

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

December 31, 2017

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Garden State Municipal Joint Insurance Fund (the "Fund") is not included in any other governmental "reporting entity" as defined by Governmental 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 as of and for the years ended December 31, 2017 and 2016. Please read the following in conjunction with the Fund's basic 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

2017

Cash and investments increased by \$3,742,798 (9.6%) to \$42,571,058 in 2017 from \$38,828,261 in 2016 and total assets increased by \$4,530,375 (10.0%) to 49,959,758 in 2017 from \$45,429,384 in 2016.

Claims reserves increased by \$2,693,322 (6.8%) to \$43,029,259 in 2017 from \$40,335,937 in 2016.

Net income was \$1,788,934 in 2017 versus \$4,803,638 in 2016.

2016

Cash and investments increased by \$2,447,079 (6.7%) to \$38,828,261 in 2016 from \$36,381,182 in 2015 and total assets increased by \$6,966,911 (18.1%) to \$45,429,384 in 2016 from \$38,462,473 in 2015.

Claims reserves increased by \$2,176,081 (5.7%) to \$40,335,937 in 2016 from \$38,159,856 in 2015.

Net income was \$4,803,638 in 2016 versus a net loss of \$669,696 in 2015.

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 accounting principles generally accepted in the United States of America. 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/decrease in net position between December 31, 2017, 2016 and 2015:

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

Financial Position (Continued)

	2017	2016	2015	2017-2016 \$ Increase (Decrease)	2017-2016 % Increase (Decrease)
Cash, Cash Equivalents & Investments	\$ 42,571,058	\$ 38,828,261	\$ 36,381,182	3,742,797	10%
Deductible & Co-Insurance Receivables	1,130,507	790,002	835,434	340,505	43%
Recoverable from Excess Carriers	1,615,434	693,052	379,090	922,382	133%
Member SIR Receivables	784,863	679,270	798,785	105,593	16%
Special Assessment Receivable	3,747,016	4,319,975	-	(572,959)	(13%)
Other Assets	110,881	118,824	67,982	(7,943)	(7%)
Total Assets	49,959,759	45,429,384	38,462,473	4,530,375	10%
Total Liabilities	43,134,304	40,392,864	38,229,591	2,741,440	7%
Net Position	\$ 6,825,455	\$ 5,036,520	\$ 232,882	1,788,935	36%

2017

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. During 2017, 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 \$1,915,370 which consists of balances due from its Members representing the Members' deductible and co-insurance amounts on its Employment Practices Liability claims of \$1,130,507 along with Members' claims payments within their Self-Insured Retention of \$784,863. The amount recorded as a receivable at December 31, 2017 is comprised of billed to Members \$965,173 and unbilled \$4,697,213. The unbilled deductibles will be billed as the claim is closed and the special assessment will be billed over a five-year payment plan.

Recoverables from excess carriers represent amounts from claims that exceed retention levels in accordance with the Fund's excess insurance program. The balance of \$1,615,434 as of December 31, 2017 reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2007 through 2012 Fund years of \$796,516 and excess insurance for all other lines of business during the 2004 through 2017 Fund years of \$818,918.

Special assessment receivables include billed and recorded but not billed balances due to the Fund from Members. Other assets relate to accrued interest. The increase in total assets from 2016 primarily resulted from an increase in funds held to meet future obligations.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

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 has 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 statement of net position 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 operations.

Expenses payable represents the liability for expenses incurred at year-end but not paid as of the statement of net position date.

2016

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. During 2016, 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 \$1,469,272 which consists of balances due from its Members representing the Members' deductible and co-insurance amounts on its Employment Practices Liability claims of \$790,002 along with Members' claims payments within their Self Insured Retention of \$679,270. The amount recorded as a receivable at December 31, 2016 is comprised of billed to Members \$881,970 and unbilled \$4,907,277. The unbilled deductibles will be billed as the claim is closed and the special assessment will be billed over a five year payment plan.

Recoverables from excess carriers represent amounts from claims that exceed retention levels in accordance with the Fund's excess insurance program. The balance of \$693,052 as of December 31, 2016 reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2007 through 2012 Fund years of \$432,017 and excess insurance for all other lines of business during the 2004 through 2016 Fund years of \$261,035.

Other assets relate to balances due to the Fund from Members and prepaid expenses for 2017 services paid in 2016. Other assets also include accrued interest. The increase in total assets from 2015 primarily resulted from an increase in funds held to meet future obligations.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

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 has 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 statement of net position 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 operations.

Expenses payable represents the liability for expenses incurred at year-end but not paid as of the statement of net position date.

Results of Operations

The following table summarizes the changes in results of operations between fiscal years 2017, 2016 and 2015:

	2017	2016	2015	2017-2016 \$ Increase (Decrease)	2017-2016 % Increase (Decrease)
Revenues	\$ 30,830,023	\$ 33,406,531	\$ 28,199,165	\$ (2,576,508)	(8%)
Claims	(14,974,665)	(15,375,771)	(15,540,349)	(401,106)	(3%)
Expenses	(14,261,128)	(13,538,466)	(13,524,943)	722,662	5%
Operating income (loss)	1,594,230	4,492,294	(866,127)	(2,898,064)	(65%)
Investment income	194,705	311,344	196,431	(116,639)	(37%)
Change in net position	\$ 1,788,935	\$ 4,803,638	\$ (669,696)	(3,014,703)	(63%)

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 New Jersey Department of Banking and Insurance ("DOBI") and the Department of Community Affairs ("DCA") of the State of New Jersey.

Cash Flow and Liquidity

The following table summarizes the changes in cash flow and liquidity between December 31, 2017, 2016 and 2015:

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, 2017 and 2016, \$128,182 and \$127,102, respectively, of the Fund's cash was invested with the CMF.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

Cash Flow and Liquidity (Continued)

In order to provide for an increase in the yield on investments while managing credit risk, in 2017 and 2016 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 loss adjustment expenses. The Fund has sufficient cash resources to meet its statement of net position liabilities as they become due.

	2017	2016	2015
Cash Flows from Operating Activities			
Cash Contributions Received from Participants and Other Sources	\$ 30,182,384	\$ 28,813,278	\$ 28,536,747
Cash Payments for Goods and Services	(7,483,200)	(7,167,291)	(7,055,386)
Cash Payments for Risk Transfer Premiums	(6,715,166)	(6,328,342)	(6,495,715)
Cash Payments for Costs of Claims	(12,413,843)	(13,161,094)	(13,921,375)
Net Cash Provided by Operating Activities	3,570,175	2,156,551	1,064,271
Cash Flows from Investing Activities			
Purchases of Investments - Net	(3,312,704)	(2,102,877)	(3,134,823)
Investment Income	171,542	290,015	174,170
Net Cash Used by Investing Activities	(3,141,162)	(1,812,862)	(2,960,653)
Net Increase (Decrease) in Cash and Cash Equivalents	429,013	343,689	(1,896,382)
Cash and Cash Equivalents, Beginning of Year	769,455	425,766	2,322,148
Cash and Cash Equivalents, End of Year	\$ 1,198,468	\$ 769,455	\$ 425,766

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.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Garden State Municipal Joint Insurance Fund, Woodbridge, State of New Jersey (the "Fund"), as of and for the years ended December 31, 2017 and 2016, and the related notes to financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

As permitted by the DCA and DOBI, audit procedures were not extended to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) reserve balances, as these assumptions are prepared by the Fund's actuary.

INDEPENDENT AUDITORS' REPORT

Qualified Opinion

In our opinion, the financial statements referred to above, except for the effects of any potential adjustments pertaining to the unaudited IBNR reserve balances as described in the Basis for Qualified Opinion paragraph, present fairly, in all material respects, the financial position of the Fund as of December 31, 2017 and 2016, 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 principles generally accepted in the United States of America require that the management's discussion and analysis on pages one through five and ten year claims development information on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplemental schedules as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Meredien, P.C.

Certified Public Accountants

May 31, 2018

BASIC FINANCIAL STATEMENTS

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

STATEMENTS OF NET POSITION

December 31, 2017 and 2016

	2017	2016
<u>ASSETS</u>		
Cash & Cash Equivalents	\$ 1,198,468	\$ 769,455
Investments	41,372,589	38,058,806
Recoverables from Excess Carriers	1,615,434	693,052
Recoverables Recorded Not Billed	1,000,507	587,302
Special Assessment Recorded Not Billed	3,696,706	4,319,975
Other Receivables:		
Member Self Insurance Retention (SIR)	784,863	679,270
Deductible & Co-Insurance from Members	130,000	202,700
Special Assessment	50,311	-
Accrued Interest	110,881	88,799
Prepaid Expenses	-	30,025
Total Assets	<u>\$ 49,959,759</u>	<u>\$ 45,429,384</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities		
Claims		
Case Reserves	\$ 28,162,179	\$ 26,156,042
IBNR Reserves	14,639,682	13,929,895
Claims Payable	227,398	250,000
Expenses		
Accrued Expenses	105,045	56,927
Total Liabilities	<u>43,134,304</u>	<u>40,392,864</u>
Net Position	<u>\$ 6,825,455</u>	<u>\$ 5,036,520</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>REVENUES</u>		
Assessments - Participating Members	\$ 30,830,023	\$ 29,086,556
Special Assessment 2002-2006	<u>-</u>	<u>4,319,975</u>
Total Revenues	<u>30,830,023</u>	<u>33,406,531</u>
<u>EXPENSES</u>		
Provision for Claims and Claim		
Adjustment Expense - Net	14,974,665	15,375,771
Excess Insurance Premiums	6,715,166	6,328,342
Administrative Expenses	<u>7,545,962</u>	<u>7,210,124</u>
Total Expenses	<u>29,235,793</u>	<u>28,914,237</u>
Operating Income	1,594,230	4,492,294
Non-Operating Income:		
Net Investment Income	<u>194,705</u>	<u>311,344</u>
Total Non-Operating Income	<u>194,705</u>	<u>311,344</u>
Changes in Net Position	1,788,935	4,803,638
Net Position - Beginning of Year	<u>5,036,520</u>	<u>232,882</u>
Net Position - End of Year	<u>\$ 6,825,455</u>	<u>\$ 5,036,520</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Cash Contributions Received from Participants and Other Sources	\$ 30,182,384	\$ 28,813,278
Cash Payments for Goods and Services	(7,483,200)	(7,167,291)
Cash Payments for Risk Transfer Premiums	(6,715,166)	(6,328,342)
Cash Payments for Costs of Claims	(12,413,843)	(13,161,094)
Net Cash Provided by Operating Activities	3,570,175	2,156,551
Cash Flows from Investing Activities		
Purchases of Investments	(3,312,704)	(2,102,877)
Investment Income	171,542	290,015
Net Cash Used by Investing Activities	(3,141,162)	(1,812,862)
Net Increase in Cash and Cash Equivalents	429,013	343,689
Cash and Cash Equivalents, Beginning of Year	769,455	425,766
Cash and Cash Equivalents, End of Year	<u>\$ 1,198,468</u>	<u>\$ 769,455</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	1,594,230	4,492,294
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Change in Assets and Liabilities		
Receivables & Prepaids	(765,495)	(4,499,016)
Claim Reserves	2,693,322	2,176,081
Accrued Expenses	48,118	(12,808)
Net Cash Provided by Operating Activities	<u>\$ 3,570,175</u>	<u>\$ 2,156,551</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Banking and Insurance ("DOBI") and the Department of Community Affairs ("DCA") 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 must remain in the Fund for 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. As of December 31, 2017 and 2016, the Fund has 38 and 37 members in total, respectively.

Member contributions to the Fund for claim payments are based on the actuarial assumptions determined by the Fund's actuary. The Commissioner of DOBI 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 coverages 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

Reporting Entity

Governmental 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 addition, the Fund is not includable in any other reporting entity on the basis of such criteria.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America. The Fund's financial statements are presented as those of an enterprise fund. 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.

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

Income Taxes

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

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.

Unpaid Claim 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 DCA and DOBI, State of New Jersey, the independent auditors' 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.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Recoverables Recorded But Not Billed

During the years ended December 31, 2017 and 2016, 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 status is closed.

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.

Claims Case Reserves

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

Claims Incurred But Not Reported (IBNR) Reserves

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.

Summary of Risk Management Program

A summary of the Fund's Risk Management Program is provided in Schedule E, which are included in the Supplemental Schedules section of this report.

Rounding

Some schedules in the financial statements may have dollar differences due to rounding adjustments.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts on deposit, money market accounts, and short-term investments with original maturities of 90 days or less.

Deposits were with contracted depository banks in interest-bearing accounts that were insured under the New Jersey Governmental Unit Deposit Protection Act ("GUDPA"). All such deposits are held in the Fund's name.

GUDPA permits the deposit of public funds in the State of New Jersey Cash Management Fund or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation ("FDIC") or by any other agencies of the United States that insure deposits. GUDPA requires public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

Each depository participating in the GUDPA system must pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million. The minimum 5% pledge applies to institutions that are categorized as "well capitalized" by federal banking standards. The percentage of the required pledge will increase for institutions that are less than "well capitalized."

No collateral is required for amounts covered by FDIC or National Credit Union Share Insurance Fund ("NCUSIF") insurance. The collateral which may be pledged to support these deposits includes obligations of state and federal governments, insured securities and other collateral approved by the DOBI. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the DOBI requires additional collateral to be pledged.

If a governmental depository fails and the FDIC or NCUSIF insurance does not insure or pay out the full amount of public deposits, the collateral pledged to protect these funds would first be liquidated and paid out. If this amount is insufficient, other institutions holding public funds would be assessed pro rata up to 4% of their uninsured public funds. Although these protections do not constitute a 100% guarantee of the safety of all funds, no governmental unit under GUDPA has ever lost protected deposits.

As of December 31, 2017 and 2016, the carrying value of the Fund's cash and cash equivalents were \$1,198,469 and \$769,455, respectively. As of December 31, 2017 and 2016, the Fund's bank balances were \$2,079,550 and \$1,321,612, respectively, and were exposed to risk as follows:

	2017	2016
Insured and Collateralized	\$ 500,000	\$ 500,000
Uninsured and Collateralized	1,579,550	821,612
Total	<u>\$ 2,079,550</u>	<u>\$ 1,321,612</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2017 and 2016, with respect to the Fund's bank balances, \$500,000 was covered by federal depository insurance and \$1,579,550 and \$821,612, respectively, were 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.

Concentration of Credit Risk – This is the risk associated with the amount of investments the Fund has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and the New Jersey Cash Management Fund are excluded from this requirement. None of the investments held by the Fund are exposed to concentration of credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Fund does not have an investment policy regarding credit risk, however, the Fund had no investments that were subject to credit risks as of December 31, 2017 and 2016.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

C. INVESTMENTS

New Jersey statutes and the cash management plan of the Fund's Board of Commissioners permit the Fund to purchase the following types of investments:

- a) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b) 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.
- c) 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.
- d) Government money market mutual funds.
- e) Repurchase agreements of fully collateralized securities, subject to rules and conditions established by the DCA.
- f) Local government investment pools.
- g) Deposits with the State of New Jersey Cash Management Fund.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

C. INVESTMENTS (CONTINUED)

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 Level 1 investments at December 31, 2017 and 2016, are categorized as follows:

	Risk Category	Market Value	
		2017	2016
New Jersey Cash Management Fund	A	\$ 128,182	\$ 127,102
U.S. Treasury Securities	A	41,244,408	37,931,704
		<u>\$ 41,372,589</u>	<u>\$ 38,058,806</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 years 2017 and 2016, the Fund had unrealized investment gains in the amount of \$105,983 and \$9,092 and unrealized losses of \$317,266 and \$31,741, respectively.

D. 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 DCA.

Inter-year fund transfers require prior approval of the departments of Insurance and Community Affairs. The fund may seek approval from the Commissioners 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.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

D. PERMANENT FUND TRANSFERS (CONTINUED)

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. There were no such transfers during 2017 or 2016.

E. 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.

F. MINIMUM SURPLUS (NET POSITION) REQUIREMENT

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

G. DEFICIT (NET POSITION)

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

At December 31, 2017 and 2016, the following fund years' unrestricted net position were in a deficit position:

Fund Year	2017	2016
2002	\$ (4,410)	\$ -
2004	(105,042)	-
2005	(7,947)	-
2006	(182,609)	-
2007	(268,718)	(264,447)
2012	(257,594)	(2,860)
2014	(2,076,318)	(1,418,192)

Management approved a supplemental assessment/dividend plan in July 2015. In accordance with the plan, which complies with NJSA 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.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

G. DEFICIT (NET POSITION) (CONTINUED)

All other members would be assessed their proportionate share as set forth in NJSA 11:15-2.16 (a) 1 and the Fund's bylaws. The supplemental assessment/dividend plan was implemented in 2017 based on the December 31, 2016, results. The supplemental assessments are being billed based on a five-year installment plan. As of December 31, 2016, the total net deficit for the 2002-2006 years was \$4,319,975. As of December 31, 2017 and 2016, receivables on the supplemental assessment were \$3,696,706 and \$4,319,975, respectively.

H. 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, 2017. 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, 2017 and 2016, 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 due to which the 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 statement of net position as accounts receivable.

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 official's liability, \$150,000 for law enforcement 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. In 2016, the limit was \$250,000 per claim and \$725,000 in total. In 2017, the limit was increased to \$500,000 per claim and \$1,000,000 in total. For the years 2012 through 2017 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 2017.

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.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

H. LOSS RESERVES (CONTINUED)

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, 2017, which have been estimated by the Fund's actuary.

	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	Aggregate Retention	Corridor Losses	Total
2002 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Losses Incurred But Not Reported (IBNR)	-	-	-	4,410	-	-	4,410
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,410</u>
2003 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Losses Incurred But Not Reported (IBNR)	-	-	-	3,732	-	-	3,732
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,732</u>
2004 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 105,961	\$ -	\$ -	\$ 105,961
Losses Incurred But Not Reported (IBNR)	-	-	-	10,596	-	-	10,596
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,557</u>
2005 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 128,227	\$ -	\$ -	\$ 128,227
Losses Incurred But Not Reported (IBNR)	-	50	-	16,555	-	-	16,605
	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 144,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,832</u>
2006 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 375,539	\$ -	\$ -	\$ 375,539
Losses Incurred But Not Reported (IBNR)	-	-	-	40,946	-	-	40,946
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,485</u>
2007 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 422,867	\$ -	\$ -	\$ 422,867
Losses Incurred But Not Reported (IBNR)	-	-	-	45,804	-	-	45,804
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,671</u>
2008 Fund Year:							
Case Reserves	\$ -	\$ 11,764	\$ -	\$ 246,911	\$ -	\$ -	\$ 258,675
Losses Incurred But Not Reported (IBNR)	-	1,176	-	34,223	-	-	35,399
	<u>\$ -</u>	<u>\$ 12,940</u>	<u>\$ -</u>	<u>\$ 281,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,074</u>
2009 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 308,522	\$ -	\$ -	\$ 308,522
Losses Incurred But Not Reported (IBNR)	-	-	-	64,637	-	-	64,637
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,159</u>
2010 Fund Year:							
Case Reserves	\$ -	\$ 108,855	\$ -	\$ 882,555	\$ (257,158)	\$ -	\$ 734,252
Losses Incurred But Not Reported (IBNR)	-	12,027	-	272,626	(284,653)	-	-
	<u>\$ -</u>	<u>\$ 120,882</u>	<u>\$ -</u>	<u>\$ 1,155,181</u>	<u>\$ (541,811)</u>	<u>\$ -</u>	<u>\$ 734,252</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

H. LOSS RESERVES (CONTINUED)

	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	Aggregate Retention	Corridor Losses	Total
2011 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 997,551	\$ -	\$ -	\$ 997,551
Losses Incurred But Not Reported (IBNR)	-	-	-	277,065	-	-	277,065
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,274,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,274,616</u>
2012 Fund Year:							
Case Reserves	\$ 12,930	\$ 80,489	\$ -	\$ 1,754,533	\$ -	\$ -	\$ 1,847,952
Losses Incurred But Not Reported (IBNR)	1,681	10,366	-	538,840	-	-	550,887
	<u>\$ 14,611</u>	<u>\$ 90,855</u>	<u>\$ -</u>	<u>\$ 2,293,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,398,839</u>
2013 Fund Year:							
Case Reserves	\$ -	\$ 362,826	\$ -	\$ 1,407,630	\$ -	\$ -	\$ 1,770,456
Losses Incurred But Not Reported (IBNR)	-	66,710	-	472,256	-	-	538,966
	<u>\$ -</u>	<u>\$ 429,536</u>	<u>\$ -</u>	<u>\$ 1,879,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,309,422</u>
2014 Fund Year:							
Case Reserves	\$ 216	\$ 1,034,933	\$ 304,737	\$ 3,930,770	\$ -	\$ -	\$ 5,270,656
Losses Incurred But Not Reported (IBNR)	22	291,401	13,053	885,081	-	-	1,189,557
	<u>\$ 238</u>	<u>\$ 1,326,334</u>	<u>\$ 317,790</u>	<u>\$ 4,815,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,460,213</u>
2015 Fund Year:							
Case Reserves	\$ 13,215	\$ 2,029,079	\$ 178,492	\$ 3,269,154	\$ -	\$ -	\$ 5,489,940
Losses Incurred But Not Reported (IBNR)	1,322	367,238	98,112	720,713	-	37,802	1,225,187
	<u>\$ 14,537</u>	<u>\$ 2,396,317</u>	<u>\$ 276,604</u>	<u>\$ 3,989,867</u>	<u>\$ -</u>	<u>\$ 37,802</u>	<u>\$ 6,715,127</u>
2016 Fund Year:							
Case Reserves	\$ 24,691	\$ 1,292,883	\$ 67,707	\$ 4,402,975	\$ -	\$ -	\$ 5,788,256
Losses Incurred But Not Reported (IBNR)	17,933	1,593,635	245,678	1,182,507	-	184,869	3,224,622
	<u>\$ 42,624</u>	<u>\$ 2,886,518</u>	<u>\$ 313,385</u>	<u>\$ 5,585,482</u>	<u>\$ -</u>	<u>\$ 184,869</u>	<u>\$ 9,012,878</u>
2017 Fund Year:							
Case Reserves	\$ 153,446	\$ 578,626	\$ 239,107	\$ 3,692,146	\$ -	\$ -	\$ 4,663,325
Losses Incurred But Not Reported (IBNR)	258,229	2,821,797	655,806	3,079,562	-	595,875	7,411,269
	<u>\$ 411,675</u>	<u>\$ 3,400,423</u>	<u>\$ 894,913</u>	<u>\$ 6,771,708</u>	<u>\$ -</u>	<u>\$ 595,875</u>	<u>\$ 12,074,594</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

H. LOSS RESERVES (CONTINUED)

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, 2016, which have been estimated by the Fund's actuary.

	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	Aggregate Retention	Corridor Losses	Total
2002 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Losses Incurred But Not Reported (IBNR)	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2003 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Losses Incurred But Not Reported (IBNR)	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2004 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 23,632	\$ -	\$ -	\$ 23,632
Losses Incurred But Not Reported (IBNR)	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,632</u>
2005 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 182,396	\$ -	\$ -	\$ 182,396
Losses Incurred But Not Reported (IBNR)	-	-	-	21,447	-	-	21,447
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,843</u>
2006 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 241,642	\$ -	\$ -	\$ 241,642
Losses Incurred But Not Reported (IBNR)	-	-	-	25,825	-	-	25,825
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,467</u>
2007 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 462,884	\$ -	\$ -	\$ 462,884
Losses Incurred But Not Reported (IBNR)	-	-	-	74,233	-	-	74,233
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,117</u>
2008 Fund Year:							
Case Reserves	\$ -	\$ 65,389	\$ -	\$ 336,114	\$ -	\$ -	\$ 401,503
Losses Incurred But Not Reported (IBNR)	-	6,539	-	73,276	-	-	79,815
	<u>\$ -</u>	<u>\$ 71,928</u>	<u>\$ -</u>	<u>\$ 409,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,318</u>
2009 Fund Year:							
Case Reserves	\$ -	\$ 47,324	\$ -	\$ 562,935	\$ -	\$ -	\$ 610,259
Losses Incurred But Not Reported (IBNR)	-	-	-	172,493	-	-	172,493
	<u>\$ -</u>	<u>\$ 47,324</u>	<u>\$ -</u>	<u>\$ 735,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 782,752</u>
2010 Fund Year:							
Case Reserves	\$ -	\$ 339,878	\$ -	\$ 740,845	\$ (101,437)	\$ -	\$ 979,286
Losses Incurred But Not Reported (IBNR)	-	36,478	-	279,765	(316,243)	-	-
	<u>\$ -</u>	<u>\$ 376,356</u>	<u>\$ -</u>	<u>\$ 1,020,610</u>	<u>\$ (417,680)</u>	<u>\$ -</u>	<u>\$ 979,286</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

H. LOSS RESERVES (CONTINUED)

	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	Aggregate Retention	Corridor Losses	Total
2011 Fund Year:							
Case Reserves	\$ -	\$ 67,821	\$ 26,639	\$ 732,191	\$ -	\$ -	\$ 826,651
Losses Incurred But Not Reported (IBNR)	-	6,970	2,801	318,380	-	-	328,151
	<u>\$ -</u>	<u>\$ 74,791</u>	<u>\$ 29,440</u>	<u>\$ 1,050,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,154,802</u>
2012 Fund Year:							
Case Reserves	\$ -	\$ 755,306	\$ 22,657	\$ 1,935,197	\$ -	\$ -	\$ 2,713,160
Losses Incurred But Not Reported (IBNR)	-	101,978	2,376	561,755	-	50,446	716,555
	<u>\$ -</u>	<u>\$ 857,284</u>	<u>\$ 25,033</u>	<u>\$ 2,496,952</u>	<u>\$ -</u>	<u>\$ 50,446</u>	<u>\$ 3,429,715</u>
2013 Fund Year:							
Case Reserves	\$ -	\$ 929,718	\$ 126,304	\$ 1,626,031	\$ -	\$ -	\$ 2,682,053
Losses Incurred But Not Reported (IBNR)	-	131,698	40,579	467,162	-	-	639,439
	<u>\$ -</u>	<u>\$ 1,061,416</u>	<u>\$ 166,883</u>	<u>\$ 2,093,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,321,492</u>
2014 Fund Year:							
Case Reserves	\$ 1,980	\$ 2,279,312	\$ 425,131	\$ 4,288,091	\$ -	\$ -	\$ 6,994,514
Losses Incurred But Not Reported (IBNR)	198	481,590	25,660	711,275	-	-	1,218,723
	<u>\$ 2,178</u>	<u>\$ 2,760,902</u>	<u>\$ 450,791</u>	<u>\$ 4,999,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,213,237</u>
2015 Fund Year:							
Case Reserves	\$ 17,916	\$ 2,008,278	\$ 110,283	\$ 3,951,559	\$ -	\$ -	\$ 6,088,036
Losses Incurred But Not Reported (IBNR)	7,750	1,373,787	310,958	1,452,096	-	6,038	3,150,629
	<u>\$ 25,666</u>	<u>\$ 3,382,065</u>	<u>\$ 421,241</u>	<u>\$ 5,403,655</u>	<u>\$ -</u>	<u>\$ 6,038</u>	<u>\$ 9,238,665</u>
2016 Fund Year:							
Case Reserves	\$ 320,845	\$ 514,610	\$ 143,414	\$ 2,971,159	\$ -	\$ -	\$ 3,950,028
Losses Incurred But Not Reported (IBNR)	218,762	2,570,714	525,288	4,101,178	-	86,693	7,502,635
	<u>\$ 539,607</u>	<u>\$ 3,085,324</u>	<u>\$ 668,702</u>	<u>\$ 7,072,337</u>	<u>\$ -</u>	<u>\$ 86,693</u>	<u>\$ 11,452,663</u>

I. RELATED PARTIES

The Fund pays underwriting fees, risk management fees and claims handling fees to an affiliated company of the Fund's administrator. For the years ended December 31, 2017 and 2016, the Fund paid \$4,289,450 and \$4,058,714, respectively, to the Fund's administrator as per the management agreement.

J. CHANGES IN UNPAID CLAIMS AND LIABILITIES

As discussed in Note A, 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 2017 and 2016 for all open fund years net of excess insurance recoveries.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

J. CHANGES IN UNPAID CLAIMS AND LIABILITIES (CONTINUED)

	<u>2017</u>	<u>2016</u>
Total Unpaid Claims and Claim Adjustment Expenses – All Fund Years – Beginning of Year	\$ 26,156,042	\$ 24,242,036
Incurring Claims and Claims Adjustment Expenses:		
Provision for Insured Events – Current Year	7,741,671	7,165,630
Changes in Provision for Insured Events – Prior Years	<u>6,678,309</u>	<u>7,909,470</u>
Total Incurred Claims and Claim Adjustment Expenses - All Fund Years - Subtotal	<u>14,419,980</u>	<u>15,075,100</u>
Subtotal	40,576,022	39,317,136
Payments:		
Claims and Claim Adjustment Expenses	<u>(12,413,843)</u>	<u>(13,161,094)</u>
Total Unpaid Claims and Claim Adjustment Expenses – All Fund Years – End of Year	<u>\$ 28,162,179</u>	<u>\$ 26,156,042</u>

K. PENDING LITIGATION

The Fund has not been named in any lawsuits. In addition, there are no matters of pending or threatened litigation involving the Fund.

REQUIRED SUPPLEMENTARY INFORMATION

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

TEN YEAR CLAIMS DEVELOPMENT INFORMATION

Exhibit A

	Fund Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Underwriting Income-Required Contribution	\$ 14,499,012	\$ 15,926,169	\$ 19,805,748	\$ 21,178,634	\$ 23,665,002	\$ 24,914,745	\$ 27,425,461	\$ 28,199,165	\$ 33,406,531	\$ 30,830,022
Investment Income	326,221	111,464	71,632	1,000,641	103,937	99,094	153,655	196,431	311,344	194,704
	14,825,233	16,037,633	19,877,380	22,179,275	23,768,939	25,013,839	27,579,116	28,395,596	33,717,875	31,024,726
Excess Insurance Premiums	3,487,963	3,583,325	3,922,628	4,047,005	5,188,128	6,173,018	6,740,965	6,495,715	6,328,342	6,715,166
Administrative Expenses	3,149,211	3,410,553	4,236,550	5,019,195	6,015,415	6,314,015	6,942,632	7,029,228	7,210,124	7,545,961
	6,637,174	6,993,878	8,159,178	9,066,200	11,203,543	12,487,033	13,683,597	13,524,943	13,538,466	14,261,127
Estimated Incurred Claims-End of Policy Year	4,170,445	3,994,583	5,128,034	7,179,328	3,733,564	4,511,560	7,864,092	7,288,699	7,165,630	7,741,671
Cumulative Paid Claims:										
End of Policy Year	2,017,676	1,331,389	1,637,274	2,226,336	1,621,622	1,684,640	2,889,876	3,314,218	3,215,602	3,078,346
One Year Later	3,104,737	2,637,872	4,030,948	4,319,480	3,683,581	3,256,600	4,867,606	5,281,474	5,269,502	-
Two Years Later	3,952,312	3,973,287	5,838,352	6,064,970	5,318,580	5,574,233	7,084,952	6,914,958	-	-
Three Years Later	5,068,853	5,188,102	7,189,958	7,720,987	7,449,346	7,077,435	9,513,683	-	-	-
Four Years Later	6,015,981	6,392,182	8,344,750	8,955,503	9,228,910	8,043,687	-	-	-	-
Five Years Later	6,321,401	7,291,140	9,450,094	9,849,861	10,522,666	-	-	-	-	-
Six Years Later	6,613,524	7,917,425	9,986,783	9,947,020	-	-	-	-	-	-
Seven Years Later	7,020,464	8,357,704	10,231,817	-	-	-	-	-	-	-
Eight Years Later	7,152,131	8,689,478	-	-	-	-	-	-	-	-
Nine Years Later	7,147,104	-	-	-	-	-	-	-	-	-
Cumulative Incurred Claims:										
End of Policy Year	4,170,445	3,994,583	5,128,034	7,179,328	3,733,564	4,511,560	7,864,092	7,288,699	7,165,630	7,741,671
One Year Later	5,715,141	5,901,697	8,754,162	8,553,900	8,049,395	8,387,172	11,488,264	11,369,510	11,057,758	-
Two Years Later	6,771,492	7,802,830	9,537,686	10,273,911	10,528,102	10,100,889	14,079,466	12,404,898	-	-
Three Years Later	7,048,966	8,279,113	10,953,106	10,631,239	11,164,729	9,759,488	14,784,339	-	-	-
Four Years Later	7,753,370	8,606,359	10,849,436	10,440,681	11,942,070	9,814,143	-	-	-	-
Five Years Later	7,384,166	8,741,996	10,784,077	10,676,512	12,370,618	-	-	-	-	-
Six Years Later	7,329,338	8,789,949	10,966,069	10,944,571	-	-	-	-	-	-
Seven Years Later	7,589,342	8,967,963	10,966,069	-	-	-	-	-	-	-
Eight Years Later	7,553,634	8,998,000	-	-	-	-	-	-	-	-
Nine Years Later	7,405,779	-	-	-	-	-	-	-	-	-
Increase in Cumulative Incurred Claims from End of Policy Year	<u>\$ (3,235,334)</u>	<u>\$ (5,003,417)</u>	<u>\$ (5,838,035)</u>	<u>\$ (3,765,243)</u>	<u>\$ (8,637,054)</u>	<u>\$ (5,302,583)</u>	<u>\$ (6,920,247)</u>	<u>\$ (5,116,199)</u>	<u>\$ (3,892,128)</u>	<u>\$ -</u>

SUPPLEMENTAL SCHEDULES

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

OPERATING RESULTS ANALYSIS – ALL YEARS COMBINED Year Ended December 31, 2017

Schedule A

	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	\$ 11,467,857	\$ 43,334,344	\$ 9,163,696	\$ 87,490,941	\$ -	\$ -	\$ 70,554,430	\$ 69,974,311	\$ 291,985,579
Special Assessment	649,498	1,255,268	(225,912)	4,124,600	-	-	-	(1,483,498)	4,319,956
	<u>12,117,355</u>	<u>44,589,612</u>	<u>8,937,784</u>	<u>91,615,541</u>	<u>-</u>	<u>-</u>	<u>70,554,430</u>	<u>68,490,813</u>	<u>296,305,535</u>
2. Incurred Liabilities									
Claims (Net)	16,471,336	53,502,039	10,075,599	90,641,662	(541,811)	818,546	-		170,967,371
Expenses	-	-	-	-	-	-	71,473,724	69,364,423	140,838,146
	<u>16,471,336</u>	<u>53,502,039</u>	<u>10,075,599</u>	<u>90,641,662</u>	<u>(541,811)</u>	<u>818,546</u>	<u>71,473,724</u>	<u>69,364,423</u>	<u>311,805,517</u>
3. Underwriting Surplus/(Deficit)	<u>(4,353,981)</u>	<u>(8,912,427)</u>	<u>(1,137,815)</u>	<u>973,879</u>	<u>541,811</u>	<u>(818,546)</u>	<u>(919,294)</u>	<u>(873,610)</u>	<u>(15,499,982)</u>
4. Adjustments:									
Investment Income	-	-	-	-	-	-	-	3,640,975	3,640,975
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-	704,595	704,595
Recoveries	4,783,477	10,176,997	1,135,565	1,883,828	-	-	-	-	17,979,867
Transfers	-	-	-	-	-	-	-	-	-
	<u>4,783,477</u>	<u>10,176,997</u>	<u>1,135,565</u>	<u>1,883,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,345,570</u>	<u>22,325,437</u>
5. Gross Operating Surplus/(Deficit)	<u>429,496</u>	<u>1,264,570</u>	<u>(2,250)</u>	<u>2,857,707</u>	<u>541,811</u>	<u>(818,546)</u>	<u>(919,294)</u>	<u>3,471,960</u>	<u>6,825,455</u>
6. Return of Surplus	-	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ 429,496</u>	<u>\$ 1,264,570</u>	<u>\$ (2,250)</u>	<u>\$ 2,857,707</u>	<u>\$ 541,811</u>	<u>\$ (818,546)</u>	<u>\$ (919,294)</u>	<u>\$ 3,471,960</u>	<u>\$ 6,825,455</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2017 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-1

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 1,391,962	\$ 4,808,820	\$ 1,001,415	\$ 9,309,169	\$ -	\$ 6,739,347	\$ 7,579,309	\$ 30,830,022
2. Incurred Liabilities								
Claims (Net)	1,803,302	3,543,725	997,241	8,277,566	595,875	-	-	15,217,709
Expenses	-	-	-	-	-	6,715,166	7,545,961	14,261,127
Total Liabilities	1,803,302	3,543,725	997,241	8,277,566	595,875	6,715,166	7,545,961	29,478,836
3. Underwriting Surplus/(Deficit)	(411,340)	1,265,095	4,174	1,031,603	(595,875)	24,181	33,348	1,351,186
4. Adjustments:								
Investment Income	-	-	-	-	-	-	117,863	117,863
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	(61,338)	(61,338)
Recoveries	4,302	60,467	-	-	-	-	-	64,769
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	4,302	60,467	-	-	-	-	56,525	121,294
5. Gross Current Position/(Deficit)	(407,038)	1,325,562	4,174	1,031,603	(595,875)	24,181	89,873	1,472,480
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (407,038)	\$ 1,325,562	\$ 4,174	\$ 1,031,603	\$ (595,875)	\$ 24,181	\$ 89,873	\$ 1,472,480
Current Year Claims (Net)	\$ 1,803,302	\$ 3,543,725	\$ 997,241	\$ 8,277,566	\$ 595,875	\$ -	\$ -	\$ 15,217,709
Prior Year Claims (Net)	-	-	-	-	-	-	-	-
Net Change in Claims Liabilities	\$ 1,803,302	\$ 3,543,725	\$ 997,241	\$ 8,277,566	\$ 595,875	\$ -	\$ -	\$ 15,217,709

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2016 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-2

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 1,394,916	\$ 4,217,417	\$ 914,316	\$ 9,061,541	\$ -	\$ 6,017,782	\$ 7,480,584	\$ 29,086,556
2. Incurred Liabilities								
Claims (Net)	1,942,370	3,585,974	508,610	8,633,767	184,869	-	-	14,855,590
Expenses	-	-	-	-	-	6,328,342	7,210,125	13,538,467
Total Liabilities	1,942,370	3,585,974	508,610	8,633,767	184,869	6,328,342	7,210,125	28,394,057
3. Underwriting Surplus/(Deficit)	(547,454)	631,443	405,706	427,774	(184,869)	(310,560)	270,459	692,499
4. Adjustments:								
Investment Income	-	-	-	-	-	-	185,444	185,444
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	(52,550)	(52,550)
Recoveries	424,371	148,839	-	-	-	-	-	573,210
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	424,371	148,839	-	-	-	-	132,894	706,104
5. Gross Current Position/(Deficit)	(123,083)	780,282	405,706	427,774	(184,869)	(310,560)	403,353	1,398,603
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (123,083)	\$ 780,282	\$ 405,706	\$ 427,774	\$ (184,869)	\$ (310,560)	\$ 403,353	\$ 1,398,603
Current Year Claims (Net)	\$ 1,942,370	\$ 3,585,974	\$ 508,610	\$ 8,633,767	\$ 184,869	\$ -	\$ -	\$ 14,855,590
Prior Year Claims (Net)	1,796,153	3,276,043	821,854	8,827,528	86,693	-	-	14,808,271
Net Change in Claims Liabilities	\$ 146,217	\$ 309,931	\$ (313,244)	\$ (193,761)	\$ 98,176	\$ -	\$ -	\$ 47,319

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2015 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-3

	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)	1,236,203	4,298,133	656,390	8,032,655	37,802	-	-	14,261,183
Expenses	-	-	-	-	-	6,495,715	7,029,228	13,524,943
Total Liabilities	1,236,203	4,298,133	656,390	8,032,655	37,802	6,495,715	7,029,228	27,786,126
3. Underwriting Surplus/(Deficit)	(111,799)	(131,738)	199,909	501,643	(37,802)	2,883	(10,057)	413,039
4. Adjustments:								
Investment Income	-	-	-	-	-	-	213,225	213,225
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	(56,240)	(56,240)
Recoveries	222,951	408,147	-	-	-	-	-	631,098
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	222,951	408,147	-	-	-	-	156,985	788,083
5. Gross Current Position/(Deficit)	111,152	276,409	199,909	501,643	(37,802)	2,883	146,928	1,201,122
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 111,152	\$ 276,409	\$ 199,909	\$ 501,643	\$ (37,802)	\$ 2,883	\$ 146,928	\$ 1,201,122
Current Year Claims (Net)	\$ 1,236,203	\$ 4,298,133	\$ 656,390	\$ 8,032,655	\$ 37,802	\$ -	\$ -	\$ 14,261,183
Prior Year Claims (Net)	1,250,951	4,233,806	655,803	8,814,184	6,038	-	-	14,960,782
Net Change in Claims Liabilities	\$ (14,748)	\$ 64,327	\$ 587	\$ (781,529)	\$ 31,764	\$ -	\$ -	\$ (699,599)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-4

	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)	1,235,142	5,012,759	663,372	9,866,078	-	-	-	16,777,351
Expenses	-	-	-	-	-	6,740,966	6,942,632	13,683,598
Total Liabilities	1,235,142	5,012,759	663,372	9,866,078	-	6,740,966	6,942,632	30,460,949
3. Underwriting Surplus/(Deficit)	(281,385)	(1,015,960)	102,214	(1,585,754)	-	(323,448)	68,845	(3,035,488)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	191,809	191,809
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	(36,094)	(36,094)
Recoveries	-	803,455	-	-	-	-	-	803,455
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	-	803,455	-	-	-	-	155,715	959,170
5. Gross Current Position/(Deficit)	(281,385)	(212,505)	102,214	(1,585,754)	-	(323,448)	224,560	(2,076,318)
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ (281,385)</u>	<u>\$ (212,505)</u>	<u>\$ 102,214</u>	<u>\$ (1,585,754)</u>	<u>\$ -</u>	<u>\$ (323,448)</u>	<u>\$ 224,560</u>	<u>\$ (2,076,318)</u>
Current Year Claims (Net)	\$ 1,235,142	\$ 5,012,759	\$ 663,372	\$ 9,866,078	\$ -	\$ -	\$ -	\$ 16,777,351
Prior Year Claims (Net)	1,230,275	4,927,536	683,109	9,035,626	-	-	-	15,876,546
Net Change in Claims Liabilities	<u>\$ 4,867</u>	<u>\$ 85,223</u>	<u>\$ (19,737)</u>	<u>\$ 830,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,805</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-5

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
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)	973,733	5,708,897	1,531,990	4,938,346	-	-	-	13,152,966
Expenses	-	-	-	-	-	6,173,018	6,314,015	12,487,033
Total Liabilities	973,733	5,708,897	1,531,990	4,938,346	-	6,173,018	6,314,015	25,639,999
3. Underwriting Surplus/(Deficit)	(174,616)	(2,156,631)	(891,880)	2,438,680	-	(11,887)	71,080	(725,254)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	191,252	191,252
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	(33,529)	(33,529)
Recoveries	112,187	2,348,097	339,573	-	-	-	-	2,799,857
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	112,187	2,348,097	339,573	-	-	-	157,723	2,957,580
5. Gross Current Position/(Deficit)	(62,429)	191,466	(552,307)	2,438,680	-	(11,887)	228,803	2,232,326
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (62,429)	\$ 191,466	\$ (552,307)	\$ 2,438,680	\$ -	\$ (11,887)	\$ 228,803	\$ 2,232,326
Current Year Claims (Net)	\$ 973,733	\$ 5,708,897	\$ 1,531,990	\$ 4,938,346	\$ -	\$ -	\$ -	\$ 13,152,966
Prior Year Claims (Net)	973,237	4,506,727	1,511,724	4,879,262	-	-	-	11,870,950
Net Change in Claims Liabilities	\$ 496	\$ 1,202,170	\$ 20,266	\$ 59,084	\$ -	\$ -	\$ -	\$ 1,282,016

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2012 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-6

	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)	4,816,716	6,181,775	455,672	7,460,389	-	-	-	18,914,552
Expenses	-	-	-	-	-	5,188,128	6,015,415	11,203,543
Total Liabilities	4,816,716	6,181,775	455,672	7,460,389	-	5,188,128	6,015,415	30,118,095
3. Underwriting Surplus/(Deficit)	(4,216,331)	(2,661,922)	213,896	173,955	-	(41,766)	104,472	(6,427,696)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	151,644	151,644
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	25,411	25,411
Recoveries	3,638,716	2,354,331	-	-	-	-	-	5,993,047
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	3,638,716	2,354,331	-	-	-	-	177,055	6,170,102
5. Gross Current Position/(Deficit)	(577,615)	(307,591)	213,896	173,955	-	(41,766)	281,527	(257,594)
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (577,615)	\$ (307,591)	\$ 213,896	\$ 173,955	\$ -	\$ (41,766)	\$ 281,527	\$ (257,594)
Current Year Claims (Net)	\$ 4,816,716	\$ 6,181,775	\$ 455,672	\$ 7,460,389	\$ -	\$ -	\$ -	\$ 18,914,552
Prior Year Claims (Net)	4,801,226	5,707,228	491,764	6,941,635	50,446	-	-	17,992,299
Net Change in Claims Liabilities	\$ 15,490	\$ 474,547	\$ (36,092)	\$ 518,754	\$ (50,446)	\$ -	\$ -	\$ 922,253

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-7

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	
1. Underwriting Income:								
Regular Contributions	\$ 608,615	\$ 3,189,775	\$ 688,775	\$ 7,914,047	\$ -	\$ -	\$ 3,771,401	\$ 21,153,237
2. Incurred Liabilities								
Claims (Net)	878,222	4,183,976	407,608	7,218,372	-	-	-	12,688,178
Expenses	-	-	-	-	-	-	4,047,005	9,066,200
Total Liabilities	878,222	4,183,976	407,608	7,218,372	-	-	4,047,005	21,754,378
3. Underwriting Surplus/(Deficit)	(269,607)	(994,201)	281,167	695,675	-	-	(275,604)	(601,141)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	-	173,602
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-	280,614
Recoveries	373,409	895,565	-	197,568	-	-	-	1,466,542
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	373,409	895,565	-	197,568	-	-	-	1,920,758
5. Gross Current Position/(Deficit)	103,802	(98,636)	281,167	893,243	-	-	(275,604)	1,319,617
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 103,802	\$ (98,636)	\$ 281,167	\$ 893,243	\$ -	\$ -	\$ (275,604)	\$ 1,319,617
Current Year Claims (Net)	\$ 878,222	\$ 4,183,976	\$ 407,608	\$ 7,218,372	\$ -	\$ -	\$ -	\$ 12,688,178
Prior Year Claims (Net)	878,222	4,258,209	418,468	6,899,576	-	-	-	12,454,475
Net Change in Claims Liabilities	\$ -	\$ (74,233)	\$ (10,860)	\$ 318,796	\$ -	\$ -	\$ -	\$ 233,703

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR OPERATING RESULTS ANALYSIS Year Ended December 31, 2017

Schedule A-8

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	
1. Underwriting Income:								
Regular Contributions	\$ 1,277,445	\$ 3,025,920	\$ 866,948	\$ 6,699,184	\$ -	\$ -	\$ 3,807,296	\$ 19,805,748
2. Incurred Liabilities								
Claims (Net)	625,135	3,605,377	898,567	7,073,328	(541,811)	-	-	11,660,596
Expenses	-	-	-	-	-	-	3,922,628	8,159,178
Total Liabilities	625,135	3,605,377	898,567	7,073,328	(541,811)	-	3,922,628	19,819,774
3. Underwriting Surplus/(Deficit)	652,310	(579,457)	(31,619)	(374,144)	541,811	-	(115,332)	(14,026)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	-	180,021
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-	280,162
Recoveries	7,541	624,919	-	62,067	-	-	-	694,527
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	7,541	624,919	-	62,067	-	-	-	1,154,710
5. Gross Current Position/(Deficit)	659,851	45,462	(31,619)	(312,077)	541,811	-	(115,332)	1,140,684
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 659,851	\$ 45,462	\$ (31,619)	\$ (312,077)	\$ 541,811	\$ -	\$ (115,332)	\$ 1,140,684
Current Year Claims (Net)	\$ 625,135	\$ 3,605,377	\$ 898,567	\$ 7,073,328	\$ (541,811)	\$ -	\$ -	\$ 11,660,596
Prior Year Claims (Net)	625,135	3,678,701	898,567	6,842,555	(417,680)	-	-	11,627,278
Net Change in Claims Liabilities	\$ -	\$ (73,324)	\$ -	\$ 230,773	\$ (124,131)	\$ -	\$ -	\$ 33,318

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-9

	COVERAGES AND OTHER ACCOUNTS						
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	TOTALS
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	2,791,489	2,030,480	5,525,086	-	-	10,678,530
Expenses	-	-	-	-	3,583,325	3,410,553	6,993,878
Total Liabilities	331,475	2,791,489	2,030,480	5,525,086	3,583,325	3,410,553	17,672,408
3. Underwriting Surplus/(Deficit)	518,465	(543,739)	(1,584,670)	(375,157)	130,090	108,772	(1,746,239)
4. Adjustments:							
Investment Income	-	-	-	-	-	127,231	127,231
Investment Activity (Realized/Unrealized)	-	-	-	-	-	184,396	184,396
Recoveries	-	724,598	795,992	95,303	-	-	1,615,893
Transfers	-	-	-	-	-	-	-
Total Adjustments	-	724,598	795,992	95,303	-	311,627	1,927,520
5. Gross Current Position/(Deficit)	518,465	180,859	(788,678)	(279,854)	130,090	420,399	181,281
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 518,465	\$ 180,859	\$ (788,678)	\$ (279,854)	\$ 130,090	\$ 420,399	\$ 181,281
Current Year Claims (Net)	\$ 331,475	\$ 2,791,489	\$ 2,030,480	\$ 5,525,086	\$ -	\$ -	\$ 10,678,530
Prior Year Claims (Net)	331,475	2,837,714	2,030,480	5,483,177	-	-	10,682,846
Net Change in Claims Liabilities	\$ -	\$ (46,225)	\$ -	\$ 41,909	\$ -	\$ -	\$ (4,316)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-10

	COVERAGES AND OTHER ACCOUNTS						
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	TOTALS
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	2,937,926	278,795	4,062,691	-	-	7,669,201
Expenses	-	-	-	-	3,487,963	3,149,211	6,637,174
Total Liabilities	389,789	2,937,926	278,795	4,062,691	3,487,963	3,149,211	14,306,375
3. Underwriting Surplus/(Deficit)	223,932	(773,895)	85,534	545,778	2,150	109,138	192,637
4. Adjustments:							
Investment Income	-	-	-	-	-	213,842	213,842
Investment Activity (Realized/Unrealized)	-	-	-	-	-	101,211	101,211
Recoveries	-	228,023	-	-	-	-	228,023
Transfers	-	-	-	-	-	-	-
Total Adjustments	-	228,023	-	-	-	315,053	543,076
5. Gross Current Position/(Deficit)	223,932	(545,872)	85,534	545,778	2,150	424,191	735,713
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 223,932	\$ (545,872)	\$ 85,534	\$ 545,778	\$ 2,150	\$ 424,191	\$ 735,713
Current Year Claims (Net)	\$ 389,789	\$ 2,937,926	\$ 278,795	\$ 4,062,691	\$ -	\$ -	\$ 7,669,201
Prior Year Claims (Net)	389,789	2,995,480	278,795	4,197,408	-	-	7,861,472
Net Change in Claims Liabilities	\$ -	\$ (57,554)	\$ -	\$ (134,717)	\$ -	\$ -	\$ (192,271)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2007 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-11

	COVERAGES AND OTHER ACCOUNTS						
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	TOTALS
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)	427,037	3,044,578	317,222	5,664,803	-	-	9,453,640
Expenses	-	-	-	-	3,441,417	3,209,879	6,651,296
Total Liabilities	427,037	3,044,578	317,222	5,664,803	3,441,417	3,209,879	16,104,936
3. Underwriting Surplus/(Deficit)	263,844	(931,278)	77,754	(723,703)	-	-	(1,313,383)
4. Adjustments:							
Investment Income	-	-	-	-	-	440,221	440,221
Investment Activity (Realized/Unrealized)	-	-	-	-	-	43,874	43,874
Recoveries	-	560,570	-	-	-	-	560,570
Transfers	-	-	-	-	-	-	-
Total Adjustments	-	560,570	-	-	-	484,095	1,044,665
5. Gross Current Position/(Deficit)	263,844	(370,708)	77,754	(723,703)	-	484,095	(268,718)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 263,844	\$ (370,708)	\$ 77,754	\$ (723,703)	\$ -	\$ 484,095	\$ (268,718)
Current Year Claims (Net)	\$ 427,037	\$ 3,044,578	\$ 317,222	\$ 5,664,803	\$ -	\$ -	\$ 9,453,640
Prior Year Claims (Net)	427,037	3,044,520	317,222	5,660,532	-	-	9,449,311
Net Change in Claims Liabilities	\$ -	\$ 58	\$ -	\$ 4,271	\$ -	\$ -	\$ 4,329

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2006 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-12

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:							
Regular Contributions	\$ 624,754	\$ 1,895,303	\$ 370,167	\$ 3,815,080	\$ 3,586,174	\$ 3,072,388	\$ 13,363,866
Special Assessment	122,269	320,168	175,404	790,189	-	(634,980)	773,050
	<u>747,023</u>	<u>2,215,471</u>	<u>545,571</u>	<u>4,605,269</u>	<u>3,586,174</u>	<u>2,437,408</u>	<u>14,136,916</u>
2. Incurred Liabilities							
Claims (Net)	747,023	2,652,900	545,571	4,787,878	-	-	8,733,372
Expenses	-	-	-	-	3,586,174	3,072,388	6,658,562
	<u>747,023</u>	<u>2,652,900</u>	<u>545,571</u>	<u>4,787,878</u>	<u>3,586,174</u>	<u>3,072,388</u>	<u>15,391,934</u>
3. Underwriting Surplus/(Deficit)	-	(437,429)	-	(182,609)	-	(634,980)	(1,255,018)
4. Adjustments:							
Investment Income	-	-	-	-	-	634,220	634,220
Investment Activity (Realized/Unrealized)	-	-	-	-	-	760	760
Recoveries	-	437,429	-	-	-	-	437,429
Transfers	-	-	-	-	-	-	-
	<u>-</u>	<u>437,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,980</u>	<u>1,072,409</u>
5. Gross Current Position/(Deficit)	-	-	-	(182,609)	-	-	(182,609)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (182,609)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (182,609)</u>
Current Year Claims (Net)	\$ 747,023	\$ 2,652,900	\$ 545,571	\$ 4,787,878	\$ -	\$ -	\$ 8,733,372
Prior Year Claims (Net)	<u>747,023</u>	<u>2,652,900</u>	<u>545,571</u>	<u>4,605,269</u>	<u>-</u>	<u>-</u>	<u>8,550,763</u>
Net Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,609</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-13

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:							
Regular Contributions	\$ 202,234	\$ 1,667,710	\$ 462,474	\$ 2,075,524	\$ 4,594,367	\$ 2,385,474	\$ 11,387,783
Special Assessment	307,484	229,180	(72,007)	1,099,669	-	(362,337)	1,201,989
	<u>509,718</u>	<u>1,896,890</u>	<u>390,467</u>	<u>3,175,193</u>	<u>4,594,367</u>	<u>2,023,137</u>	<u>12,589,772</u>
2. Incurred Liabilities							
Claims (Net)	509,718	2,105,958	390,467	3,793,778	-	-	6,799,921
Expenses	-	-	-	-	4,594,367	2,385,474	6,979,841
	<u>509,718</u>	<u>2,105,958</u>	<u>390,467</u>	<u>3,793,778</u>	<u>4,594,367</u>	<u>2,385,474</u>	<u>13,779,762</u>
3. Underwriting Surplus/(Deficit)	-	(209,068)	-	(618,585)	-	(362,337)	(1,189,990)
4. Adjustments:							
Investment Income	-	-	-	-	-	362,337	362,337
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-
Recoveries	-	208,910	-	610,796	-	-	819,706
Transfers	-	-	-	-	-	-	-
	<u>-</u>	<u>208,910</u>	<u>-</u>	<u>610,796</u>	<u>-</u>	<u>362,337</u>	<u>1,182,043</u>
5. Gross Current Position/(Deficit)	-	(158)	-	(7,789)	-	-	(7,947)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ (158)</u>	<u>\$ -</u>	<u>\$ (7,789)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,947)</u>
Current Year Claims (Net)	\$ 509,718	\$ 2,105,958	\$ 390,467	\$ 3,793,778	\$ -	\$ -	\$ 6,799,921
Prior Year Claims (Net)	509,718	2,105,800	390,467	3,772,726	-	-	6,778,711
Net Change in Claims Liabilities	<u>\$ -</u>	<u>\$ 158</u>	<u>\$ -</u>	<u>\$ 21,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,210</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-14

	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
Special Assessment	127,115	1,555,040	111,582	1,179,141	-	(120,113)	2,852,765
	<u>290,414</u>	<u>2,430,439</u>	<u>278,743</u>	<u>2,359,575</u>	<u>3,757,561</u>	<u>1,658,415</u>	<u>10,775,147</u>
2. Incurred Liabilities							
Claims (Net)	290,414	2,690,089	278,743	3,275,908	-	-	6,535,154
Expenses	-	-	-	-	3,757,561	1,778,528	5,536,089
	<u>290,414</u>	<u>2,690,089</u>	<u>278,743</u>	<u>3,275,908</u>	<u>3,757,561</u>	<u>1,778,528</u>	<u>12,071,243</u>
3. Underwriting Surplus/(Deficit)	-	(259,650)	-	(916,333)	-	(120,113)	(1,296,096)
4. Adjustments:							
Investment Income	-	-	-	-	-	120,113	120,113
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-
Recoveries	-	259,650	-	811,291	-	-	1,070,941
Transfers	-	-	-	-	-	-	-
	<u>-</u>	<u>259,650</u>	<u>-</u>	<u>811,291</u>	<u>-</u>	<u>120,113</u>	<u>1,191,054</u>
5. Gross Current Position/(Deficit)	-	-	-	(105,042)	-	-	(105,042)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,042)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,042)</u>
Current Year Claims (Net)	\$ 290,414	\$ 2,690,089	\$ 278,743	\$ 3,275,908	\$ -	\$ -	\$ 6,535,154
Prior Year Claims (Net)	<u>290,414</u>	<u>2,690,089</u>	<u>278,743</u>	<u>3,153,488</u>	<u>-</u>	<u>-</u>	<u>6,412,734</u>
Net Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,420</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-15

	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
Special Assessment	94,122	(145,356)	(216,258)	767,452	-	(141,530)	358,430
	<u>208,108</u>	<u>904,913</u>	<u>78,546</u>	<u>1,365,533</u>	<u>2,282,855</u>	<u>1,111,820</u>	<u>5,951,775</u>
2. Incurred Liabilities							
Claims (Net)	208,108	952,993	78,546	1,319,265	-	-	2,558,912
Expenses	-	-	-	-	2,282,855	1,253,350	3,536,205
	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,319,265</u>	<u>2,282,855</u>	<u>1,253,350</u>	<u>6,095,117</u>
3. Underwriting Surplus/(Deficit)	-	(48,080)	-	46,268	-	(141,530)	(143,342)
4. Adjustments:							
Investment Income	-	-	-	-	-	141,530	141,530
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-
Recoveries	-	48,080	-	-	-	-	48,080
Transfers	-	-	-	-	-	-	-
	<u>-</u>	<u>48,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,530</u>	<u>189,610</u>
5. Gross Current Position/(Deficit)	-	-	-	46,268	-	-	46,268
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,268</u>
Current Year Claims (Net)	\$ 208,108	\$ 952,993	\$ 78,546	\$ 1,319,265	\$ -	\$ -	\$ 2,558,912
Prior Year Claims (Net)	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,365,533</u>	<u>-</u>	<u>-</u>	<u>2,605,180</u>
Net Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,268)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,268)</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2017

Schedule A-16

	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
Special Assessment	(1,492)	(703,764)	(224,633)	288,149	-	(224,538)	(866,278)
	<u>56,949</u>	<u>139,573</u>	<u>36,325</u>	<u>600,539</u>	<u>1,129,093</u>	<u>567,378</u>	<u>2,529,857</u>
2. Incurred Liabilities							
Claims (Net)	56,949	205,490	36,325	711,752	-	-	1,010,516
Expenses	-	-	-	-	1,129,093	791,916	1,921,009
	<u>56,949</u>	<u>205,490</u>	<u>36,325</u>	<u>711,752</u>	<u>1,129,093</u>	<u>791,916</u>	<u>2,931,525</u>
3. Underwriting Surplus/(Deficit)	-	(65,917)	-	(111,213)	-	(224,538)	(401,668)
4. Adjustments:							
Investment Income	-	-	-	-	-	196,621	196,621
Investment Activity (Realized/Unrealized)	-	-	-	-	-	27,917	27,917
Recoveries	-	65,917	-	106,803	-	-	172,720
Transfers	-	-	-	-	-	-	-
	<u>-</u>	<u>65,917</u>	<u>-</u>	<u>106,803</u>	<u>-</u>	<u>224,538</u>	<u>397,258</u>
5. Gross Current Position/(Deficit)	-	-	-	(4,410)	-	-	(4,410)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,410)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,410)</u>
Current Year Claims (Net)	\$ 56,949	\$ 205,490	\$ 36,325	\$ 711,752	\$ -	\$ -	\$ 1,010,516
Prior Year Claims (Net)	<u>56,949</u>	<u>205,490</u>	<u>36,325</u>	<u>707,342</u>	<u>-</u>	<u>-</u>	<u>1,006,106</u>
Net Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,410</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS – ALL YEARS COMBINED
Year Ended December 31, 2017

Schedule B

	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	TOTALS
Claims Incurred	\$ 15,987,651	\$ 42,838,184	\$ 8,272,907	\$ 61,066,768	\$ -	\$ -	\$ 128,165,510
Case Reserves	204,498	5,499,455	790,043	21,925,341	(257,158)	-	28,162,179
IBNR Reserves	279,187	5,164,400	1,012,649	7,649,553	(284,653)	818,546	14,639,682
Subtotal	16,471,336	53,502,039	10,075,599	90,641,662	(541,811)	818,546	170,967,371
Less:							
Recoveries	4,783,477	10,176,997	1,135,565	1,883,828	-	-	17,979,867
Subtotal	4,783,477	10,176,997	1,135,565	1,883,828	-	-	17,979,867
Claims Expense (Net)	\$ 11,687,859	\$ 43,325,042	\$ 8,940,034	\$ 88,757,834	\$ (541,811)	\$ 818,546	\$ 152,987,504

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2017 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-1

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,391,627	\$ 143,302	\$ 102,328	\$ 1,505,858	\$ -	\$ 3,143,115
Case Reserves	153,446	578,626	239,107	3,692,146	-	4,663,325
IBNR Reserves	<u>258,229</u>	<u>2,821,797</u>	<u>655,806</u>	<u>3,079,562</u>	<u>595,875</u>	<u>7,411,269</u>
Subtotal	<u>1,803,302</u>	<u>3,543,725</u>	<u>997,241</u>	<u>8,277,566</u>	<u>595,875</u>	<u>15,217,709</u>
Less:						
Recoveries	<u>4,302</u>	<u>60,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,769</u>
Subtotal	<u>4,302</u>	<u>60,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,769</u>
Claims Expense (Net)	<u>\$ 1,799,000</u>	<u>\$ 3,483,258</u>	<u>\$ 997,241</u>	<u>\$ 8,277,566</u>	<u>\$ 595,875</u>	<u>\$ 15,152,940</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2016 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-2

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,899,746	\$ 699,456	\$ 195,225	\$ 3,048,285	\$ -	\$ 5,842,712
Case Reserves	24,691	1,292,883	67,707	4,402,975	-	5,788,256
IBNR Reserves	17,933	1,593,635	245,678	1,182,507	184,869	3,224,622
Subtotal	<u>1,942,370</u>	<u>3,585,974</u>	<u>508,610</u>	<u>8,633,767</u>	<u>184,869</u>	<u>14,855,590</u>
Less:						
Recoveries	<u>424,371</u>	<u>148,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>573,210</u>
Subtotal	<u>424,371</u>	<u>148,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>573,210</u>
Claims Expense (Net)	<u>\$ 1,517,999</u>	<u>\$ 3,437,135</u>	<u>\$ 508,610</u>	<u>\$ 8,633,767</u>	<u>\$ 184,869</u>	<u>\$ 14,282,380</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2015 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-3

	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	TOTALS
Claims Incurred	\$ 1,221,666	\$ 1,901,816	\$ 379,786	\$ 4,042,788	\$ -	\$ 7,546,056
Case Reserves	13,215	2,029,079	178,492	3,269,154	-	5,489,940
IBNR Reserves	1,322	367,238	98,112	720,713	37,802	1,225,187
Subtotal	1,236,203	4,298,133	656,390	8,032,655	37,802	14,261,183
Less:						
Recoveries	222,951	408,147	-	-	-	631,098
Subtotal	222,951	408,147	-	-	-	631,098
Claims Expense (Net)	<u>\$ 1,013,252</u>	<u>\$ 3,889,986</u>	<u>\$ 656,390</u>	<u>\$ 8,032,655</u>	<u>\$ 37,802</u>	<u>\$ 13,630,085</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-4

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,234,904	\$ 3,686,425	\$ 345,582	\$ 5,050,227	\$ -	\$ 10,317,138
Case Reserves	216	1,034,933	304,737	3,930,770	-	5,270,656
IBNR Reserves	22	291,401	13,053	885,081	-	1,189,557
	<u>1,235,142</u>	<u>5,012,759</u>	<u>663,372</u>	<u>9,866,078</u>	<u>-</u>	<u>16,777,351</u>
Subtotal						
Less:						
Recoveries	-	803,455	-	-	-	803,455
	<u>-</u>	<u>803,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,455</u>
Subtotal						
Claims Expense (Net)	<u>\$ 1,235,142</u>	<u>\$ 4,209,304</u>	<u>\$ 663,372</u>	<u>\$ 9,866,078</u>	<u>\$ -</u>	<u>\$ 15,973,896</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2013 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-5

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 973,733	\$ 5,279,361	\$ 1,531,990	\$ 3,058,460	\$ 10,843,544
Case Reserves	-	362,826	-	1,407,630	1,770,456
IBNR Reserves	-	66,710	-	472,256	538,966
	<u>973,733</u>	<u>5,708,897</u>	<u>1,531,990</u>	<u>4,938,346</u>	<u>13,152,966</u>
Subtotal					
Less:					
Recoveries	<u>112,187</u>	<u>2,348,097</u>	<u>339,573</u>	<u>-</u>	<u>2,799,857</u>
Subtotal	<u>112,187</u>	<u>2,348,097</u>	<u>339,573</u>	<u>-</u>	<u>2,799,857</u>
Claims Expense (Net)	<u>\$ 861,546</u>	<u>\$ 3,360,800</u>	<u>\$ 1,192,417</u>	<u>\$ 4,938,346</u>	<u>\$ 10,353,109</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2012 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-6

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 4,802,105	\$ 6,090,920	\$ 455,672	\$ 5,167,016	\$ 16,515,713
Case Reserves	12,930	80,489	-	1,754,533	1,847,952
IBNR Reserves	<u>1,681</u>	<u>10,366</u>	<u>-</u>	<u>538,840</u>	<u>550,887</u>
Subtotal	<u>4,816,716</u>	<u>6,181,775</u>	<u>455,672</u>	<u>7,460,389</u>	<u>18,914,552</u>
Less:					
Recoveries	<u>3,638,716</u>	<u>2,354,331</u>	<u>-</u>	<u>-</u>	<u>5,993,047</u>
Subtotal	<u>3,638,716</u>	<u>2,354,331</u>	<u>-</u>	<u>-</u>	<u>5,993,047</u>
Claims Expense (Net)	<u>\$ 1,178,000</u>	<u>\$ 3,827,444</u>	<u>\$ 455,672</u>	<u>\$ 7,460,389</u>	<u>\$ 12,921,505</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-7

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 878,222	\$ 4,183,976	\$ 407,608	\$ 5,943,756	\$ 11,413,562
Case Reserves	-	-	-	997,551	997,551
IBNR Reserves	-	-	-	277,065	277,065
	<u>878,222</u>	<u>4,183,976</u>	<u>407,608</u>	<u>7,218,372</u>	<u>12,688,178</u>
Subtotal					
Less:					
Recoveries	<u>373,409</u>	<u>895,565</u>	<u>-</u>	<u>197,568</u>	<u>1,466,542</u>
Subtotal	<u>373,409</u>	<u>895,565</u>	<u>-</u>	<u>197,568</u>	<u>1,466,542</u>
Claims Expense (Net)	<u>\$ 504,813</u>	<u>\$ 3,288,411</u>	<u>\$ 407,608</u>	<u>\$ 7,020,804</u>	<u>\$ 11,221,636</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-8

	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	TOTALS
Claims Incurred	\$ 625,135	\$ 3,484,495	\$ 898,567	\$ 5,918,147	\$ -	\$ -	\$ 10,926,344
Case Reserves	-	108,855	-	882,555	(257,158)	-	734,252
IBNR Reserves	-	12,027	-	272,626	(284,653)	-	-
Subtotal	625,135	3,605,377	898,567	7,073,328	(541,811)	-	11,660,596
Less:							
Recoveries	7,541	624,919	-	62,067	-	-	694,527
Subtotal	7,541	624,919	-	62,067	-	-	694,527
Claims Expense (Net)	\$ 617,594	\$ 2,980,458	\$ 898,567	\$ 7,011,261	\$ (541,811)	\$ -	\$ 10,966,069

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2009 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-9

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 331,475	\$ 2,791,489	\$ 2,030,480	\$ 5,151,927	\$ 10,305,371
Case Reserves	-	-	-	308,522	308,522
IBNR Reserves	-	-	-	64,637	64,637
	<u>331,475</u>	<u>2,791,489</u>	<u>2,030,480</u>	<u>5,525,086</u>	<u>10,678,530</u>
Subtotal					
Less:					
Recoveries	-	724,598	795,992	95,303	1,615,893
	<u>-</u>	<u>724,598</u>	<u>795,992</u>	<u>95,303</u>	<u>1,615,893</u>
Subtotal					
Claims Expense (Net)	<u>\$ 331,475</u>	<u>\$ 2,066,891</u>	<u>\$ 1,234,488</u>	<u>\$ 5,429,783</u>	<u>\$ 9,062,637</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-10

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 389,789	\$ 2,924,986	\$ 278,795	\$ 3,781,557	\$ 7,375,127
Case Reserves	-	11,764	-	246,911	258,675
IBNR Reserves	-	1,176	-	34,223	35,399
	<u>389,789</u>	<u>2,937,926</u>	<u>278,795</u>	<u>4,062,691</u>	<u>7,669,201</u>
Subtotal					
Less:					
Recoveries	-	228,023	-	-	228,023
	<u>-</u>	<u>228,023</u>	<u>-</u>	<u>-</u>	<u>228,023</u>
Subtotal					
Claims Expense (Net)	<u>\$ 389,789</u>	<u>\$ 2,709,903</u>	<u>\$ 278,795</u>	<u>\$ 4,062,691</u>	<u>\$ 7,441,178</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2007 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-11

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 427,037	\$ 3,044,578	\$ 317,222	\$ 5,196,132	\$ 8,984,969
Case Reserves	-	-	-	422,867	422,867
IBNR Reserves	-	-	-	45,804	45,804
	<u>427,037</u>	<u>3,044,578</u>	<u>317,222</u>	<u>5,664,803</u>	<u>9,453,640</u>
Subtotal					
Less:					
Recoveries	-	560,570	-	-	560,570
	<u>-</u>	<u>560,570</u>	<u>-</u>	<u>-</u>	<u>560,570</u>
Subtotal					
Claims Expense (Net)	<u>\$ 427,037</u>	<u>\$ 2,484,008</u>	<u>\$ 317,222</u>	<u>\$ 5,664,803</u>	<u>\$ 8,893,070</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2006 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-12

	<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	\$ 4,371,393	\$ 8,316,887
Case Reserves	-	-	-	375,539	375,539
IBNR Reserves	-	-	-	40,946	40,946
	<u>747,023</u>	<u>2,652,900</u>	<u>545,571</u>	<u>4,787,878</u>	<u>8,733,372</u>
Subtotal					
Less:					
Recoveries	-	437,429	-	-	437,429
	<u>-</u>	<u>437,429</u>	<u>-</u>	<u>-</u>	<u>437,429</u>
Subtotal					
Claims Expense (Net)	<u>\$ 747,023</u>	<u>\$ 2,215,471</u>	<u>\$ 545,571</u>	<u>\$ 4,787,878</u>	<u>\$ 8,295,943</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-13

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 509,718	\$ 2,105,908	\$ 390,467	\$ 3,648,996	\$ 6,655,089
Case Reserves	-	-	-	128,227	128,227
IBNR Reserves	-	50	-	16,555	16,605
	<u>509,718</u>	<u>2,105,958</u>	<u>390,467</u>	<u>3,793,778</u>	<u>6,799,921</u>
Subtotal					
Less:					
Recoveries	-	208,910	-	610,796	819,706
	<u>-</u>	<u>208,910</u>	<u>-</u>	<u>610,796</u>	<u>819,706</u>
Subtotal					
Claims Expense (Net)	<u>\$ 509,718</u>	<u>\$ 1,897,048</u>	<u>\$ 390,467</u>	<u>\$ 3,182,982</u>	<u>\$ 5,980,215</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-14

	<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	\$ 3,159,351	\$ 6,418,597
Case Reserves	-	-	-	105,961	105,961
IBNR Reserves	-	-	-	10,596	10,596
	<u>290,414</u>	<u>2,690,089</u>	<u>278,743</u>	<u>3,275,908</u>	<u>6,535,154</u>
Subtotal					
Less:					
Recoveries	-	259,650	-	811,291	1,070,941
	<u>-</u>	<u>259,650</u>	<u>-</u>	<u>811,291</u>	<u>1,070,941</u>
Subtotal					
Claims Expense (Net)	<u>\$ 290,414</u>	<u>\$ 2,430,439</u>	<u>\$ 278,743</u>	<u>\$ 2,464,617</u>	<u>\$ 5,464,213</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-15

	<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	\$ 1,315,533	\$ 2,555,180
Case Reserves	-	-	-	-	-
IBNR Reserves	-	-	-	3,732	3,732
	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,319,265</u>	<u>2,558,912</u>
Subtotal					
Less:					
Recoveries	-	48,080	-	-	48,080
	<u>-</u>	<u>48,080</u>	<u>-</u>	<u>-</u>	<u>48,080</u>
Subtotal					
Claims Expense (Net)	<u>\$ 208,108</u>	<u>\$ 904,913</u>	<u>\$ 78,546</u>	<u>\$ 1,319,265</u>	<u>\$ 2,510,832</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2017

Schedule B-16

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 56,949	\$ 205,490	\$ 36,325	\$ 707,342	\$ 1,006,106
Case Reserves	-	-	-	-	-
IBNR Reserves	-	-	-	4,410	4,410
	<u>56,949</u>	<u>205,490</u>	<u>36,325</u>	<u>711,752</u>	<u>1,010,516</u>
Subtotal					
Less:					
Recoveries	-	65,917	-	106,803	172,720
	<u>-</u>	<u>65,917</u>	<u>-</u>	<u>106,803</u>	<u>172,720</u>
Subtotal					
Claims Expense (Net)	<u>\$ 56,949</u>	<u>\$ 139,573</u>	<u>\$ 36,325</u>	<u>\$ 604,949</u>	<u>\$ 837,796</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2017 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2017
Year Ended December 31, 2017

Schedule C-1

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 6,715,166</u>
Subtotal Excess Insurance	<u>6,715,166</u>
Administrative Expenses:	
Legal	16,857
Treasurer	18,500
Other:	
Auditor	17,000
Administrative Consultant	1,721,786
Litigation Management	55,000
Safety Director	155,052
Underwriting Manager	598,351
Non-Contract Professional Services	185,760
Claims Administration	2,205,815
Actuary	37,000
Risk Management	<u>2,534,841</u>
Subtotal Administrative Expenses	<u>7,545,962</u>
Total Expenses	<u><u>\$ 14,261,128</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2016 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2016
Year Ended December 31, 2017

Schedule C-2

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 6,328,342</u>
Subtotal Excess Insurance	<u>6,328,342</u>
Administrative Expenses:	
Legal	16,339
Treasurer	17,500
Other:	
Auditor	19,919
Administrative Consultant	1,626,654
Litigation Management	55,000
Safety Director	174,911
Underwriting Manager	565,291
Non-Contract Professional Services	117,359
Claims Administration	2,170,666
Actuary	35,750
Risk Management	<u>2,410,736</u>
Subtotal Administrative Expenses	<u>7,210,125</u>
Total Expenses	<u><u>\$ 13,538,467</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2015 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2015
Year Ended December 31, 2017

Schedule C-3

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 6,495,715</u>
Subtotal Excess Insurance	<u>6,495,715</u>
Administrative Expenses:	
Legal	17,982
Treasurer	17,500
Other:	
Auditor	19,919
Administrative Consultant	1,575,965
Litigation Management	56,300
Safety Director	138,851
Underwriting Manager	547,677
Non-Contract Professional Services	137,910
Claims Administration	2,113,835
Actuary	35,500
Risk Management	<u>2,367,788</u>
Subtotal Administrative Expenses	<u>7,029,227</u>
Total Expenses	<u><u>\$ 13,524,942</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2014
Year Ended December 31, 2017

Schedule C-4

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 6,740,966</u>
Subtotal Excess Insurance	<u>6,740,966</u>
Administrative Expenses:	
Legal	11,511
Treasurer	17,500
Other:	
Auditor	16,092
Administrative Consultant	1,533,846
Litigation Management	55,000
Safety Director	133,369
Underwriting Manager	533,039
Non-Contract Professional Services	155,603
Claims Administration	2,101,251
Actuary	25,000
Risk Management	<u>2,360,421</u>
Subtotal Administrative Expenses	<u>6,942,632</u>
Total Expenses	<u><u>\$ 13,683,598</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2013
Year Ended December 31, 2017

Schedule C-5

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>6,314,016</u>
Total Expenses	<u><u>\$ 12,487,034</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2012 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2012
Year Ended December 31, 2017

Schedule C-6

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>6,015,414</u>
Total Expenses	<u><u>\$ 11,203,542</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2011
Year Ended December 31, 2017

Schedule C-7

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

2010 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2010
Year Ended December 31, 2017

Schedule C-8

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 3,922,628</u>
Subtotal Excess Insurance	<u>3,922,628</u>
Administrative Expenses:	
Legal	16,055
Treasurer	22,000
Other:	
Auditor	15,000
Administrative Consultant	1,122,285
Litigation Management	64,425
Safety Director	413,962
Underwriting Manager	375,495
Non-Contract Professional Services	69,563
Claims Administration	934,250
Actuary	46,750
Risk Management	<u>1,156,764</u>
Subtotal Administrative Expenses	<u>4,236,549</u>
Total Expenses	<u><u>\$ 8,159,177</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2009
Year Ended December 31, 2017

Schedule C-9

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 3,583,325</u>
Subtotal Excess Insurance	<u>3,583,325</u>
Administrative Expenses:	
Legal	30,368
Treasurer	22,000
Other:	
Auditor	24,850
Administrative Consultant	902,002
Litigation Management	74,020
Safety Director	392,777
Underwriting Manager	299,000
Non-Contract Professional Services	54,814
Claims Administration	529,828
Actuary	63,500
Risk Management	992,234
Claims Audit	<u>25,160</u>
Subtotal Administrative Expenses	<u>3,410,553</u>
Total Expenses	<u><u>\$ 6,993,878</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2008
Year Ended December 31, 2017

Schedule C-10

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

2007 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2007
Year Ended December 31, 2017

Schedule C-11

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 3,441,417</u>
Subtotal Excess Insurance	<u>3,441,417</u>
Administrative Expenses:	
Legal	16,412
Treasurer	22,667
Other:	
Auditor	16,750
Administrative Consultant	837,258
Litigation Management	70,000
Safety Director	150,000
Underwriting Manager	297,492
Non-Contract Professional Services	82,294
Claims Administration	657,950
Actuary	38,200
Risk Management	960,849
Claims Audit	<u>60,007</u>
Subtotal Administrative Expenses	<u>3,209,879</u>
Total Expenses	<u><u>\$ 6,651,296</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2006 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2006
Year Ended December 31, 2017

Schedule C-12

Excess Insurance:	
Excess Insurance Premiums	<u>\$ 3,586,174</u>
Subtotal Excess Insurance	<u>3,586,174</u>
Administrative Expenses:	
Legal	17,360
Treasurer	13,750
Other:	
Auditor	12,500
Administrative Consultant	807,037
Litigation Management	47,499
Safety Director	111,201
Underwriting Manager	269,066
Non-Contract Professional Services	76,785
Claims Administration	761,440
Actuary	29,000
Risk Management	<u>926,750</u>
Subtotal Administrative Expenses	<u>3,072,388</u>
Total Expenses	<u><u>\$ 6,658,562</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2005
Year Ended December 31, 2017

Schedule C-13

Reinsurance:	
Excess Liability Premiums	<u>\$ 4,594,367</u>
Subtotal Reinsurance Expenses	<u>4,594,367</u>
Managed Care	-
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>2,385,475</u>
Total Expenses	<u><u>\$ 6,979,842</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2004
Year Ended December 31, 2017

Schedule C-14

Reinsurance:	
Excess Liability Premiums	<u>\$ 3,757,561</u>
Subtotal Reinsurance Expenses	<u>3,757,561</u>
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>
Total Expenses	<u><u>\$ 5,536,089</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2003
Year Ended December 31, 2017

Schedule C-15

Reinsurance:	
Excess Liability Premiums	<u>\$ 2,282,855</u>
Subtotal Reinsurance Expenses	<u>2,282,855</u>
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>
Total Expenses	<u><u>\$ 3,536,205</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2002
Year Ended December 31, 2017

Schedule C-16

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

CUMULATIVE OPERATING RESULTS ANALYSIS Year Ended December 31, 2017

Schedule D

Underwriting Income:	
Regular Contributions	<u>\$ 296,305,535</u>
Expenses:	
Claims:	
Paid	110,185,643
Case Reserves	28,162,179
IBNR Reserves	<u>14,639,682</u>
Claims - Net	<u>152,987,504</u>
Excess Insurance Premiums	71,473,723
Administrative	<u>69,364,423</u>
Total Expenses	<u>140,838,146</u>
Operating Loss	2,479,885
Non-Operating Income:	
Investment Income	3,640,975
Realized/Unrealized Gain	<u>704,595</u>
Total Non-Operating Income	<u>4,345,570</u>
Net Income	<u>6,825,455</u>
Cumulative Net Position - December 31, 2017	<u><u>\$ 6,825,455</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

PROGRAM SUMMARY – FUND YEAR 2017
Year Ended December 31, 2017

Schedule E

Limits	Property	Liability	Automobile	Workers' Compensation	Employment Practices Liability
	\$ 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	\$ 17,250,000				
<u>Number of Participants</u>	38	38	38	38	38

* LEL portion of Liability specific aggregate is \$150,000

Excess Coverage	Insurer	Retention	Limit
Property	The Travelers Insurance Co.	as noted above	\$600,000,000
Auto Phys. Damage	The Travelers Insurance Co.	as noted above	\$5,000,000
Casualty	Brit Global Specialty USA		
- General Liability		as noted above	\$10,000,000
- Auto Liability			\$10,000,000
- Public Officials Liab.			\$10,000,000
- Employment Prac.			\$10,000,000
- Law Enforce. Liab.			\$10,000,000
- Employee Ben. Liab.			\$10,000,000
- Workers' Comp			\$500,000
- Employers Liab.			\$500,000
Equipment Breakdown	Travelers Property Casualty Co.	\$25,000	\$100,000,000
Crime & Bonds	Fidelity & Deposit Co. of Maryland	\$10,000	\$1,000,000
Excess Liability	Catlin Specialty Insurance Co.	\$10,000,000	\$5,000,000
XS Work Comp & Employers Liab	Safety National Casualty Corporation	\$1,000,000	Statutory / \$2,000,000
Cyber Liability	Beazley Insurance Company	\$25,000	\$2,500,000
Non-Owned Aircraft Liability	Global Aerospace	\$0	\$5,000,000
Site Pollution Liability	ACE American Insurance Co.	\$10,000	\$25,000,000

INDEPENDENT AUDITORS' 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

To the Honorable Chairperson
and Board of Fund Commissioners of the
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, 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 State of New Jersey, Departments of Community Affairs ("DCA") and Banking and Insurance ("DOBI"), the financial statements of the Garden State Municipal Joint Insurance Fund, Woodbridge, State of New Jersey (the "Fund"), as of and for the year ended December 31, 2017, and the related notes to financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated May 31, 2018. The opinion on the Fund's financial statements was qualified as permitted by the Departments of Community Affairs and Banking and Insurance, State of New Jersey, 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 of the financial statements, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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.

INDEPENDENT AUDITORS' 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 (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance 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 Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mercadieu, P.C.
Certified Public Accountants

May 31, 2018

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
Year Ended December 31, 2017

None Reported.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended December 31, 2017

None Reported.