

***GARDEN STATE MUNICIPAL
JOINT INSURANCE FUND***

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2015***

HODULIK & MORRISON, P.A.

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Registered Municipal Accountants
Highland Park, New Jersey*

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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PART I

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairperson and
Board of Fund Commissioners
Garden State Municipal Joint Insurance Fund
Woodbridge, New Jersey 07095

Report on Financial Statements

We have audited the accompanying financial statements of the Garden State Municipal Joint Insurance Fund, Woodbridge, New Jersey (the "Fund"), which comprise the statement of net position as of December 31, 2015 and 2014, and the related statements of revenues, expenses and changes in fund net position and cash flows for the years then ended and the related notes to the 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 opinions on these financial statements based on our audit. We conducted our audit 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 the audit requirements as prescribed by the Departments of Community Affairs and Banking and Insurance, 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 of 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 risk 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 statement.

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

As permitted by the Departments of Community Affairs and Banking and Insurance, audit procedures were not extended to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) reserve amounts, as these assumptions are prepared by the Fund's actuary.

Opinions

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we audited the IBNR reserves, the financial statements referred to above present fairly, in all material respects, the financial position of the Garden State Municipal Joint Insurance Fund, Woodbridge, New Jersey as of December 31, 2015 and 2014 and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principals generally accepted in the United States of America require that the management's discussion and analysis as 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 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

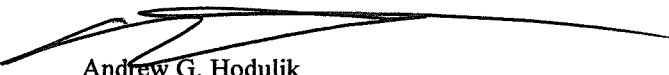
Our audit was conducted for the purpose of forming an opinion on the financial statements the Garden State Municipal Joint Insurance Fund, Woodbridge, New Jersey. The Additional Supplementary Information Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental data section is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In Accordance with Government Auditing Standards, we have also issued our report dated June 10, 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 the financial reporting or on compliance. That report is an integral part of an audit performed in accordance Government Auditing Standards in considering the Fund's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants



Andrew G. Hodulik
Registered Municipal Account
No. 406

Highland Park, New Jersey
June 10, 2016

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INDEPENDENT AUDITOR'S 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

The Honorable Chairperson and
Board of Fund Commissioners
Garden State Municipal Joint Insurance Fund
Woodbridge, New Jersey 07095

We have audited, 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 the audit requirements as prescribed by the Departments of Community Affairs and Banking and Insurance, State of New Jersey, the financial statements of the Garden State Municipal Joint Insurance Fund, Woodbridge, New Jersey (the "Fund") as of December 31, 2015 and 2014 and for the years then ended and the related notes to the financial statements, and have issued our report thereon dated June 10, 2016. The opinion on the Fund's financial statements was modified as permitted by the State of New Jersey Departments of Community Affairs and Banking and Insurance, as audit procedures were not extended to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) reserve amounts, as these assumptions are prepared by the Fund's actuary.

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 entity'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 from material misstatement, we performed tests of its compliance with certain provisions of the 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*.

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
June 10, 2016

REQUIRED SUPPLEMENTARY INFORMATION

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2015

(Unaudited)

The Garden State Municipal Joint Insurance Fund (the "Fund") is not included in any other governmental "reporting entity" as defined by Government Accounting Standards Board ("GASB") Statement No. 14. The Fund is a pooling of the resources of its constituent member local units for the purpose of providing an efficient and cost effective plan of risk management both through the pooling of risk among its members and the economies of scale in risk transfer methodologies that the size of the Fund permits. Each member local unit appoints one Commissioner to the Fund, and the Commissioners adopt budgets and set annual assessments from the members, approve annual risk management plans and oversee the operations of the Fund. The Fund is not considered a component-unit of any of its member local units. In addition, the Fund does not have any component-units. The following Management's Discussion and Analysis of the activities and financial performance of the Fund provide an introduction to the financial statements of the Fund for the year ended December 31, 2015. Please read the following in conjunction with the Fund's financial statements and accompanying notes.

The Management's Discussion and Analysis is an element of the reporting model adopted by the GASB in their Statement No. 34, Basic Financial Statements - *and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999.

FINANCIAL HIGHLIGHTS

Cash and investments increased by \$1,238,441 (3.6%) to \$36,381,182 in 2015 from \$35,142,741 in 2014 and total assets increased by \$920,996 (2.5%) to \$38,462,473 in 2015 from \$37,541,477 in 2014; whereas, cash and investments increased by \$2,511,968 (7.7%) to \$35,142,741 in 2014 from \$32,630,773 in 2013 and total assets increased by \$3,074,226 (8.9%) to \$37,541,477 in 2014 from \$34,467,251 in 2013.

Claims reserves increased by \$1,618,975 (4.5%) to \$38,159,856 in 2015 from \$36,540,881 in 2014; whereas, claims reserves increased by \$4,133,141 (12.8%) to \$36,540,881 in 2014 from \$32,407,740 in 2013.

The Fund's change in net position was a loss of \$669,696 in 2015 versus a net loss of \$989,819 in 2014 and a net gain of \$506,615 in 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Fund is a self-supporting entity and follows business-type activities fund reporting. The Fund's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles prescribed by the GASB. Enterprise fund statements reflect short and long-term financial information about the activities and operations of the Fund. These statements are presented in a manner similar to a private business. See the notes to the financial statements for a summary of the Fund's significant accounting policies.

FINANCIAL ANALYSIS OF THE FUND

Financial Position:

The following table summarizes the changes in financial position and increase in net assets between December 31, 2015 and 2014 and December 31, 2014 and 2013:

	2015	2014	% Increase (Decrease)
Cash, Cash Equivalents & Investments	\$ 36,381,182	\$ 35,142,741	3.52%
Deductible & Co-insurance Receivables	835,434	761,984	9.64%
Recoverable from Excess Carriers	379,090	655,847	(42.20%)
Member SIR Receivables	798,785	933,059	(14.39%)
Other Assets	67,982	47,846	42.09%
Total Assets	38,462,473	37,541,477	2.45%
Total Liabilities	38,229,591	36,638,899	4.34%
Net Position	\$ 232,882	\$ 902,578	(74.20%)
	2014	2013	% Increase (Decrease)
Cash, Cash Equivalents & Investments	\$ 35,142,741	\$ 32,630,773	7.70%
Deductible & Co-insurance Receivables	761,984	894,542	(14.82%)
Recoverable from Excess Carriers	655,847	348,475	88.20%
Member SIR Receivables	933,059	562,637	65.84%
Other Assets	47,846	30,824	55.22%
Total Assets	37,541,477	34,467,251	8.92%
Total Liabilities	36,638,899	32,574,832	12.48%
Net Position	\$ 902,578	\$ 1,892,419	(52.31%)

Assets:

The Fund's cash flow from operations is invested in an interest bearing custody account and with the New Jersey Cash Management Fund. The Fund utilizes a nightly sweep for investment purposes with its financial institution. Since 2010, the Fund also invested its available funds in U.S. Treasury Securities and U.S. Government Agency Securities.

The Fund recorded a receivable in the amount of \$1,634,218 which consists of balances due from its Members representing the Members' co-insurance and deductible amounts on its Employment Practices Liability claims of \$835,434 along with Members' claims payments within their Self Insured Retention of \$798,785.

The amount recorded as a receivable at December 31, 2015 is comprised of billed to Members in the amount of \$811,425 and unbilled in the amount of \$822,793. The unbilled deductibles will be billed as the claim is closed.

Recoverables from excess carriers represent amounts from claims that exceed retention levels in accordance with the Fund's excess insurance program. The balance of \$379,090 as of December 31, 2015 reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2007 through 2011 loss years of \$1,090 and excess insurance for all other lines of business during the 2002 through 2015 loss years of \$378,000.

Other assets relate to balances due to the Fund from Members and prepaid expenses for 2016 services paid in 2015. Other assets also includes accrued interest. The increase in total assets from 2014 primarily resulted from an increase in funds held to meet future obligations.

Liabilities:

The liability for unpaid losses and loss adjustment expenses reported in the financial statements includes case basis estimates of reported claims plus supplemental amounts for potential development of known claims and amounts for claims incurred but not yet reported. The ultimate liability for these claims have been calculated based upon loss projections utilizing certain assumptions and industry data. Management believes that its aggregate liability for unpaid losses and loss adjustment expenses at year end represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses; however, because of the limited population of insured risks, limited historical data and the nature of the coverage provided, it is not presently possible to determine whether actual loss experience will conform to the assumptions used in determining the estimated amounts for such liability at the balance sheet date. Accordingly, the ultimate liability could be in excess of or less than the amount indicated in the financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operation.

Expenses payable represents the liability for expenses incurred at year-end but not paid as of the balance sheet date.

Results of Operations:

The following table summarizes the changes in results of operations between fiscal years 2015 and 2014 and fiscal years 2014 and 2013:

	<u>2015</u>	<u>2014</u>	<u>% Increase (Decrease)</u>
Revenues	\$ 28,199,165	\$ 27,425,461	2.82%
Claims	(15,540,349)	(14,885,338)	4.40%
Expenses	<u>(13,524,943)</u>	<u>(13,683,597)</u>	<u>(1.16%)</u>
Operating gain (loss)	(866,127)	(1,143,474)	(24.25%)
Investment income	<u>196,431</u>	<u>153,655</u>	<u>27.84%</u>
Change in net position	<u>\$ (669,696)</u>	<u>\$ (989,819)</u>	<u>(32.34%)</u>
	<u>2014</u>	<u>2013</u>	<u>% Increase (Decrease)</u>
Revenues	\$ 27,425,461	\$ 24,914,745	10.08%
Claims	(14,885,338)	(12,020,191)	23.84%
Expenses	<u>(13,683,597)</u>	<u>(12,487,033)</u>	<u>9.58%</u>
Operating gain (loss)	(1,143,474)	407,521	(380.59%)
Investment income	<u>153,655</u>	<u>99,094</u>	<u>55.06%</u>
Change in net position	<u>\$ (989,819)</u>	<u>\$ 506,615</u>	<u>(295.38%)</u>

Revenues consist of Fund member contributions. The change in revenues and expenses were in line with budgets adopted for the year as required by the Departments of Banking and Insurance and the Department of Community Affairs of the State of New Jersey.

Cash Flow and Liquidity:

The following table summarizes the changes in cash flow and liquidity between December 31, 2015 and 2014 and December 31, 2014 and 2013:

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Cash contributions received from participants	\$ 28,536,747	\$ 26,880,226
Cash payments to suppliers and contractors for goods and services	(7,055,386)	(7,013,606)
Risk transfer premiums	(6,495,715)	(6,740,966)
Cash payments for cost of claims	<u>(13,921,375)</u>	<u>(10,752,219)</u>
Net Cash Provided by Operating Activities	1,064,271	2,373,435
Cash Flows from Investing Activities		
Redemption (Purchase) of Investments - Net	(3,134,823)	(3,142,972)
Investment income	<u>174,170</u>	<u>138,534</u>
Net Cash Provided by Investing Activities	<u>(2,960,653)</u>	<u>(3,004,438)</u>
Net Decrease in Cash and Cash Equivalents	(1,896,382)	(631,003)
Cash and Cash Equivalents, at Beginning of Year	<u>2,322,148</u>	<u>2,953,151</u>
Cash and Cash Equivalents, at End of Year	<u><u>\$ 425,766</u></u>	<u><u>\$ 2,322,148</u></u>

The New Jersey Cash Management Fund (the “CMF”), managed by the New Jersey Department of the Treasury, invests assets of various funds, divisions, agencies, and employees of the State of New Jersey into a diversified investment portfolio, consisting of U.S. Government and Agency Obligations, certificates of deposit, commercial paper and finance company debt, all maturing within 12 months or less. The investments of the CMF are subject to minimum criteria for each category of investments. As of December 31, 2015, \$126,589 of the Fund’s cash was invested with the CMF.

In order to provide for an increase in the yield on investments while managing credit risk, in 2015 the Fund continued investing in U.S. Treasury and U.S. Government Agency Securities.

The remaining amount of cash and cash equivalents held by the Fund is kept in a GUDPA approved account which enables the Fund to maintain optimum liquidity. When cash is channeled into securities, the Fund's investment strategy is to invest in those assets whose maturities are similar to the actuarial expected payout of the related losses and LAE. The Fund has sufficient cash resources to meet its balance sheet liabilities as they become due.

DEBT ADMINISTRATION

The Fund has no debt as of the date of this report.

CONTACTING THE FUND'S MANAGEMENT

This financial report is designed to provide its constituent members and their residents and taxpayers, and the Fund's customers, investors and creditors, with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Executive Director, Garden State Municipal Joint Insurance Fund, Jonathan Hall, NIP Group, Inc., 900 Route Nine North, Suite 503, Woodbridge, NJ 07095.

FINANCIAL STATEMENTS

GARDEN STATE MUNICIPAL JOINT INSURANCE FUNDCOMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Cash & Cash Equivalents	\$ 425,766	\$ 2,322,148
Investments	35,955,416	32,820,593
Recoverables from Excess Carriers	379,090	655,847
Recoverables Recorded Not Billed	822,793	697,286
Other Receivables:		
Assessment/Endorsement to Member	6,625	3,944
Member SIR	798,785	933,059
Deductible & Co-Insurance from Members	6,015	60,754
Accrued Interest	67,982	45,721
Prepaid Expenses	-	2,125
Total Assets	<u>\$ 38,462,473</u>	<u>\$ 37,541,477</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Claims:		
Case Reserves	\$ 24,242,036	\$ 24,257,282
IBNR Reserves	13,429,258	11,878,934
Claims Payable	488,562	404,665
Expenses:		
Accrued Expenses	<u>69,735</u>	<u>98,018</u>
Total Liabilities	<u>38,229,591</u>	<u>36,638,899</u>
Net Position - Unrestricted	<u>\$ 232,882</u>	<u>\$ 902,578</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Revenue:		
Assessments - Participating Members	\$ 28,199,165	\$ 27,425,461
Total Revenue	<u>28,199,165</u>	<u>27,425,461</u>
Expenditures:		
Provision for Claims and Claim		
Adjustment Expense - Net	15,540,349	14,885,338
Excess Insurance Premiums	6,495,715	6,740,965
Administrative Expenses	<u>7,029,228</u>	<u>6,942,632</u>
Total Expenditures	<u>29,065,292</u>	<u>28,568,935</u>
Operating Gain (Loss)	(866,127)	(1,143,474)
Non-Operating Income:		
Net Investment Income	<u>196,431</u>	<u>153,655</u>
Total Non-Operating Income	<u>196,431</u>	<u>153,655</u>
Net Gain (Loss)	(669,696)	(989,819)
Net Position - Beginning of Year	<u>902,578</u>	<u>1,892,397</u>
Net Position - End of Year	<u>\$ 232,882</u>	<u>\$ 902,578</u>

GARDEN STATE JOINT INSURANCE FUNDCOMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Cash Contributions Received from Participants and Other Sources	\$ 28,536,747	\$ 26,880,226
Cash Payments for Goods and Services	(7,055,386)	(7,013,606)
Cash Payments for Risk Transfer Premiums	(6,495,715)	(6,740,966)
Cash Payments for Costs of Claims	<u>(13,921,375)</u>	<u>(10,752,219)</u>
Net Cash Provided by Operating Activities	<u>1,064,271</u>	<u>2,373,435</u>
Cash Flows from Investing Activities:		
Redemption (Purchase) of Investments - Net	(3,134,823)	(3,142,972)
Investment Income - Net	<u>174,170</u>	<u>138,534</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,960,653)</u>	<u>(3,004,438)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,896,382)</u>	<u>(631,003)</u>
Cash and Cash Equivalents, Beginning	<u>2,322,148</u>	<u>2,953,151</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 425,766</u></u>	<u><u>\$ 2,322,148</u></u>
Reconciliation of Operating Income to Net		
Cash Provided (Used) by Operating Activities:		
Operating Gain (Loss)	\$ (866,127)	\$ (1,143,475)
Adjustments to Reconcile Operating Income		
to Cash Provided by Operating Activities:		
Change in Assets and Liabilities:		
Receivables and Prepaid Expenses	339,707	(547,135)
Claim Reserves	1,618,974	4,133,119
Accrued Expenses	<u>(28,283)</u>	<u>(69,075)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,064,271</u></u>	<u><u>\$ 2,373,435</u></u>

See accompanying notes to financial statements.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1: ORGANIZATION AND DESCRIPTION OF THE FUND

The Garden State Municipal Joint Insurance Fund (the "Fund") was established, effective February 1, 2002, in accordance with P.L. 1983, c.372 of the State of New Jersey, entitled "An Act Concerning Joint Insurance Funds for Local Units of Government", codified as N.J.S.A. 40A:10-1 et seq. The Department of Insurance and the Department of Community Affairs of the State of New Jersey have been designated by statute as oversight agencies for joint insurance funds and have issued regulations governing the operations of these funds. The Fund provides for a pooling of the participants' insurable risks and the associated resources available to manage these risks. The Fund operates in accordance with its by-laws and its Plan of Risk Management and Annual Budget.

Participating entities generally must remain in the Fund for the a minimum of three (3) years unless terminated by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the bylaws or other obligations. The Fund has 36 members in total.

Member contributions to the Fund for claim payments are based on the 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's administration is provided by an executive director/administrator. Fees paid to the administrative consultants encompass the administrative duties that are performed at the administrative consultant's office. Accordingly, the Fund does not maintain any fixed assets or incur payroll expense.

The following primary coverage's are offered by the Fund to its members:

- a) Workers' Compensation
- b) General Liability
- c) Property Damage/APD
- d) Auto Liability
- e) Employment Practices Liability/Public Officials Liability

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Government Accounting Standards Board (“GASB”) Codification Section 2100, “Defining Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Fund has determined that there were no additional entities required to be included in the reporting entity under the criteria as described above, in the current year. In addition, the Fund is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Fund Accounting

The financial statements of the Fund have been prepared in accordance with generally accepted accounting principles applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is a measurement of economic resources, that is, the determination of net income, financial position and cash flows.

Enterprise Funds are used to account for activities that are operated in a manner similar to private business enterprises.

C. Accrual Basis of Accounting

The Fund uses the accrual basis of accounting, whereby income is recorded as earned and expenses are recognized as incurred.

D. Income Taxes

The Fund is a tax-exempt organization and is not subject to either federal or state income taxes.

E. Assessments

The gross claim fund assessment is determined by the actuary and, when combined with expense and excess premium projections, constitutes the Fund’s budget. Assessments for participating municipalities are determined by underwriting criteria established by the Executive Committee.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims 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. Estimated amounts of excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim 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 coverages 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 charged or credited to expense in the periods in which they are made. The fund does not discount estimated claim liabilities.

In accordance with practices prescribed or permitted by the Departments of Community Affairs and Banking and Insurance, State of New Jersey, the accountants' audit procedures were not extended to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) Reserve amounts since they are prepared by the Fund's actuary.

G. Recoverables from Excess Carriers

The Fund uses excess insurance agreements to reduce its exposure to large losses on certain types of insured events. Excess insurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers.

H. Deferred Revenue

Deferred revenue represents the unearned assessments of participating municipalities.

I. Recoverables Recorded Not Billed

During the year ended December 31, 2015, the Fund has recorded as accounts receivable recoverables due from Members for claims expenses paid by the Fund based upon levels of self-retention. The Fund will bill these receivables to the Member when the claim is closed.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted to and approved by a majority of the Commissioners.

K. Claims Case Reserves

Case reserves include estimated unpaid claim costs for claimants and allocated claim adjustment expenses as reported by the service agent.

L. 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 within an acceptable range from the estimated outstanding reserve.

IBNR reserves include:

- a) Known loss events that are expected to, at a later time, be presented as claims,
- b) Unknown loss events that are expected to become claims, and
- c) Expected future development on claims already reported.

M. Summary of Risk Management Program

A summary of the Fund's Risk Management Program is provided for in Schedule E contained in the Supplementary Information section of this report.

NOTE 3: CASH AND CASH EQUIVALENTS

The Fund considers cash in banks, money market accounts and deposits in the New Jersey Cash Management Fund and short-term investments with original maturities of three months or less as cash and cash equivalents.

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protections Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

NOTE 3: CASH AND CASH EQUIVALENTS

The carrying value of the Garden State Municipal Joint Insurance Fund cash and cash equivalents at December 31, 2015 was \$425,766 and bank balances were \$1,081,401.

As of December 31, 2015, cash and cash equivalents of the Fund consisted of the following:

Checking Accounts	<u>\$425,766</u>
Total	<u>\$425,766</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the local unit's deposits may not be returned to it. As of December 31, 2015, with respect to the Fund's bank balances, \$250,000 was covered by federal depository insurance and \$175,766 was covered by the collateral pool maintained by the banks as required by New Jersey statutes. The Garden State Municipal Joint Insurance Fund adheres to the requirements of the GUDPA statute.

NOTE 4: INVESTMENTS

New Jersey statutes permit the Fund to purchase the following types of Investments:

Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.

Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the dates of purchase, and has a fixed rate of interest not dependent on any index or external factors.

Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for Investment by local units.

Debt obligations of federal agencies or government corporations with maturities not greater than ten (10) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through New Jersey Division of Investment and are consistent with the Division's own investment guidelines, and providing that the investment has a fixed rate of interest not dependent on any index or external factors.

Repurchase agreements of fully collateralized securities, subject to rules and conditions established by the N.J. Department of Community Affairs.

NOTE 4: INVESTMENTS

No investment or deposit shall have a maturity longer than ten (10) years from date of purchase. Investments are recorded at market value based on quoted market prices.

Investments at year-end are categorized to give an indication of the level of risk assumed by the Fund. The categories are described as follows:

Category A – Insured, registered or securities held by the Fund or its agent in the Fund’s name.

Category B - Uninsured and unregistered with securities held by the counterparty’s trust department or agent in the Fund’s name.

Category C - Uninsured and unregistered with securities held by the counterparty, or its trust department or agent but not in the Fund’s name.

The Fund’s investments at December 31, 2015 are categorized as follows:

	<u>Risk Category</u>	<u>Book Value</u>	<u>Market Value</u>
Cash Management Funds	A	\$ 126,589	\$ 126,589
U.S Treasury Securities	A	<u>35,855,496</u>	<u>35,828,827</u>
Total		<u>\$35,982,085</u>	<u>\$35,955,416</u>

Based upon existing investment policies, the Fund is generally not exposed to interest rate risk as, depending upon market conditions, investments can be held to maturity. Also, investments held are limited to U.S Treasury or U.S. Government Agency securities, thereby mitigating credit risk and concentration of credit risk nor are the Fund’s deposits and investments exposed to foreign currency risks.

During the year 2015, the Fund had effective mark to market unrealized investment losses in the amount of \$26,669.

NOTE 5: PERMANENT FUND TRANSFERS

Permanent inter-trust fund transfers are made upon the approval of the Commissioners, following prior written notification to the Commissioners of Insurance and the Department of Community Affairs.

Inter-year fund transfers require prior approval of the departments of Insurance and Community Affairs. The fund may seek approval from the Commissioner to make inter-year fund transfers at any time from a claims or loss retention trust account from any year which has been completed for at least 24 months. The inter-year fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement calculated according to regulation. The membership for each fiscal year involving inter-year fund transfers must be identical between fiscal years. This requirement may be waived by the Commissioner provided the fund demonstrates it maintains records of each member's pro rata share of each claim or loss retention account, and that the transfer may be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

All fund transfers are recognized at the time actual transfers take place.

NOTE 6: RETURN OF SURPLUS

Refunds are recognized upon authorization of the Commissioners. Any reserves for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by the Fund's actuary may be declared to be refundable by the Fund, subject to the effective time periods set forth by regulation. The initial and any subsequent refund for any year from a Claim or Loss Retention Account is subject to the limitation that after the refund, the remaining net current surplus must equal or exceed the surplus retention requirement calculated according to regulation. A full and final refund is not allowed until all case reserves and IBNR reserves are closed.

NOTE 7: MINIMUM SURPLUS REQUIREMENTS

The State of New Jersey has no statutory minimum surplus requirements.

NOTE 8: DEFICIT FUND BALANCE

The Fund will liquidate any deficit in a fund balance year by transferring from another fund balance year or by assessing members for additional contributions, in accordance with applicable New Jersey statutes and regulations.

NOTE 8: DEFICIT FUND BALANCE (CONT'D).

At December 31, 2015, the following fund years' unrestricted net assets were in a deficit position:

<u>Fund Year</u>	<u>2015</u>	<u>2014</u>
2015	\$ (6,799)	\$ -
2014	(689,635)	(162,325)
2007	(221,749)	(277,724)
2006	(738,731)	(390,689)
2005	(1,128,193)	(1,069,402)
2004	(2,860,793)	(2,794,910)
2003	(371,978)	(376,789)

Management approved a supplemental assessment/dividend plan in July 2015. In accordance with the plan, which complies with N.J.S.A. 11:15-2.21, fund year 2002 would be closed and monies released from such closure would be "refunded" to eligible members in that year through an offset to the assessments to be levied against such members for the 2003-2006 fund year deficits. All other members would be assessed their proportionate share as set forth in N.J.S.A. 11:15-2.16(a)1 and the Fund's bylaws. The supplemental assessment/dividend plan will be implemented in 2017 and calculated based on the December 31, 2016 results. The supplemental assessments will be billed and collected based on a five-year installment plan. As of December 31, 2015, the total net deficit for the 2002-2006 years' was \$4,238,074.

NOTE 9: LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2015. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. The estimate of outstanding losses was recorded by the Fund as of December 31, 2015 based on an actuarial determined range of estimates.

Actuarial Standard of Practice No. 36 states, "the actuary may determine a range of reasonable estimates that reflects the uncertainties associated with analyzing the reserves Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability." The unpaid losses are stated net of any recoveries from excess-loss insurance. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses. Amounts shown as negative loss reserves, if any, represent payments to claims servicing agent in excess of claims paid and case reserves on the Fund's loss runs. These amounts, if any, are shown on the balance sheets as accounts receivable.

NOTE 9: LOSS RESERVES (CONT'D.)

The Fund also purchases excess insurance policies, which provides coverage to the Fund for claims in excess of \$500,000 for workers' compensation claims, \$250,000 for liability claims, \$150,000 for employment practices and public officials liability, \$100,000 for auto physical damage, and \$50,000 for property claims.

In addition, the Fund has in place an aggregate stop loss program for its Employment Practices and Public Officials Liability Claims, where upon reaching an overall aggregate retention limit, the retained limit for claim thereafter is reduced. In years 2007 and 2008, the aggregate limit was \$750,000 and in year 2009 the aggregate limit was \$450,000. For the years 2010 through 2015, an "inner corridor endorsement" was put in place with a limit of \$250,000 per claim and \$600,000 in total. For the years 2012 through 2015 the "inner corridor endorsement" for workers' compensation was also put in place with a limit of \$250,000 per claim and \$250,000 in total. The Fund established an all lines of business stop loss aggregate for the years 2010 through 2015.

A contingent liability exists with respect to insurance coverage, which would become an actual liability in the event the insuring company might be unable to meet its obligations to the Fund under existing insurance agreements.

The following table sets forth the case reserves for reported claims and reserves for claims related to IBNR established for each respective fund year at December 31, 2015, which have been estimated by the Fund's Actuary.

NOTE 9 - LOSS RESERVES:

NOTES TO FINANCIAL STATEMENTS

	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	Aggregate Retention	Total
2002 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ -		\$ -
Losses Incurred But Not Reported (IBNR)	-	-	-	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
2003 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 12,689		\$ 12,689
Losses Incurred But Not Reported (IBNR)	-	-	-	1,267		1,267
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,956</u>		<u>\$ 13,956</u>
2004 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 135,429		\$ 135,429
Losses Incurred But Not Reported (IBNR)	-	-	-	14,239		14,239
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,668</u>		<u>\$ 149,668</u>
2005 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 156,136		\$ 156,136
Losses Incurred But Not Reported (IBNR)	-	-	-	17,447		17,447
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,583</u>		<u>\$ 173,583</u>
2006 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 303,235		\$ 303,235
Losses Incurred But Not Reported (IBNR)	-	-	-	58,376		58,376
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361,611</u>		<u>\$ 361,611</u>
2007 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 536,771		\$ 536,771
Losses Incurred But Not Reported (IBNR)	-	-	-	142,345		142,345
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 679,116</u>		<u>\$ 679,116</u>
2008 Fund Year:						
Case Reserves	\$ -	\$ 95,319	\$ -	\$ 473,559		\$ 568,878
Losses Incurred But Not Reported (IBNR)	-	2,414	-	133,895		136,309
	<u>\$ -</u>	<u>\$ 97,733</u>	<u>\$ -</u>	<u>\$ 607,454</u>		<u>\$ 705,187</u>
2009 Fund Year:						
Case Reserves	\$ -	\$ 170,939	\$ -	\$ 701,585		\$ 872,524
Losses Incurred But Not Reported (IBNR)	-	13,867	-	215,713		229,580
	<u>\$ -</u>	<u>\$ 184,806</u>	<u>\$ -</u>	<u>\$ 917,298</u>		<u>\$ 1,102,104</u>
2010 Fund Year:						
Case Reserves	\$ -	\$ 620,931	\$ -	\$ 713,052	\$ -	\$ 1,333,983
Losses Incurred But Not Reported (IBNR)	-	76,675	-	295,564	(231,774)	140,465
	<u>\$ -</u>	<u>\$ 697,606</u>	<u>\$ -</u>	<u>\$ 1,008,616</u>	<u>\$ (231,774)</u>	<u>\$ 1,474,448</u>
2011 Fund Year:						
Case Reserves	\$ -	\$ 248,010	\$ 47,014	\$ 1,190,154	\$ -	\$ 1,485,178
Losses Incurred But Not Reported (IBNR)	-	25,035	4,802	442,688	-	472,525
	<u>\$ -</u>	<u>\$ 273,045</u>	<u>\$ 51,816</u>	<u>\$ 1,632,842</u>	<u>\$ -</u>	<u>\$ 1,957,703</u>
2012 Fund Year:						
Case Reserves	\$ -	\$ 1,543,849	\$ 170,091	\$ 2,001,443	\$ -	\$ 3,715,383
Losses Incurred But Not Reported (IBNR)	875	266,278	43,149	698,016	-	1,008,318
	<u>\$ 875</u>	<u>\$ 1,810,127</u>	<u>\$ 213,240</u>	<u>\$ 2,699,459</u>	<u>\$ -</u>	<u>\$ 4,723,701</u>
2013 Fund Year:						
Case Reserves	\$ -	\$ 2,187,067	\$ 458,881	\$ 1,880,708	\$ -	\$ 4,526,656
Losses Incurred But Not Reported (IBNR)	341	245,522	45,888	635,190	-	926,941
	<u>\$ 341</u>	<u>\$ 2,432,589</u>	<u>\$ 504,769</u>	<u>\$ 2,515,898</u>	<u>\$ -</u>	<u>\$ 5,453,597</u>
2014 Fund Year:						
Case Reserves	\$ 46,299	\$ 2,610,049	\$ 187,746	\$ 3,776,564	\$ -	\$ 6,620,658
Losses Incurred But Not Reported (IBNR)	17,197	1,349,696	196,569	1,372,643	97,000	3,033,105
	<u>\$ 63,496</u>	<u>\$ 3,959,745</u>	<u>\$ 384,315</u>	<u>\$ 5,149,207</u>	<u>\$ 97,000</u>	<u>\$ 9,653,763</u>
2015 Fund Year:						
Case Reserves	\$ 98,769	\$ 1,290,362	\$ 195,782	\$ 2,389,568	\$ -	\$ 3,974,481
Losses Incurred But Not Reported (IBNR)	203,595	2,539,070	527,822	3,512,011	665,896	7,448,394
	<u>\$ 302,364</u>	<u>\$ 3,829,432</u>	<u>\$ 723,604</u>	<u>\$ 5,901,579</u>	<u>\$ 665,896</u>	<u>\$ 11,422,875</u>

NOTE 10: RELATED PARTIES

The Fund pays underwriting fees, risk management fees and claims handling fees to an affiliated company of the Fund's administrator.

NOTE 11: 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 unrelated allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported case reserves 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 Claims and Claim Adjustment Expenses – All Fund Years – Beginning of Year	\$24,257,282	\$20,338,104
Incurred Claims and Claims Adjustment Expenses:		
Provision for Insured Events – Current Year	7,288,699	7,864,092
Changes in Provision for Insured Events – Prior Years	<u>6,501,270</u>	<u>6,758,674</u>
Total Incurred Claims and Claim Adjustment Expenses - All Fund Years - Subtotal	<u>13,789,969</u>	<u>14,622,766</u>
Subtotal	38,047,251	34,960,870
Payments:		
Claims and Claim Adjustment Expenses	<u>(13,805,215)</u>	<u>(10,703,588)</u>
Total Unpaid Claims and Claim Adjustment Expenses – All Fund Years – End of Year	<u>\$24,242,036</u>	<u>\$24,257,282</u>

NOTE 12: SUBSEQUENT EVENTS

Through the date of this report, management is unaware of any events occurring subsequent to December 31, 2015 that would adversely impact the financial position, the continuing operations, or require disclosure with respect to the Garden State Municipal Joint Insurance Fund.

REQUIRED SUPPLEMENTARY INFORMATION

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Underwriting Income-Required Contribution	\$13,363,866	\$14,791,553	\$14,499,012	\$15,926,169	\$19,805,748	\$21,178,634	\$23,665,002	\$24,914,745	\$27,425,461	\$28,199,165
Investment Income	600,352	727,048	326,221	111,464	71,632	1,000,641	103,937	99,094	153,655	196,431
	<u>13,964,218</u>	<u>15,518,601</u>	<u>14,825,233</u>	<u>16,037,633</u>	<u>19,877,380</u>	<u>22,179,275</u>	<u>23,768,939</u>	<u>25,013,839</u>	<u>27,579,116</u>	<u>28,395,596</u>
Excess Insurance Premiums	3,586,174	3,441,417	3,487,963	3,583,325	3,922,628	4,047,005	5,188,128	6,173,018	6,740,965	6,495,715
Administrative Expenses	<u>3,072,388</u>	<u>3,209,879</u>	<u>3,149,211</u>	<u>3,410,553</u>	<u>4,236,550</u>	<u>5,019,195</u>	<u>6,015,415</u>	<u>6,314,015</u>	<u>6,942,632</u>	<u>7,029,228</u>
	<u>6,658,562</u>	<u>6,651,296</u>	<u>6,637,174</u>	<u>6,993,878</u>	<u>8,159,178</u>	<u>9,066,200</u>	<u>11,203,543</u>	<u>12,487,033</u>	<u>13,683,597</u>	<u>13,524,943</u>
Estimated Incurred Claims-End of Policy Year	<u>2,476,492</u>	<u>3,355,628</u>	<u>4,170,445</u>	<u>3,994,583</u>	<u>5,128,034</u>	<u>7,179,328</u>	<u>3,733,564</u>	<u>4,511,560</u>	<u>7,864,092</u>	<u>7,288,699</u>
Cumulative Paid Claims:										
End of Policy Year	622,579	1,145,059	2,017,676	1,331,389	1,637,274	2,226,336	1,621,622	1,684,640	2,889,876	3,314,218
One Year Later	1,806,428	3,470,122	3,104,737	2,637,872	4,030,948	4,319,480	3,683,581	3,256,600	4,867,606	
Two Years Later	3,330,145	4,542,866	3,952,312	3,973,287	5,838,352	6,064,970	5,318,580	5,574,233		
Three Years Later	5,247,332	6,576,787	5,068,853	5,188,102	7,189,958	7,720,987	7,449,346			
Four Years Later	6,420,139	6,931,123	6,015,981	6,392,182	8,344,750	8,955,503				
Five Years Later	6,715,525	7,630,946	6,321,401	7,291,140	9,450,094					
Six Years Later	6,908,876	7,835,054	6,613,524	7,917,425						
Seven Years Later	6,990,812	8,107,501	7,020,464							
Eight Years Later	7,296,549	8,166,985								
Nine Years Later	7,717,404									
Cumulative Incurred Claims:										
End of Policy Year	2,476,492	3,355,628	4,170,445	3,994,583	5,128,034	7,179,328	3,733,564	4,511,560	7,864,092	7,288,699
One Year Later	4,311,715	6,007,619	5,715,141	5,901,697	8,754,162	8,553,900	8,049,395	8,387,172	11,488,264	
Two Years Later	5,616,248	7,273,273	6,771,492	7,802,830	9,537,686	10,273,911	10,528,102	10,100,889		
Three Years Later	6,653,864	8,526,516	7,048,966	8,279,113	10,953,106	10,631,239	11,164,729			
Four Years Later	7,210,904	8,239,846	7,753,370	8,606,359	10,849,436	10,440,681				
Five Years Later	7,248,340	8,911,264	7,384,166	8,741,996	10,784,077					
Six Years Later	7,547,987	8,795,779	7,329,338	8,789,949						
Seven Years Later	7,503,434	8,747,960	7,589,342							
Eight Years Later	7,643,868	8,703,756								
Nine Years Later	8,020,639									
Decrease (Increase) in Cumulative Incurred Claims from End of Policy Year	<u>(\$5,544,147)</u>	<u>(\$5,348,128)</u>	<u>(\$3,418,897)</u>	<u>(\$4,795,366) #</u>	<u>(\$5,656,043)</u>	<u>(\$3,261,353)</u>	<u>(\$7,431,165)</u>	<u>(\$5,589,329)</u>	<u>(\$3,624,172)</u>	<u>\$0</u>

PART II
ADDITIONAL SUPPLEMENTARY INFORMATION

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

ALL FUND YEARS
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS								TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:									
Regular Contributions	\$ 8,680,979	\$ 34,308,107	\$ 7,247,965	\$ 69,120,231	\$ -	\$ -	\$ 57,797,301	\$ 54,914,418	\$ 232,069,001
2. Incurred Liabilities									
Claims (Net)	12,980,631	44,853,185	8,495,342	68,890,153	(231,774)	762,896	-	-	135,750,433
Expenses	-	-	-	-	-	-	58,430,215	54,608,336	113,038,552
Total Liabilities	12,980,631	44,853,185	8,495,342	68,890,153	(231,774)	762,896	58,430,215	54,608,336	248,788,985
3. Underwriting Surplus/(Deficit)	(4,299,652)	(10,545,078)	(1,247,377)	230,078	231,774	(762,896)	(632,914)	306,082	(16,719,984)
4. Adjustments:									
Investment Income	-	-	-	-	-	-	-	2,903,443	2,903,443
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-	936,078	936,078
Recoveries	4,287,319	6,528,068	795,992	1,501,966	-	-	-	-	13,113,345
Transfers	-	-	-	-	-	-	-	-	-
Total Adjustments	4,287,319	6,528,068	795,992	1,501,966	-	-	-	3,839,521	16,952,866
5. Gross Operating Surplus/(Deficit)	(12,333)	(4,017,010)	(451,385)	1,732,044	231,774	(762,896)	(632,914)	4,145,603	232,882
6. Return of Surplus	-	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (12,333)	\$ (4,017,010)	\$ (451,385)	\$ 1,732,044	\$ 231,774	\$ (762,896)	\$ (632,914)	\$ 4,145,603	\$ 232,882

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 58,441	\$ 843,337	\$ 260,958	\$ 312,390	\$ 1,129,093	\$ 791,916	\$ 3,396,135
2. Incurred Liabilities							
Claims (Net)	60,239	202,200	36,325	707,342	-	-	1,006,106
Expenses	-	-	-	-	1,129,093	791,916	1,921,009
Total Liabilities	60,239	202,200	36,325	707,342	1,129,093	791,916	2,927,115
3. Underwriting Surplus/(Deficit)	(1,798)	641,137	224,633	(394,952)	-	-	469,020
4. Adjustments:							
Investment Income						191,644	191,644
Investment Activity (Realized/Unrealized)						28,220	28,220
Recoveries	-	65,917		106,803			172,720
Transfers							-
Total Adjustments	-	65,917	-	106,803	-	219,864	392,584
5. Gross Current Position/(Deficit)	(1,798)	707,054	224,633	(288,149)	-	219,864	861,604
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (1,798)	\$ 707,054	\$ 224,633	\$ (288,149)	\$ -	\$ 219,864	\$ 861,604
Current Year Claims (Net)	\$ 60,239	\$ 202,200	\$ 36,325	\$ 707,342	\$ -	\$ -	\$ 1,006,106
Prior Year Claims (Net)	60,239	202,200	36,325	707,342			1,006,106
Net Change in Claims Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 113,986	\$ 1,050,269	\$ 294,804	\$ 598,081	\$ 2,282,855	\$ 1,253,350	\$ 5,593,345
2. Incurred Liabilities							
Claims (Net)	208,108	952,993	78,546	1,379,081	-	-	2,618,728
Expenses	-	-	-	-	2,282,855	1,253,350	3,536,205
Total Liabilities	208,108	952,993	78,546	1,379,081	2,282,855	1,253,350	6,154,933
3. Underwriting Surplus/(Deficit)	(94,122)	97,276	216,258	(781,000)	-	-	(561,588)
4. Adjustments:							
Investment Income						141,530	141,530
Investment Activity (Realized/Unrealized)							-
Recoveries	-	48,080		-			48,080
Transfers							-
Total Adjustments	-	48,080	-	-	-	141,530	189,610
5. Gross Current Position/(Deficit)	(94,122)	145,356	216,258	(781,000)	-	141,530	(371,978)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (94,122)	\$ 145,356	\$ 216,258	\$ (781,000)	\$ -	\$ 141,530	\$ (371,978)
Current Year Claims (Net)	\$ 208,108	\$ 952,993	\$ 78,546	\$ 1,379,081	\$ -	\$ -	\$ 2,618,728
Prior Year Claims (Net)	208,108	952,993	78,546	1,383,894			2,623,541
Net Change in Claims Liabilities	\$ -	\$ -	\$ -	\$ (4,813)	\$ -	\$ -	\$ (4,813)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR
 CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS						
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	TOTALS
1. Underwriting Income: Regular Contributions	\$ 163,299	\$ 875,399	\$ 167,161	\$ 1,180,434	\$ 3,757,561	\$ 1,778,528	\$ 7,922,382
2. Incurred Liabilities							
Claims (Net)	290,414	2,690,089	278,743	3,099,996	-	-	6,359,242
Expenses	-	-	-	-	3,757,561	1,778,528	5,536,089
Total Liabilities	290,414	2,690,089	278,743	3,099,996	3,757,561	1,778,528	11,895,331
3. Underwriting Surplus/(Deficit)	(127,115)	(1,814,690)	(111,582)	(1,919,562)	-	-	(3,972,949)
4. Adjustments:							
Investment Income						120,113	120,113
Investment Activity (Realized/Unrealized)							-
Recoveries	-	259,650		732,393			992,043
Transfers							-
Total Adjustments	-	259,650	-	732,393	-	120,113	1,112,156
5. Gross Current Position/(Deficit)	(127,115)	(1,555,040)	(111,582)	(1,187,169)	-	120,113	(2,860,793)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (127,115)	\$ (1,555,040)	\$ (111,582)	\$ (1,187,169)	\$ -	\$ 120,113	\$ (2,860,793)
Current Year Claims (Net)	\$ 290,414	\$ 2,690,089	\$ 278,743	\$ 3,099,996	\$ -	\$ -	\$ 6,359,242
Prior Year Claims (Net)	290,414	2,690,089	278,743	2,683,666			5,942,912
Net Change in Claims Liabilities	\$ -	\$ -	\$ -	\$ 416,330	\$ -	\$ -	\$ 416,330

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	<u>COVERAGES AND OTHER ACCOUNTS</u>						<u>TOTALS</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>EXCESS INSURANCE POLICIES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	
1. Underwriting Income: Regular Contributions	\$ 202,234	\$ 1,667,710	\$ 462,474	\$ 2,075,524	\$ 4,594,367	\$ 2,385,474	\$ 11,387,783
2. Incurred Liabilities							
Claims (Net)	509,718	2,097,826	390,467	3,646,534	-	-	6,644,545
Expenses	-	-	-	-	4,594,367	2,385,474	6,979,841
Total Liabilities	509,718	2,097,826	390,467	3,646,534	4,594,367	2,385,474	13,624,386
3. Underwriting Surplus/(Deficit)	(307,484)	(430,116)	72,007	(1,571,010)	-	-	(2,236,603)
4. Adjustments:							
Investment Income						362,337	362,337
Investment Activity (Realized/Unrealized)							-
Recoveries	-	208,910		537,163			746,073
Transfers							-
Total Adjustments	-	208,910	-	537,163	-	362,337	1,108,410
5. Gross Current Position/(Deficit)	(307,484)	(221,206)	72,007	(1,033,847)	-	362,337	(1,128,193)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (307,484)	\$ (221,206)	\$ 72,007	\$ (1,033,847)	\$ -	\$ 362,337	\$ (1,128,193)
Current Year Claims (Net)	\$ 509,718	\$ 2,097,826	\$ 390,467	\$ 3,646,534	\$ -	\$ -	\$ 6,644,545
Prior Year Claims (Net)	508,918	2,097,826	390,467	3,506,552			6,503,763
Net Change in Claims Liabilities	\$ 800	\$ -	\$ -	\$ 139,982	\$ -	\$ -	\$ 140,782

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2006 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	<u>COVERAGES AND OTHER ACCOUNTS</u>						<u>TOTALS</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>EXCESS INSURANCE POLICIES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	
1. Underwriting Income: Regular Contributions	\$ 624,754	\$ 1,895,303	\$ 370,167	\$ 3,815,080	\$ 3,586,174	\$ 3,072,388	\$ 13,363,866
2. Incurred Liabilities							
Claims (Net)	747,023	2,652,900	545,571	4,570,950	-	-	8,516,444
Expenses	-	-	-	-	3,586,174	3,072,388	6,658,562
Total Liabilities	747,023	2,652,900	545,571	4,570,950	3,586,174	3,072,388	15,175,006
3. Underwriting Surplus/(Deficit)	(122,269)	(757,597)	(175,404)	(755,870)	-	-	(1,811,140)
4. Adjustments:							
Investment Income						634,220	634,220
Investment Activity (Realized/Unrealized)						760	760
Recoveries	-	437,429		-			437,429
Transfers							-
Total Adjustments	-	437,429	-	-	-	634,980	1,072,409
5. Gross Current Position/(Deficit)	(122,269)	(320,168)	(175,404)	(755,870)	-	634,980	(738,731)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (122,269)	\$ (320,168)	\$ (175,404)	\$ (755,870)	\$ -	\$ 634,980	\$ (738,731)
Current Year Claims (Net)	\$ 747,023	\$ 2,652,900	\$ 545,571	\$ 4,570,950	\$ -	\$ -	\$ 8,516,444
Prior Year Claims (Net)	747,023	2,189,297	545,571	4,546,510			8,028,401
Net Change in Claims Liabilities	\$ -	\$ 463,603	\$ -	\$ 24,440	\$ -	\$ -	\$ 488,043

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2007 FUND YEAR
 CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 690,881	\$ 2,113,300	\$ 394,976	\$ 4,941,100	\$ 3,441,417	\$ 3,209,879	\$ 14,791,553
2. Incurred Liabilities							
Claims (Net)	437,093	3,036,082	317,222	5,607,778	-	-	9,398,175
Expenses	-	-	-	-	3,441,417	3,209,879	6,651,296
Total Liabilities	437,093	3,036,082	317,222	5,607,778	3,441,417	3,209,879	16,049,471
3. Underwriting Surplus/(Deficit)	253,788	(922,782)	77,754	(666,678)	-	-	(1,257,918)
4. Adjustments:							
Investment Income						440,221	440,221
Investment Activity (Realized/Unrealized)						43,874	43,874
Recoveries	-	552,074		-			552,074
Transfers							-
Total Adjustments	-	552,074	-	-	-	484,095	1,036,169
5. Gross Current Position/(Deficit)	253,788	(370,708)	77,754	(666,678)	-	484,095	(221,749)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 253,788	\$ (370,708)	\$ 77,754	\$ (666,678)	\$ -	\$ 484,095	\$ (221,749)
Current Year Claims (Net)	\$ 437,093	\$ 3,036,082	\$ 317,222	\$ 5,607,778	\$ -	\$ -	\$ 9,398,175
Prior Year Claims (Net)	437,093	3,535,184	317,222	5,423,577			9,713,076
Net Change in Claims Liabilities	\$ -	\$ (499,102)	\$ -	\$ 184,201	\$ -	\$ -	\$ (314,901)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:							
Regular Contributions	\$ 613,721	\$ 2,164,031	\$ 364,329	\$ 4,608,469	\$ 3,490,113	\$ 3,258,349	\$ 14,499,012
2. Incurred Liabilities							
Claims (Net)	389,789	3,075,538	278,795	4,209,552	-	-	7,953,674
Expenses	-	-	-	-	3,487,963	3,149,211	6,637,174
Total Liabilities	389,789	3,075,538	278,795	4,209,552	3,487,963	3,149,211	14,590,848
3. Underwriting Surplus/(Deficit)	223,932	(911,507)	85,534	398,917	2,150	109,138	(91,836)
4. Adjustments:							
Investment Income						202,682	202,682
Investment Activity (Realized/Unrealized)						104,616	104,616
Recoveries	-	228,023		-			228,023
Transfers							-
Total Adjustments	-	228,023	-	-	-	307,298	535,321
5. Gross Current Position/(Deficit)	223,932	(683,484)	85,534	398,917	2,150	416,436	443,485
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 223,932	\$ (683,484)	\$ 85,534	\$ 398,917	\$ 2,150	\$ 416,436	\$ 443,485
Current Year Claims (Net)	\$ 389,789	\$ 3,075,538	\$ 278,795	\$ 4,209,552	\$ -	\$ -	\$ 7,953,674
Prior Year Claims (Net)	389,787	3,017,988	397,019	4,087,700			7,892,494
Net Change in Claims Liabilities	\$ 2	\$ 57,550	\$ (118,224)	\$ 121,852	\$ -	\$ -	\$ 61,180

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	<u>COVERAGES AND OTHER ACCOUNTS</u>						<u>TOTALS</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>EXCESS INSURANCE POLICIES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	
1. Underwriting Income: Regular Contributions	\$ 849,940	\$ 2,247,750	\$ 445,810	\$ 5,149,929	\$ 3,713,415	\$ 3,519,325	\$ 15,926,169
2. Incurred Liabilities							
Claims (Net)	331,475	2,835,914	2,024,158	5,348,572	-	-	10,540,119
Expenses	-	-	-	-	3,583,325	3,410,553	6,993,878
Total Liabilities	331,475	2,835,914	2,024,158	5,348,572	3,583,325	3,410,553	17,533,997
3. Underwriting Surplus/(Deficit)	518,465	(588,164)	(1,578,348)	(198,643)	130,090	108,772	(1,607,828)
4. Adjustments:							
Investment Income						121,420	121,420
Investment Activity (Realized/Unrealized)						185,520	185,520
Recoveries	-	724,598	795,992	-			1,520,590
Transfers							-
Total Adjustments	-	724,598	795,992	-	-	306,940	1,827,530
5. Gross Current Position/(Deficit)	518,465	136,434	(782,356)	(198,643)	130,090	415,712	219,702
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 518,465	\$ 136,434	\$ (782,356)	\$ (198,643)	\$ 130,090	\$ 415,712	\$ 219,702
Current Year Claims (Net)	\$ 331,475	\$ 2,835,914	\$ 2,024,158	\$ 5,348,572	\$ -	\$ -	\$ 10,540,119
Prior Year Claims (Net)	331,475	2,856,800	2,057,391	5,285,902			10,531,568
Net Change in Claims Liabilities	\$ -	\$ (20,886)	\$ (33,233)	\$ 62,670	\$ -	\$ -	\$ 8,551

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS								TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 1,277,445	\$ 3,025,920	\$ 866,948	\$ 6,699,184	\$ -	\$ -	\$ 3,807,296	\$ 4,128,955	\$ 19,805,748
2. Incurred Liabilities									
Claims (Net)	625,135	3,852,456	885,947	6,415,762	(231,774)	-	-	-	11,547,526
Expenses	-	-	-	-	-	-	3,922,628	4,236,550	8,159,178
Total Liabilities	625,135	3,852,456	885,947	6,415,762	(231,774)	-	3,922,628	4,236,550	19,706,704
3. Underwriting Surplus/(Deficit)	652,310	(826,536)	(18,999)	283,422	231,774	-	(115,332)	(107,595)	99,044
4. Adjustments:									
Investment Income								154,442	154,442
Investment Activity (Realized/Unrealized)								287,399	287,399
Recoveries	7,541	599,356		16,087					622,984
Transfers	-	-	-	-	-	-	-	-	-
Total Adjustments	7,541	599,356	-	16,087	-	-	-	441,841	1,064,825
5. Gross Current Position/(Deficit)	659,851	(227,180)	(18,999)	299,509	231,774	-	(115,332)	334,246	1,163,869
6. Return of Surplus	-	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 659,851	\$ (227,180)	\$ (18,999)	\$ 299,509	\$ 231,774	\$ -	\$ (115,332)	\$ 334,246	\$ 1,163,869
Current Year Claims (Net)	\$ 625,135	\$ 3,852,456	\$ 885,947	\$ 6,415,762	\$ (231,774)	\$ -	\$ -	\$ -	\$ 11,547,526
Prior Year Claims (Net)	625,135	3,991,349	971,299	6,502,886	(519,440)	-	-	-	11,571,229
Net Change in Claims Liabilities	\$ -	\$ (138,893)	\$ (85,352)	\$ (87,124)	\$ 287,666	\$ -	\$ -	\$ -	\$ (23,703)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS								TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:									
Regular Contributions	\$ 608,615	\$ 3,189,775	\$ 688,775	\$ 7,914,047	\$ -	\$ -	\$ 3,771,401	\$ 4,980,624	\$ 21,153,237
2. Incurred Liabilities									
Claims (Net)	878,222	4,353,377	435,468	6,624,641	-	-	-	-	12,291,708
Expenses	-	-	-	-	-	-	4,047,005	5,019,195	9,066,200
Total Liabilities	878,222	4,353,377	435,468	6,624,641	-	-	4,047,005	5,019,195	21,357,908
3. Underwriting Surplus/(Deficit)	(269,607)	(1,163,602)	253,307	1,289,406	-	-	(275,604)	(38,571)	(204,671)
4. Adjustments:									
Investment Income								137,658	137,658
Investment Activity (Realized/Unrealized)								291,352	291,352
Recoveries	373,409	895,573		109,520					1,378,502
Transfers									-
Total Adjustments	373,409	895,573	-	109,520	-	-	-	429,010	1,807,512
5. Gross Current Position/(Deficit)	103,802	(268,029)	253,307	1,398,926	-	-	(275,604)	390,439	1,602,841
6. Return of Surplus	-	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 103,802	\$ (268,029)	\$ 253,307	\$ 1,398,926	\$ -	\$ -	\$ (275,604)	\$ 390,439	\$ 1,602,841
Current Year Claims (Net)	\$ 878,222	\$ 4,353,377	\$ 435,468	\$ 6,624,641	\$ -	\$ -	\$ -	\$ -	\$ 12,291,708
Prior Year Claims (Net)	878,222	4,669,405	389,468	6,498,383	-	-	-	-	12,435,478
Net Change in Claims Liabilities	\$ -	\$ (316,028)	\$ 46,000	\$ 126,258	\$ -	\$ -	\$ -	\$ -	\$ (143,770)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2012 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 600,385	\$ 3,519,853	\$ 669,568	\$ 7,634,344	\$ -	\$ 5,146,362	\$ 6,119,887	\$ 23,690,399
2. Incurred Liabilities								
Claims (Net)	4,735,626	5,790,250	547,764	6,284,864	-	-	-	17,358,504
Expenses	-	-	-	-	-	5,188,128	6,015,415	11,203,543
Total Liabilities	4,735,626	5,790,250	547,764	6,284,864	-	5,188,128	6,015,415	28,562,047
3. Underwriting Surplus/(Deficit)	(4,135,241)	(2,270,397)	121,804	1,349,480	-	(41,766)	104,472	(4,871,648)
4. Adjustments:								
Investment Income							109,379	109,379
Investment Activity (Realized/Unrealized)							35,803	35,803
Recoveries	3,571,231	1,614,226		-	-			5,185,457
Transfers								-
Total Adjustments	3,571,231	1,614,226	-	-	-	-	145,182	5,330,639
5. Gross Current Position/(Deficit)	(564,010)	(656,171)	121,804	1,349,480	-	(41,766)	249,654	458,991
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (564,010)	\$ (656,171)	\$ 121,804	\$ 1,349,480	\$ -	\$ (41,766)	\$ 249,654	\$ 458,991
Current Year Claims (Net)	\$ 4,735,626	\$ 5,790,250	\$ 547,764	\$ 6,284,864	\$ -	\$ -	\$ -	\$ 17,358,504
Prior Year Claims (Net)	4,513,671	5,717,351	514,309	6,210,150	-	-	-	16,955,481
Net Change in Claims Liabilities	\$ 221,955	\$ 72,899	\$ 33,455	\$ 74,714	\$ -	\$ -	\$ -	\$ 403,023

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS							
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	TOTALS
1. Underwriting Income: Regular Contributions	\$ 799,117	\$ 3,552,266	\$ 640,110	\$ 7,377,026	\$ -	\$ 6,161,131	\$ 6,385,095	\$ 24,914,745
2. Incurred Liabilities								
Claims (Net)	972,837	4,536,075	1,199,627	4,894,355	-	-	-	11,602,894
Expenses	-	-	-	-	-	6,173,018	6,314,015	12,487,033
Total Liabilities	972,837	4,536,075	1,199,627	4,894,355	-	6,173,018	6,314,015	24,089,927
3. Underwriting Surplus/(Deficit)	(173,720)	(983,809)	(559,517)	2,482,671	-	(11,887)	71,080	824,818
4. Adjustments:								
Investment Income							111,457	111,457
Investment Activity (Realized/Unrealized)							(11,069)	(11,069)
Recoveries	112,187	462,877		-	-			575,064
Transfers								-
Total Adjustments	112,187	462,877	-	-	-	-	100,388	675,452
5. Gross Current Position/(Deficit)	(61,533)	(520,932)	(559,517)	2,482,671	-	(11,887)	171,468	1,500,270
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (61,533)	\$ (520,932)	\$ (559,517)	\$ 2,482,671	\$ -	\$ (11,887)	\$ 171,468	\$ 1,500,270
Current Year Claims (Net)	\$ 972,837	\$ 4,536,075	\$ 1,199,627	\$ 4,894,355	\$ -	\$ -	\$ -	\$ 11,602,894
Prior Year Claims (Net)	879,418	4,322,764	863,732	5,293,646	-	-	-	11,359,560
Net Change in Claims Liabilities	\$ 93,419	\$ 213,311	\$ 335,895	\$ (399,291)	\$ -	\$ -	\$ -	\$ 243,334

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS							TOTALS	
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE		
1. Underwriting Income:									
Regular Contributions	\$ 953,757	\$ 3,996,799	\$ 765,586	\$ 8,280,324	\$ -	\$ 6,417,518	\$ 7,011,477	\$ 27,425,461	
2. Incurred Liabilities									
Claims (Net)	1,268,001	4,709,821	590,807	8,179,585	97,000	-	-	14,845,214	14,521,369
Expenses	-	-	-	-	-	6,740,966	6,942,632	13,683,598	
Total Liabilities	1,268,001	4,709,821	590,807	8,179,585	97,000	6,740,966	6,942,632	28,528,812	
3. Underwriting Surplus/(Deficit)	(314,244)	(713,022)	174,779	100,739	(97,000)	(323,448)	68,845	(1,103,351)	
4. Adjustments:									
Investment Income							103,750	103,750	
Investment Activity (Realized/Unrealized)							(13,879)	(13,879)	
Recoveries	-	323,845	-	-	-			323,845	
Transfers								-	
Total Adjustments	-	323,845	-	-	-	-	89,871	413,716	
5. Gross Current Position/(Deficit)	(314,244)	(389,177)	174,779	100,739	(97,000)	(323,448)	158,716	(689,635)	
6. Return of Surplus	-	-	-	-	-	-	-	-	
7. Net Current Position/(Deficit)	\$ (314,244)	\$ (389,177)	\$ 174,779	\$ 100,739	\$ (97,000)	\$ (323,448)	\$ 158,716	\$ (689,635)	
Current Year Claims (Net)	\$ 1,268,001	\$ 4,709,821	\$ 590,807	\$ 8,179,585	\$ 97,000	\$ -	\$ -	\$ 14,845,214	
Prior Year Claims (Net)	1,598,536	3,980,144	747,428	7,378,049	356,201			14,060,358	
Net Change in Claims Liabilities	\$ (330,535)	\$ 729,677	\$ (156,621)	\$ 801,536	\$ (259,201)	\$ -	\$ -	\$ 784,856	

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2015 FUND YEAR
CUMULATIVE OPERATING RESULTS ANALYSIS
DECEMBER 31, 2015

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 1,124,404	\$ 4,166,395	\$ 856,299	\$ 8,534,298	\$ -	\$ 6,498,598	\$ 7,019,171	\$ 28,199,165
2. Incurred Liabilities								
Claims (Net)	1,526,951	4,067,664	885,902	7,921,141	665,896	-	-	15,067,554
Expenses	-	-	-	-	-	6,495,715	7,029,228	13,524,943
Total Liabilities	1,526,951	4,067,664	885,902	7,921,141	665,896	6,495,715	7,029,228	28,592,497
3. Underwriting Surplus/(Deficit)	(402,547)	98,731	(29,603)	613,157	(665,896)	2,883	(10,057)	(393,332)
4. Adjustments:								
Investment Income							72,590	72,590
Investment Activity (Realized/Unrealized)							(16,518)	(16,518)
Recoveries	222,951	107,510	-	-	-			330,461
Transfers								-
Total Adjustments	222,951	107,510	-	-	-	-	56,072	386,533
5. Gross Current Position/(Deficit)	(179,596)	206,241	(29,603)	613,157	(665,896)	2,883	46,015	(6,799)
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (179,596)	\$ 206,241	\$ (29,603)	\$ 613,157	\$ (665,896)	\$ 2,883	\$ 46,015	\$ (6,799)
Current Year Claims (Net)	\$ 1,526,951	\$ 4,067,664	\$ 885,902	\$ 7,921,141	\$ 665,896	\$ -	\$ -	\$ 15,067,554
Prior Year Claims (Net)	-	-	-	-	-	-	-	-
Net Change in Claims Liabilities	\$ 1,526,951	\$ 4,067,664	\$ 885,902	\$ 7,921,141	\$ 665,896	\$ -	\$ -	\$ 15,067,554

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
ALL FUND YEARS
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>AGGREGATE RETENTION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 12,613,555	\$ 31,568,102	\$ 6,946,166	\$ 47,079,866	\$ -	\$ -	\$ 98,207,689
Case Reserves	145,068	8,766,526	1,059,514	14,270,893	-	-	24,242,001
IBNR Reserves	<u>222,008</u>	<u>4,518,557</u>	<u>818,230</u>	<u>7,539,394</u>	<u>(231,774)</u>	<u>762,896</u>	<u>13,629,311</u>
Subtotal	<u>12,980,631</u>	<u>44,853,185</u>	<u>8,823,910</u>	<u>68,890,153</u>	<u>(231,774)</u>	<u>762,896</u>	<u>136,079,001</u>
Less:							
Recoveries	<u>4,287,319</u>	<u>6,528,068</u>	<u>1,124,560</u>	<u>1,501,966</u>	<u>-</u>	<u>-</u>	<u>13,441,913</u>
Subtotal	<u>4,287,319</u>	<u>6,528,068</u>	<u>1,124,560</u>	<u>1,501,966</u>	<u>-</u>	<u>-</u>	<u>13,441,913</u>
Claims Expense (Net)	<u>\$ 8,693,312</u>	<u>\$ 38,325,117</u>	<u>\$ 7,699,350</u>	<u>\$ 67,388,187</u>	<u>\$ (231,774)</u>	<u>\$ 762,896</u>	<u>\$ 122,637,088</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2002
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 60,239	\$ 202,200	\$ 36,325	\$ 707,342	\$ 1,006,106
Case Reserves	-	-	-	-	-
IBNR Reserves	-	-	-	-	-
Subtotal	<u>60,239</u>	<u>202,200</u>	<u>36,325</u>	<u>707,342</u>	<u>1,006,106</u>
Less:					
Recoveries		<u>65,917</u>		<u>106,803</u>	<u>172,720</u>
Subtotal	<u>-</u>	<u>65,917</u>	<u>-</u>	<u>106,803</u>	<u>172,720</u>
Claims Expense (Net)	<u>\$ 60,239</u>	<u>\$ 136,283</u>	<u>\$ 36,325</u>	<u>\$ 600,539</u>	<u>\$ 833,386</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2003

DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 208,108	\$ 952,993	\$ 78,546	\$ 1,365,125	\$ 2,604,772
Case Reserves	-	-	-	12,689	12,689
IBNR Reserves	-	-	-	1,267	1,267
Subtotal	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,379,081</u>	<u>2,618,728</u>
Less:					
Recoveries		<u>48,080</u>			<u>48,080</u>
Subtotal	<u>-</u>	<u>48,080</u>	<u>-</u>	<u>-</u>	<u>48,080</u>
Claims Expense (Net)	<u>\$ 208,108</u>	<u>\$ 904,913</u>	<u>\$ 78,546</u>	<u>\$ 1,379,081</u>	<u>\$ 2,570,648</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2004
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 290,414	\$ 2,690,089	\$ 278,743	\$ 2,950,328	\$ 6,209,574
Case Reserves	-	-	-	135,429	135,429
IBNR Reserves	-	-	-	14,239	14,239
Subtotal	<u>290,414</u>	<u>2,690,089</u>	<u>278,743</u>	<u>3,099,996</u>	<u>6,359,242</u>
Less:					
Recoveries	-	259,650		732,393	992,043
Subtotal	<u>-</u>	<u>259,650</u>	<u>-</u>	<u>732,393</u>	<u>992,043</u>
Claims Expense (Net)	<u>\$ 290,414</u>	<u>\$ 2,430,439</u>	<u>\$ 278,743</u>	<u>\$ 2,367,603</u>	<u>\$ 5,367,199</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2005
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 509,718	\$ 2,097,826	\$ 390,467	\$ 3,472,951	\$ 6,470,962
Case Reserves	-	-	-	156,136	156,136
IBNR Reserves	-	-	-	17,447	17,447
Subtotal	<u>509,718</u>	<u>2,097,826</u>	<u>390,467</u>	<u>3,646,534</u>	<u>6,644,545</u>
Less:					
Recoveries		<u>208,910</u>		<u>537,163</u>	<u>746,073</u>
Subtotal	<u>-</u>	<u>208,910</u>	<u>-</u>	<u>537,163</u>	<u>746,073</u>
Claims Expense (Net)	<u>\$ 509,718</u>	<u>\$ 1,888,916</u>	<u>\$ 390,467</u>	<u>\$ 3,109,371</u>	<u>\$ 5,898,472</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2006
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 747,023	\$ 2,652,900	\$ 545,571	\$ 4,209,339	\$ 8,154,833
Case Reserves	-	-	-	303,235	303,235
IBNR Reserves	-	-	-	58,376	58,376
Subtotal	<u>747,023</u>	<u>2,652,900</u>	<u>545,571</u>	<u>4,570,950</u>	<u>8,516,444</u>
Less:					
Recoveries		<u>437,429</u>			<u>437,429</u>
Subtotal	<u>-</u>	<u>437,429</u>	<u>-</u>	<u>-</u>	<u>437,429</u>
Claims Expense (Net)	<u>\$ 747,023</u>	<u>\$ 2,215,471</u>	<u>\$ 545,571</u>	<u>\$ 4,570,950</u>	<u>\$ 8,079,015</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2007
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 437,093	\$ 3,036,082	\$ 317,222	\$ 4,928,662	\$ 8,719,059
Case Reserves	-	-	-	536,771	536,771
IBNR Reserves	-	-	-	142,345	142,345
Subtotal	<u>437,093</u>	<u>3,036,082</u>	<u>317,222</u>	<u>5,607,778</u>	<u>9,398,175</u>
Less:					
Recoveries	-	552,074			552,074
Subtotal	<u>-</u>	<u>552,074</u>	<u>-</u>	<u>-</u>	<u>552,074</u>
Claims Expense (Net)	<u>\$ 437,093</u>	<u>\$ 2,484,008</u>	<u>\$ 317,222</u>	<u>\$ 5,607,778</u>	<u>\$ 8,846,101</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2008
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 389,789	\$ 2,977,805	\$ 278,795	\$ 3,602,098	\$ 7,248,487
Case Reserves	-	95,319	-	473,559	568,878
IBNR Reserves	-	2,414	-	133,895	136,309
Subtotal	<u>389,789</u>	<u>3,075,538</u>	<u>278,795</u>	<u>4,209,552</u>	<u>7,953,674</u>
Less:					
Recoveries		<u>228,023</u>			<u>228,023</u>
Subtotal	<u>-</u>	<u>228,023</u>	<u>-</u>	<u>-</u>	<u>228,023</u>
Claims Expense (Net)	<u>\$ 389,789</u>	<u>\$ 2,847,515</u>	<u>\$ 278,795</u>	<u>\$ 4,209,552</u>	<u>\$ 7,725,651</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2009
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 331,475	\$ 2,651,108	\$ 2,024,158	\$ 4,431,274	\$ 9,438,015
Case Reserves	-	170,939	-	701,585	872,524
IBNR Reserves	-	13,867	-	215,713	229,580
Subtotal	<u>331,475</u>	<u>2,835,914</u>	<u>2,024,158</u>	<u>5,348,572</u>	<u>10,540,119</u>
Less:					
Recoveries		<u>724,598</u>	<u>795,992</u>		<u>1,520,590</u>
Subtotal	<u>-</u>	<u>724,598</u>	<u>795,992</u>	<u>-</u>	<u>1,520,590</u>
Claims Expense (Net)	<u>\$ 331,475</u>	<u>\$ 2,111,316</u>	<u>\$ 1,228,166</u>	<u>\$ 5,348,572</u>	<u>\$ 9,019,529</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2010
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>AGGREGATE RETENTION</u>	<u>TOTALS</u>
Claims Incurred	\$ 625,135	\$ 3,154,850	\$ 885,947	\$ 5,407,146	\$ -	\$ 10,073,078
Case Reserves	-	620,931	-	713,052	-	1,333,983
IBNR Reserves	-	76,675	-	295,564	(231,774)	140,465
Subtotal	<u>625,135</u>	<u>3,852,456</u>	<u>885,947</u>	<u>6,415,762</u>	<u>(231,774)</u>	<u>11,547,526</u>
Less:						
Recoveries	<u>7,541</u>	<u>599,356</u>		<u>16,087</u>		<u>622,984</u>
Subtotal	<u>7,541</u>	<u>599,356</u>	<u>-</u>	<u>16,087</u>	<u>-</u>	<u>622,984</u>
Claims Expense (Net)	<u>\$ 617,594</u>	<u>\$ 3,253,100</u>	<u>\$ 885,947</u>	<u>\$ 6,399,675</u>	<u>\$ (231,774)</u>	<u>\$ 10,924,542</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2011
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 878,222	\$ 4,080,332	\$ 383,652	\$ 4,991,799	\$ 10,334,005
Case Reserves	-	248,010	47,014	1,190,154	1,485,178
IBNR Reserves	-	25,035	4,802	442,688	472,525
Subtotal	<u>878,222</u>	<u>4,353,377</u>	<u>435,468</u>	<u>6,624,641</u>	<u>12,291,708</u>
Less:					
Recoveries	<u>373,409</u>	<u>895,573</u>		<u>109,520</u>	<u>1,378,502</u>
Subtotal	<u>373,409</u>	<u>895,573</u>	<u>-</u>	<u>109,520</u>	<u>1,378,502</u>
Claims Expense (Net)	<u>\$ 504,813</u>	<u>\$ 3,457,804</u>	<u>\$ 435,468</u>	<u>\$ 6,515,121</u>	<u>\$ 10,913,206</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS
 FUND YEAR - 2012
DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 4,734,751	\$ 3,980,123	\$ 334,524	\$ 3,585,405	\$ 12,634,803
Case Reserves	-	1,543,849	170,091	2,001,443	3,715,383
IBNR Reserves	875	266,278	43,149	698,016	1,008,318
Subtotal	<u>4,735,626</u>	<u>5,790,250</u>	<u>547,764</u>	<u>6,284,864</u>	<u>17,358,504</u>
Less:					
Recoveries	<u>3,571,231</u>	<u>1,614,226</u>			<u>5,185,457</u>
Subtotal	<u>3,571,231</u>	<u>1,614,226</u>	<u>-</u>	<u>-</u>	<u>5,185,457</u>
Claims Expense (Net)	<u>\$ 1,164,395</u>	<u>\$ 4,176,024</u>	<u>\$ 547,764</u>	<u>\$ 6,284,864</u>	<u>\$ 12,173,047</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2013

DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 972,496	\$ 2,103,486	\$ 1,023,426	\$ 2,378,457	\$ 6,477,865
Case Reserves	-	2,187,067	458,881	1,880,708	4,526,656
IBNR Reserves	341	245,522	45,888	635,190	926,941
Subtotal	<u>972,837</u>	<u>4,536,075</u>	<u>1,528,195</u>	<u>4,894,355</u>	<u>11,931,462</u>
Less:					
Recoveries	<u>112,187</u>	<u>462,877</u>	<u>328,568</u>		<u>903,632</u>
Subtotal	<u>112,187</u>	<u>462,877</u>	<u>328,568</u>	<u>-</u>	<u>903,632</u>
Claims Expense (Net)	<u>\$ 860,650</u>	<u>\$ 4,073,198</u>	<u>\$ 1,199,627</u>	<u>\$ 4,894,355</u>	<u>\$ 11,027,830</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2014

DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,204,505	\$ 750,076	\$ 206,492	\$ 3,030,378	\$ -	\$ 5,191,451
Case Reserves	46,299	2,610,049	187,746	3,776,564		6,620,658
IBNR Reserves	<u>17,197</u>	<u>1,349,696</u>	<u>196,569</u>	<u>1,372,643</u>	<u>97,000</u>	<u>3,033,105</u>
Subtotal	<u>1,268,001</u>	<u>4,709,821</u>	<u>590,807</u>	<u>8,179,585</u>	<u>97,000</u>	<u>14,845,214</u>
Less:						
Recoveries	<u>-</u>	<u>323,845</u>				<u>323,845</u>
Subtotal	<u>-</u>	<u>323,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,845</u>
Claims Expense (Net)	<u>\$ 1,268,001</u>	<u>\$ 4,385,976</u>	<u>\$ 590,807</u>	<u>\$ 8,179,585</u>	<u>\$ 97,000</u>	<u>\$ 14,521,369</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2015

DECEMBER 31, 2015

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,224,587	\$ 238,232	\$ 162,298	\$ 2,019,562	\$ -	\$ 3,644,679
Case Reserves	98,769	1,290,362	195,782	2,389,568		3,974,481
IBNR Reserves	203,595	2,539,070	527,822	3,512,011	665,896	7,448,394
Subtotal	<u>1,526,951</u>	<u>4,067,664</u>	<u>885,902</u>	<u>7,921,141</u>	<u>665,896</u>	<u>15,067,554</u>
Less:						
Recoveries	<u>222,951</u>	<u>107,510</u>				<u>330,461</u>
Subtotal	<u>222,951</u>	<u>107,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,461</u>
Claims Expense (Net)	<u>\$ 1,304,000</u>	<u>\$ 3,960,154</u>	<u>\$ 885,902</u>	<u>\$ 7,921,141</u>	<u>\$ 665,896</u>	<u>\$ 14,737,093</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2002

REPORT YEAR 2015

Reinsurance:	
Excess Liability Premiums	<u>\$ 1,129,093</u>
Subtotal Reinsurance Expenses	<u>1,129,093</u>
Administrative Expenses:	
Claims Servicing Organization	200,344
Executive Director	26,500
Administrative Consultants	190,288
Legal - General Counsel	24,917
Litigation Management	11,167
Actuary	11,167
Auditor	9,167
Treasurer	6,583
Safety Director	47,894
Underwriting Manager	68,013
Non-Contract Professional Services	23,918
Risk Managers	<u>171,958</u>
Subtotal Administrative Expenses	<u>791,916</u>
Total Expenses	<u><u>\$ 1,921,009</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2003

REPORT YEAR 2015

Reinsurance:

Excess Liability Premiums	\$ 2,282,855
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Subtotal Reinsurance Expenses	<u>2,282,855</u>
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Administrative Expenses:

Claims Servicing Organization	364,956
Administrative Consultants	314,635
Legal - General Counsel	16,780
Litigation Management	16,780
Actuary	11,187
Auditor	11,187
Treasurer	11,187
Safety Director	50,340
Underwriting Manager	105,190
Non-Contract Professional Services	15,971
Risk Managers	<u>335,137</u>

Subtotal Administrative Expenses	<u>1,253,350</u>
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Total Expenses	<u><u>\$ 3,536,205</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2004 FUND YEAR
CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2004REPORT YEAR 2015

Reinsurance:

Excess Liability Premiums	\$ 3,757,561
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Subtotal Reinsurance Expenses	<u>3,757,561</u>
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Administrative Expenses:

Claims Servicing Organization	487,254
Administrative Consultants	436,100
Legal - General Counsel	21,425
Litigation Management	32,140
Actuary	12,855
Auditor	11,355
Treasurer	18,855
Premium Financing Expense	19,842
Safety Director	53,570
Underwriting Manager	149,772
Non-Contract Professional Services	59,828
Risk Managers	<u>475,532</u>

Subtotal Administrative Expenses	<u>1,778,528</u>
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Total Expenses	<u><u>\$ 5,536,089</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2005

REPORT YEAR 2015

Reinsurance:

Excess Liability Premiums	\$ 4,594,367
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Subtotal Reinsurance Expenses	<u>4,594,367</u>
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Administrative Expenses:

Claims Servicing Organization	704,785
Administrative Consultants	617,690
Legal - General Counsel	9,076
Litigation Management	30,000
Actuary	16,136
Auditor	10,500
Treasurer	12,500
Safety Director	68,830
Underwriting Manager	222,746
Non-Contract Professional Services	79,570
Risk Managers	<u>613,642</u>

Subtotal Administrative Expenses	<u>2,385,474</u>
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Total Expenses	<u><u>\$ 6,979,841</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2006 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2006

REPORT YEAR 2015

Excess Insurance:

Excess Insurance Premiums	\$ 3,586,174
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Subtotal Excess Insurance	<u>3,586,174</u>
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Administrative Expenses:

Legal	17,360
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Treasurer	13,750
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Other:

Auditor	12,500
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Administrative Consultant	807,037
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Litigation Management	47,499
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Safety Director	111,201
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Underwriting Manager	269,066
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Non-Contract Professional Services	76,785
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Claims Administration	761,440
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Actuary	29,000
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Risk Management	<u>926,750</u>
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Subtotal Administrative Expenses	<u>3,072,388</u>
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Total Expenses	<u><u>\$ 6,658,562</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2007 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2007

REPORT YEAR 2015

Excess Insurance:

Excess Insurance Premiums	\$ 3,441,417
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Subtotal Excess Insurance	<u>3,441,417</u>
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Administrative Expenses:

Legal	16,412
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Treasurer	22,667
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Other:

Auditor	16,750
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Administrative Consultant	837,258
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Litigation Management	70,000
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Safety Director	150,000
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Underwriting Manager	297,492
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Non-Contract Professional Services	82,294
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Claims Administration	657,950
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Actuary	38,200
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Risk Management	960,849
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Claims Audit	<u>60,007</u>
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Subtotal Administrative Expenses	<u>3,209,879</u>
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Total Expenses	<u><u>\$ 6,651,296</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2008 FUND YEAR
CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2008REPORT YEAR 2015

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 3,487,961</u>
Subtotal Excess Insurance	<u>3,487,961</u>
Administrative Expenses:	
Legal	12,889
Treasurer	22,000
Other:	
Auditor	20,978
Administrative Consultant	816,702
Litigation Management	70,000
Safety Director	355,000
Underwriting Manager	284,711
Non-Contract Professional Services	46,988
Claims Administration	582,203
Actuary	32,700
Risk Management	<u>905,040</u>
Subtotal Administrative Expenses	<u>3,149,211</u>
Total Expenses	<u><u>\$ 6,637,172</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2009

REPORT YEAR 2015

Excess Insurance:

Excess Insurance Premiums	\$ 3,583,325
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Subtotal Excess Insurance	3,583,325
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Administrative Expenses:

Legal	30,368
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Treasurer	22,000
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Other:

Auditor	24,850
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Administrative Consultant	902,002
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Litigation Management	74,020
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Safety Director	392,777
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Underwriting Manager	299,000
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Non-Contract Professional Services	54,814
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Claims Administration	529,828
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Actuary	63,500
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Risk Management	992,234
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Claims Audit	25,160
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Subtotal Administrative Expenses	3,410,553
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Total Expenses	\$ 6,993,878
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2010 FUND YEAR
CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2010REPORT YEAR 2015

Excess Insurance:

Excess Insurance Premiums	\$ 3,922,628
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Subtotal Excess Insurance	<u>3,922,628</u>
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Administrative Expenses:

Legal	16,055
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Treasurer	22,000
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Other:

Auditor	15,000
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Administrative Consultant	1,122,285
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Litigation Management	64,425
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Safety Director	413,962
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Underwriting Manager	375,495
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Non-Contract Professional Services	69,563
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Claims Administration	934,250
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Actuary	46,750
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Risk Management	<u>1,156,764</u>
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Subtotal Administrative Expenses	<u>4,236,549</u>
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Total Expenses	<u><u>\$ 8,159,177</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR
CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2011

REPORT YEAR 2015

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 4,047,005</u>
Subtotal Excess Insurance	<u>4,047,005</u>
Administrative Expenses:	
Legal	24,413
Treasurer	22,000
Other:	
Auditor	17,500
Administrative Consultant	1,188,376
Litigation Management	52,000
Safety Director	396,297
Underwriting Manager	412,982
Non-Contract Professional Services	71,115
Claims Administration	1,527,580
Actuary	35,000
Risk Management	<u>1,271,932</u>
Subtotal Administrative Expenses	<u>5,019,195</u>
Total Expenses	<u><u>\$ 9,066,200</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2012 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2012

REPORT YEAR 2015

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 5,188,128</u>
Subtotal Excess Insurance	<u>5,188,128</u>
Administrative Expenses:	
Legal	31,685
Treasurer	22,000
Other:	
Auditor	15,000
Administrative Consultant	1,330,431
Litigation Management	55,735
Safety Director	69,722
Underwriting Manager	462,348
Non-Contract Professional Services	88,216
Claims Administration	1,802,348
Actuary	67,000
Risk Management	<u>2,070,929</u>
Subtotal Administrative Expenses	<u>6,015,415</u>
Total Expenses	<u><u>\$ 11,203,543</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2013

REPORT YEAR 2015

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 6,173,018</u>
Subtotal Excess Insurance	<u>6,173,018</u>
Administrative Expenses:	
Legal	9,520
Treasurer	22,000
Other:	
Auditor	17,000
Administrative Consultant	1,392,294
Litigation Management	55,000
Safety Director	58,765
Underwriting Manager	483,847
Non-Contract Professional Services	131,656
Claims Administration	1,989,674
Actuary	35,000
Risk Management	<u>2,119,260</u>
Subtotal Administrative Expenses	<u>6,314,015</u>
Total Expenses	<u><u>\$ 12,487,033</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR
 CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2014

REPORT YEAR 2015

Excess Insurance:

Excess Insurance Premiums	\$ 6,740,966
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Subtotal Excess Insurance	<u>6,740,966</u>
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Administrative Expenses:

Legal	11,511
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Treasurer	17,500
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Other:

Auditor	16,092
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Administrative Consultant	1,533,846
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Litigation Management	55,000
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Safety Director	133,369
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Underwriting Manager	533,039
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Non-Contract Professional Services	155,603
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Claims Administration	2,101,251
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Actuary	25,000
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Risk Management	<u>2,360,421</u>
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Subtotal Administrative Expenses	<u>6,942,632</u>
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Total Expenses	<u><u>\$ 13,683,598</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2015 FUND YEAR
CUMULATIVE EXPENSE ANALYSIS
AS OF DECEMBER 31, 2015

REPORT YEAR 2015

Excess Insurance:

Excess Insurance Premiums	\$ 6,495,715
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Subtotal Excess Insurance	<u>6,495,715</u>
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Administrative Expenses:

Legal	17,982
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Treasurer	17,500
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Other:

Auditor	19,919
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Administrative Consultant	1,575,965
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Litigation Management	56,300
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Safety Director	138,851
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Underwriting Manager	547,677
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Non-Contract Professional Services	137,910
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Claims Administration	2,113,835
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Actuary	35,500
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Risk Management	<u>2,367,788</u>
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Subtotal Administrative Expenses	<u>7,029,228</u>
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Total Expenses	<u><u>\$ 13,524,943</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

COMBINED CUMULATIVE OPERATING RESULTS ANALYSIS
 FOR FUND YEARS 2002 THROUGH 2015
DECEMBER 31, 2015

Underwriting Income:	
Regular Contributions	<u>\$ 232,069,001</u>
Expenses:	
Claims:	
Paid	84,765,776
Case Reserves	24,242,001
IBNR Reserves	<u>13,629,311</u>
Claims - Net	<u>122,637,088</u>
Excess Insurance Premiums	58,430,215
Administrative	<u>54,608,337</u>
Total Expenses	<u>113,038,552</u>
Operating (Loss)	(3,606,639)
Non-Operating Income:	
Investment Income	2,903,443
Realized/Unrealized Gain	<u>936,078</u>
Total Non-Operating Income	<u>3,839,521</u>
Net Income	<u>\$ 232,882</u>
Cumulative Net Position - December 31, 2015	<u><u>\$ 232,882</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUNDPROGRAM SUMMARYFUND YEAR 2015DECEMBER 31, 2015COVERAGES

	<u>Property</u>	<u>Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Employment Practices Liability</u>
<u>Limits</u>	\$ 600,000,000	\$ 15,000,000 per occurrence	\$ 15,000,000 per occurrence	Statutory	\$ 15,000,000
<u>Fund Retention</u>					
Specific Aggregate:					
Property	\$ 50,000	\$ 250,000	\$ 250,000	\$ 500,000	\$ 150,000
Auto Property	100,000				
All Lines of Business					
Stop Loss Aggregate	\$ 17,234,314				
<u>Excess Insurers</u>	\$ 600,000,000	The Travelers Insurance Co. provides excess property, auto physical damage and equipment breakdown coverages up to a \$600,000,000 limit in excess of the GSMJIF retention levels above. Brit Global Specialty USA provides excess general, employment practices, public officials, law enforcement, automobile and employers liability coverage up to a \$10 million limit per occurrence. Catlin Specialty Insurance Co. provides \$5 million excess of the \$10 million Brit insurance limit. Brit Global Specialty USA provides \$500,000 in excess of the workers compensation GSMJIF retention level above and Safety National Insurance Co. provides Statutory limits above \$1 million. The Travelers Insurance Co. provides Crime Insurance up to a \$1 million limit, subject to a \$10,000 deductible to members/GSMJIF.			
<u>Numbers of Participants</u>	36	36	36	36	36