

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
(Hereinafter the "Fund" or the "NJC")
ESTABLISHING THE 2020 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the Fund's Executive Committee that effective 1/1/20, the 2020 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 & Employers' Liability
- Excess Liability
- Excess Property/Equipment Breakdown
- Public Officials/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.) Limits of Coverage

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

a.) Excess Workers' Compensation & Employers' Liability

- Member SIRs:
 - CCIC: \$300,000
 - CCMUA: \$800,000
 - CCHS: \$800,000
 - CCC: Excluded
 - CCPD: Excluded
 - CC: \$5,000 (Deductible)
 - GCIC: \$300,000
 - MCIC: \$300,000
 - CuCIC: \$300,000
 - UCIC: \$300,000
 - BCIC: \$300,000
 - HC: \$750,000
 - AC: \$750,000
 - OC: \$750,000
 - MoC: \$3,000,000
- Workers' Compensation: Statutory, less the member's SIR:
- Employers' Liability: Limits as follows less the members' SIRs:
 - GCIC: \$25,550,000 per occurrence and \$25,550,000 in the aggregate
 - CCIC: \$25,800,000 per occurrence and \$25,800,000 in the aggregate
 - UCIC: \$20,550,000 per occurrence and \$20,550,000 in the aggregate
 - BCIC: \$25,550,000 per occurrence and \$25,550,000 in the aggregate
 - CuCIC: \$25,550,000 per occurrence and \$25,550,000 in the aggregate
 - MCIC: \$25,550,000 per occurrence and \$25,550,000 in the aggregate
 - HC: \$21,000,000 per occurrence and \$21,000,000 in the aggregate
 - OC: \$26,000,000 per occurrence and \$26,000,000 in the aggregate
 - ACIC: \$26,000,000 per occurrence and \$26,000,000 in the aggregate

b.) Excess Liability

- Member SIRs:
 - GCIC: \$250,000

- CCIC: \$250,000
 - CCPD: Excluded
- UCIC: \$250,000
- BCIC: \$250,000
- CuCIC: \$250,000
- MCIC: \$250,000
- HC: \$750,000
- OC: \$250,000
- AC: \$500,000
- MoC: \$250,000
 - Automobile Liability: \$500,000
- Excess General Liability: Limits as follows less the members' SIRs:
 - GCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - CCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - UCIC: \$15,500,000 CSL per occurrence and \$30,500,000 aggregate
 - BCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - CuCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - MCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - HC: \$16,000,000 CSL per occurrence and \$31,000,000 aggregate
 - OC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - AC: \$20,750,000 CSL per occurrence and \$40,750,000 aggregate
 - MoC: \$15,500,000 CSL per occurrence and \$30,500,000 aggregate
- Law Enforcement Liability: Limits as follows less the members' SIRs:
 - GCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - CCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - UCIC: \$15,500,000 CSL per occurrence and \$30,500,000 aggregate
 - BCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - CuCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - MCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - HC: \$16,000,000 CSL per occurrence and \$31,000,000 aggregate
 - OC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - AC: \$20,750,000 CSL per occurrence and \$40,750,000 aggregate
 - MoC: \$15,500,000 CSL per occurrence and \$30,500,000 aggregate
- Employee Benefits Liability: Limits as follows less the members' SIRs:
 - GCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - CCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - UCIC: \$15,500,000 CSL per occurrence and \$30,500,000 aggregate
 - BCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - CuCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - MCIC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - HC: \$16,000,000 CSL per occurrence and \$31,000,000 aggregate
 - OC: \$20,500,000 CSL per occurrence and \$40,500,000 aggregate
 - AC: \$20,750,000 CSL per occurrence and \$40,750,000 aggregate
 - MoC: \$15,500,000 CSL per occurrence and \$30,500,000 aggregate
- Subsidence Liability: \$1,000,000 less the Member's SIR
- Garage Liability: Included, less the Member's SIR
- Excess Automobile Liability:
 - GCIC: \$20,500,000 CSL per occurrence
 - CCIC: \$20,500,000 CSL per occurrence
 - UCIC: \$15,500,000 CSL per occurrence
 - BCIC: \$20,500,000 CSL per occurrence
 - CuCIC: \$20,500,000 CSL per occurrence
 - MCIC: \$20,500,000 CSL per occurrence
 - HC: \$16,000,000 CSL per occurrence
 - OC: \$20,500,000 CSL per occurrence
 - AC: \$20,750,000 CSL per occurrence

☐ MoC: \$15,500,000 CSL per occurrence

- PIP (and similar Automobile Medical Expense): Excluded
- Uninsured/Underinsured Motorist: Excluded

c.) Excess Property/Equipment Breakdown

The NJC provides property coverage of \$750,000 excess of the underlying Insurance Commissions'/Counties' limit of \$250,000, 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. 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:

- All Risk: \$110,000,000 Per Occurrence with Zurich American Insurance Company
- Excess All-Risk: \$150,000,000 Per Occurrence (excess \$110m) with various insurers on a quota share basis
- Flood: \$50,000,000 Aggregate (excess Zurich) with various insurers on a quota share basis, except
 - Flood, SFHA: \$25,000,000 Aggregate
- Earthquake: \$100,000,000 Aggregate (excess Zurich) with various insurers on a quota share basis

Property Sub-Limits:

- Extra Expense: \$10,000,000
- Leasehold Interest: \$15,000,000
- Tenant Relocation Expenses: \$750,000
- Accounts Receivable: \$10,000,000
- Computer Systems Damage: \$1,000,000 (Aggregate)
- Contingent Time Element: Excluded
- Debris Removal: \$25,000,000
- Decontamination Costs: \$250,000
- Deferred Payments: \$1,000,000
- Errors & Omissions: \$10,000,000
- Expediting Costs: \$10,000,000
- Fine Arts: \$2,500,000
- Fire Department Service Charge: \$250,000
- Increased Cost of Construction: \$25,000,000
- Land and Water Contaminant Cleanup, Removal and Disposal: \$250,000 (Aggregate)
- Land Improvements: \$10,000,000
- Miscellaneous Personal Property: \$10,000,000
 - Outdoor Property: \$10,000,000
- Miscellaneous Unnamed Locations: \$10,000,000
- Off-Premises Service Interruption: \$10,000,000
 - Owned Power Generating Utilities: Excluded
- Professional Fees: \$1,250,000
- Radioactive Contamination: Excluded
- Research Animals: Excluded
- Tenants Prohibited Access: \$1,000,000
- Transit: \$1,000,000
- Valuable Papers and Records: \$10,000,000
- New Construction & Additions: \$10,000,000
- Off-Premises Storage for Property Under Construction: \$250,000
- Breakdown of Equipment: \$100,000,000
 - Ammonia Contamination: \$5,000,000

- Spoilage: \$5,000,000
- Earthquake: \$200,000,000 (Annual Aggregate)
- Flood: \$100,000,000 (Annual Aggregate), except;
 - Flood, Special Flood Hazard Area (SFHA): \$50,000,000 (Annual Aggregate)
- Named Storm: \$260,000,000
- Asbestos Removal: \$50,000
- Watercraft (PD Only): \$1,000,000
- Vehicles (PD Only): \$15,000,000
 - Garagekeepers Liability: Included
- Bridges & Dams: \$10,000,000
 - Kaighn Avenue and North Park Avenue Dams in Pennsauken: \$13,000,000
- Piers, Wharfs, Docks, Boardwalks & Bulk Heads: \$10,000,000
- Soft Costs: \$1,500,000
- Transmission & Distribution Lines: \$10,000,000
 - 1 mile radius for OHT and 5 mile radius for underground transmission
- Underground Piping: \$5,000,000
 - 5 mile radius
- Utilities: Included
 - Time Element for Pass-Through Utilities: \$10,000,000
- Clogging/Blocking of Pipes: \$1,000,000
- Drones (Unmanned, Unfueled and not in Flight): \$100,000

Property Deductibles

- Member Deductible: \$250,000
 - Equipment Breakdown: \$25,000
 - Flood, SFHA:
 - Building: \$1,000,000
 - Contents: \$1,000,000
 - Time Element: \$1,000,000
 - **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:
 - Property Damage: 1% of the value per Schedule of Values on file with the company for those buildings where the direct physical loss or damage occurred, per occurrence
 - 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
 - Minimum Deductible: \$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.
- Golf Carts: \$25,000

Monmouth County purchases a separate program, and is not included in the above. The NJC provides \$50,000 excess of \$50,000 for all coverages except Vacant Property, Equipment Breakdown, Flood SFHA and Named Storm.

- d.) Public Officials/School Board Legal/Employment Practices
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 South Jersey - \$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
- Burlington County Insurance Commission \$20,000,000 each claim/\$40,000,000 annual aggregate less the member entity retentions below:
 - Retention: \$500,000
- Ocean County \$20,000,000 each claim/\$40,000,000 annual aggregate less the member entity retentions below:
 - Retention: \$500,000
- Monmouth County \$10,000,000 each claim/\$10,000,000 annual aggregate less the member entity retentions below:
 - POL Retention: \$250,000
 - EPL Retention: \$500,000

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

e.) 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 South Jersey - \$1,000,000
- Gloucester County Improvement Authority - \$1,000,000
- Camden County and CCPD – \$4,000,000
- 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 and Foundation - \$2,000,000
- Camden County Pollution Control Finance Authority - \$1,000,000
- Union County - \$1,000,000
- Burlington County - \$1,000,000
- Burlington County Bridge Commission - \$1,000,000
- Rowan College at Burlington County - \$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 and Meadowview Nursing Home - \$1,500,000
- Atlantic County Improvement Authority - \$1,000,000
- Hudson County - \$1,000,000
- Ocean County and all affiliates - \$2,000,000
- Cumberland County Improvement Authority: \$2,000,000
- Monmouth County - \$1,500,000
- Mercer County Improvement Authority - \$1,000,000

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 South Jersey - \$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.

f.) 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.

g.) 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, Department of Corrections, Division of Education and Disability, Division of Senior Services and Division of Health Services – \$25,000
 - Gloucester County IA (Shady Lane) - \$10,000
 - Gloucester County Prosecutors Office (SANE) - \$5,000
 - Rowan College at South Jersey Allied Health Programs – \$5,000
 - Gloucester County Emergency Response Center - \$20,000
 - Camden County (Clinic) – \$5,000
 - Camden County Health Services – \$25,000 GL & \$50,000 PL
 - Camden County Medical Reserve Corps - \$5,000
 - Camden County College Allied Healthcare and Dental Clinic - \$5,000
 - Burlington County Department of Health - \$5,000
 - Buttonwood Hospital - \$5,000
 - Burlington County Board of Social Services - \$5,000
 - Cumberland County Health Dept. – \$50,000
 - Cumberland County Health Dept. Outpatient Clinic – \$50,000
 - Cumberland County Juvenile Department of Corrections (Nurses) – \$100,000
 - Cumberland County SANE– \$50,000
 - Cumberland County Department of Human Services - \$50,000
 - Meadowview Nursing Home - \$1,000,000
 - Atlantic County Clinic/Public Health Nurses - \$1,000,000
 - Atlantic County University of Medicine and Dentistry (GL Only) - \$1,000,000
 - Employed Nurses of Mercer County Corrections - \$25,000
 - County of Mercer Reserve Corps - \$2,500
 - Scheduled Physicians - \$5,000

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

- h.) 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: \$25,000
 - Cumberland County \$25,000
 - Atlantic 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.

i.) 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
 - Camden County College
 - Camden County Police Department
 - Gloucester County
 - Gloucester County Improvement Authority
 - Gloucester County Utility Authority
 - Burlington County
 - Burlington County Board of Social Services
 - Rowan College at Burlington County
 - Burlington County Bridge Commission
 - Cumberland County
 - Cumberland County Improvement Authority
 - Cumberland County Board of Social Services
 - Mercer County
 - Mercer County Board of Social Services
 - Mercer County Improvement Authority
 - Gloucester County Library
 - Rowan College at South Jersey
 - Hudson County
 - Atlantic County Utilities Authority
 - Cumberland County Improvement Authority
 - Atlantic County
 - Atlantic County Improvement Authority
 - Ocean County and affiliates
 - Monmouth County

- i.) 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
- **Monmouth: None**

b.) Excess 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 \$500,000
- **Monmouth: \$250,000 excess of member's SIR of \$250,000**

Subsidence Liability - \$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 \$500,000
- **Monmouth: None**

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 \$500,000
- **Monmouth: \$250,000 excess of member's SIR of \$250,000**

- e.) Employee Benefits 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 \$500,000
 - Monmouth: \$250,000 excess of member's SIR of \$250,000
- f.) Property/BM - \$750,000 excess \$250,000
 - a. Boiler & Machinery - not included
 - b. Flood SFHA – not included
 - c. Named Storm in Monmouth, Ocean, Burlington and Atlantic Counties east of the GSP, and all of Cape May County – not included
 - d. Monmouth: \$50,000 excess of \$50,000
- g.) Public Officials/School Board Legal and EPL Liability - None
- h.) Crime – None
- i.) Pollution Liability – None
- j.) Medical Professional Liability – None
- k.) Employed Lawyers – None
- l.) Cyber – None
- m.) 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 coverage from Brit Insurance (buffer) (except no buffer for Ocean, Hudson, Atlantic and **Monmouth**) and Safety National up to statutory limits.

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

Public Officials/School Board Legal/EPL Liability - The NJC purchases Public Officials/School Board Legal and EPL Liability from Chubb and Lloyd's of London. 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, Monmouth County and Hudson County do not participate in this program. Monmouth purchases separate programs.

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, County of Hudson and Monmouth County 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, Mercer County Insurance Fund Commission, the County of Hudson, County of Ocean and Monmouth County do not participate in this line of coverage.

Cyber - The NJC purchases Network Privacy & Security Liability on an optional basis from Chubb, AXA XL and Brit.

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.

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 be the payment schedule for assessments:
- 1) Current Members: 60% of the assessment shall be due March 15th and the remainder due on August 1st.
 - 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 15th and August 1st.

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.

ADOPTED this ___ day of _____, 20___;

Chairman

date

Secretary

date

