority vote of the Fund's Executive Committee at least one (1) month prior to the beginning of the next fiscal year.
- c.) The treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust fund account by Fund year for each type of coverage in which the member participates.
- d.) If a public entity becomes a member of the Fund or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
- e.) The Fund's Executive Committee may 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 to assure the payment of the

Fund's obligations. All supplemental assessments are charged to the participating members by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.

- f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the chairman, or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Banking and Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Fund's Executive Committee.

6.) **Procedures governing loss adjustment and legal expenses.**

- a.) The Fund engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the NJC's attorney's office, as well as the claims department of the NJC insurers. Every three years, the NJC's internal auditors also conduct an audit.
- b.) Each member entity is provided with claims reporting procedure and appropriate forms.
- c.) To provide for quality defense and control costs, the Fund has established an approved defense attorney panel with firms, which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Fund attorney, as well as the various firms, which audit the claims adjusters.

7.) **Coverage to be purchased from a commercial insurer, if any.**

Excess Property and Equipment Breakdown - The NJC purchases an excess property policy from Zurich with limits of \$110,000,000 excess of the NJCJIF and its member's retentions and equipment breakdown with limits of \$100,000,000.

Additional Excess Property - The NJC purchases additional excess property of \$150,000,000 excess of \$110,000,000 with multiple insurers on a quota share basis for a total limit of \$260,000,000. The NJC purchases excess Flood/Earthquake of \$50,000,000/\$100,000,000, respectively, with multiple insurers on a quota share basis.

Workers Compensation - The NJC purchases Excess Workers Compensation policy from Brit Insurance and Safety National (except for Ocean, Mercer and Hudson see note below):

Excess Workers' Compensation limits are as follows:

- Workers' Compensation - Statutory excess \$800,000 for Camden Insurance Commission, excess \$550,000 for Gloucester Insurance Commission, excess \$550,000 for the Union County Insurance Commission, excess \$550,000 for Burlington Insurance Commission, excess \$550,000 for Cumberland Insurance

Commission, excess of \$550,000 for Mercer County Insurance Fund Commission, excess of \$750,000 for the County of Hudson, excess of 750,000 for County of Ocean and excess \$750,000 for the county of Atlantic

- Employer's Liability - \$25,200,000 excess \$800,000 for Camden Insurance Commission, \$25,450,000 excess \$550,000 for Gloucester Insurance Commission, excess \$15,450,000 excess \$550,000 for the Union Insurance Commission and \$25,450,000 excess \$550,000 for the Burlington County Insurance Commission, \$25,450,000 excess \$550,000 for Cumberland Insurance Commission and \$25,450,000 excess \$550,000 for Mercer County Insurance Fund Commission. \$11,250,000 excess \$750,000 for Hudson County. \$25,250,000 excess \$750,000 for Ocean County. \$20,250,000 excess of \$750,000 for Atlantic County Insurance Commission

NOTE: There is no buffer for Hudson, Ocean and Atlantic.

Excess Liability - The NJC purchases Excess Liability policies from Lloyds of London (Brit) and Argonaut.

Public Officials/School Board Legal and EPL Liability - The NJC purchases Public Officials/School Board Legal and EPL Liability from Chubb. Burlington County Insurance Commission and County of Ocean Public Officials and EPL is part of the excess liability program with Lloyds of London (Brit). County of Hudson does not participate in this program.

Crime - The NJC purchases Crime from National Union Fire Insurance Company of Pittsburgh (AIG).

Pollution Liability - The NJC purchases pollution liability from Zurich American Insurance at limits of \$10,000,000 per claim and \$25,000,000 annual aggregate. Ocean County and Hudson County do not participate in this program.

Medical Professional General Liability/Excess Medical Professional - The NJC purchases medical professional liability from Ironshore at limits of \$1,000,000/\$3,000,000 per claim and annual aggregate. They also provide an excess limit annual aggregate of \$10,000,000/\$10,000,000. Chubb provides the \$10,000,000/\$10,000,000 Excess \$11,000,000/\$13,000,000. County of Ocean, Union County Insurance Commission, and County of Hudson do not participate in this line of coverage.

Employed Lawyers Liability - The NJC purchases employed lawyers from Ace American Insurance at limits of \$5,000,000/\$10,000,000 per claim and annual aggregate excess of the per member entity retentions outlined in item 2.i. above. This aggregate limit is shared by each member entity of each NJC member Commission. Burlington County Insurance Commission, Cumberland County Insurance Commission, Mercer County Insurance Fund Commission, the County of Hudson, and the County of Ocean do not participate in this line of coverage.



Cyber - The NJC purchases Network Privacy & Security Liability on an optional basis from Chubb.

Non Owned Aircraft Liability – The NJC purchases Non-Owned Aircraft Liability from Endurance at limits of \$9,000,000 each occurrence and \$5,000 medical payments each passenger. Participating members are the following insurance commissions and their respective member entities: ACIC, CCIC, CuCIC, BCIC, GCIC, MCIC, UCIC, County of Hudson, and the County of Ocean.

8.) Reinsurance to be purchased.

None purchased.

9.) Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

a.) The general approach in estimating the loss reserves of the Fund is to project ultimate losses for each Fund year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or funding requirement.

b.) The following is an overview of the two actuarial methods used to project the ultimate losses.

Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.

Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

c.) The following shall the payment schedule for assessments:

1) Current Members: 60% of the assessment shall be due March 15<sup>th</sup> and the remainder due on August 1<sup>st</sup>.

2) New Members:

a) New members will be billed based upon an agreed payment schedule for the initial first year of membership.

b) Thereafter the initial year, new members will be billed the same cycle as current members on March 15<sup>th</sup> and August 1<sup>st</sup>.

10.) **The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.**

- \$10,000.
- With the advance approval of the Fund Attorney, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled FUND meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.
- General Liability, Auto Liability, Workers' Compensation and Property: Any claim in excess of \$10,000 must be reviewed by the Fund's Executive Director/Administrator, and approved by the Board of Fund Commissioner/Executive Committee. The Board of Fund Commissioners has established a claims subcommittee comprised of at least three of its members to exercise this power. This subcommittee may meet telephonically when required.