

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

FINANCIAL STATEMENTS AND  
SUPPLEMENTAL DATA

December 31, 2019

# 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)**

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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, 2019 and 2018. 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**

##### 2019

Cash and investments increased by \$1,078,846 (2.32%) to \$47,495,510 in 2019 from \$46,416,664 in 2018 and total assets increased by \$4,317,713 (8.15%) to \$57,285,513 in 2019 from \$52,967,800 in 2018.

Claims reserves increased by \$5,216,632 (10.0%) to \$57,382,367 in 2019 from \$52,165,735 in 2018.

Net loss was \$1,197,837 in 2019 versus \$6,198,198 in 2018.

##### 2018

Cash and investments increased by \$3,845,607 (9.0%) to \$46,416,664 in 2018 from \$42,571,057 in 2017 and total assets increased by \$3,008,041 (6.0%) to \$52,967,800 in 2018 from \$49,959,759 in 2017.

Claims reserves increased by \$9,136,476 (21.2%) to \$52,165,735 in 2018 from \$43,029,259 in 2017.

Net loss was \$6,198,198 in 2018 versus net income of \$1,788,935 in 2017.

#### **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.

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

#### 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, 2019, 2018 and 2017:

	2019	2018	2017	2019-2018 \$ Increase (Decrease)	2019-2018 % Increase (Decrease)
Cash, Cash Equivalents & Investments	\$ 47,495,510	\$ 46,416,664	\$ 42,571,057	\$ 1,078,846	2%
Deductible & Co-Insurance Receivables	715,949	812,713	1,130,507	(96,764)	(12%)
Recoverable from Excess Carriers	5,550,120	1,749,417	1,615,434	3,800,703	217%
Member SIR Receivables	1,088,848	1,091,033	784,863	(2,185)	(0%)
Special Assessment Receivable	2,142,641	2,732,218	3,747,016	(589,577)	(22%)
Other Assets	292,445	165,755	110,881	126,690	76%
Total Assets	57,285,513	52,967,800	49,959,759	4,317,713	8%
Total Liabilities	57,856,093	52,340,543	43,134,304	5,515,550	11%
Net Position	\$ (570,580)	\$ 627,257	\$ 6,825,455	\$ (1,197,837)	(191%)

##### Assets

###### 2019

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 2019, the Fund also invested its available funds in U.S. Treasury Securities and U.S. Government Agency Securities.

The Fund recorded receivables in the amount of \$1,804,797 which consist of balances due from its Members representing the Members' deductible and co-insurance amounts on its Employment Practices Liability claims of \$715,949 along with Members' claims payments within their Self-Insured Retention of \$1,088,848. The amounts recorded as receivables at December 31, 2019, are comprised of billed to Members \$1,293,193 and unbilled \$2,654,245. The unbilled deductibles will be billed as the claims are 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 \$5,550,120 as of December 31, 2019, reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2010 through 2016 Fund years of \$3,232,740 and excess insurance for all other lines of business during the 2004 through 2019 Fund years of \$2,317,380.

Special assessment receivables include recorded but not billed balances due to the Fund from Members. Other assets relate to assessment/endorsement to members and accrued interest. The increase in total assets from 2018 primarily resulted from an increase in recoverables from excess carriers.

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

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#### **FINANCIAL ANALYSIS OF THE FUND (CONTINUED)**

##### **Assets (Continued)**

###### **2018**

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 2018, the Fund also invested its available funds in U.S. Treasury Securities and U.S. Government Agency Securities.

The Fund recorded receivables in the amount of \$1,903,746 which consist of balances due from its Members representing the Members' deductible and co-insurance amounts on its Employment Practices Liability claims of \$812,713 along with Members' claims payments within their Self-Insured Retention of \$1,091,033. The amounts recorded as receivables at December 31, 2018, are comprised of billed to Members \$1,224,346 and unbilled \$3,411,618. The unbilled deductibles will be billed as the claims are 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 \$1,749,417 as of December 31, 2018, reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2010 through 2015 Fund years of \$1,135,287 and excess insurance for all other lines of business during the 2004 through 2018 Fund years of \$614,130.

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 2017 primarily resulted from an increase in funds held to meet future obligations.

##### **Liabilities**

The liability for unpaid losses and loss adjustment expenses reported in the financial statements includes case basis estimates of reported claims plus supplemental amounts for potential development of known claims and amounts for claims incurred but not yet reported. The ultimate liability for these claims 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.

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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#### FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

##### Results of Operations

The following table summarizes the changes in results of operations between fiscal years 2019, 2018 and 2017:

	2019	2018	2017	2019-2018 \$ Increase (Decrease)	2019-2018 % Increase (Decrease)
Revenues	\$ 34,015,322	\$ 32,833,628	\$ 30,830,023	\$ 1,181,694	4%
Claims	(21,084,513)	(25,284,373)	(14,974,665)	(4,199,860)	(17%)
Expenses	<u>(15,759,654)</u>	<u>(14,591,277)</u>	<u>(14,261,128)</u>	<u>1,168,377</u>	8%
Operating (loss) income	(2,828,845)	(7,042,022)	1,594,230	4,213,177	60%
Investment income	<u>1,631,008</u>	<u>843,824</u>	<u>194,705</u>	<u>787,184</u>	93%
Change in net position	<u>\$ (1,197,837)</u>	<u>\$ (6,198,198)</u>	<u>\$ 1,788,935</u>	<u>\$ 5,000,361</u>	81%

Revenues consist of Fund member contributions. The changes 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 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, 2019 and 2018, \$133,464 and \$130,537, respectively, of the Fund's cash was invested with the CMF.

In order to provide for an increase in the yield on investments while managing credit risk, in 2019 and 2018 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.



## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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#### FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

##### Cash Flow and Liquidity (Continued)

The following table summarizes the changes in cash flow and liquidity between December 31, 2019, 2018 and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities			
Cash Contributions Received from Participants and Other Sources	\$ 31,617,503	\$ 32,758,101	\$ 30,182,384
Cash Payments for Goods and Services	(8,254,019)	(7,879,048)	(7,483,200)
Cash Payments for Risk Transfer Premiums	(7,512,900)	(6,616,237)	(6,715,166)
Cash Payments for Costs of Claims	<u>(16,383,957)</u>	<u>(15,206,159)</u>	<u>(12,413,843)</u>
Net Cash from Operating Activities	<u>(533,373)</u>	<u>3,056,657</u>	<u>3,570,175</u>
Cash Flows from Investing Activities			
Purchases of Investments - Net	(751,058)	(4,042,783)	(3,312,704)
Investment Income	<u>1,612,219</u>	<u>786,594</u>	<u>171,542</u>
Net Cash from Investing Activities	<u>861,161</u>	<u>(3,256,189)</u>	<u>(3,141,162)</u>
Net Change in Cash and Cash Equivalents	327,788	(199,532)	429,013
Cash and Cash Equivalents, Beginning of Year	<u>998,936</u>	<u>1,198,468</u>	<u>769,455</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,326,724</u>	<u>\$ 998,936</u>	<u>\$ 1,198,468</u>

#### 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, 2019 and 2018, and the related notes to financial statements, which 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, 2019 and 2018, 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 and ten year claims development information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 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 Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's 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.

*Mercadieu, P.C.*

*Certified Public Accountants*

June 22, 2020

## **BASIC FINANCIAL STATEMENTS**

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### STATEMENTS OF NET POSITION

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash & Cash Equivalents	\$ 1,326,724	\$ 998,936
Investments	46,168,786	45,417,728
Recoverables from Excess Carriers	5,550,120	1,749,417
Recoverables Recorded not Billed	511,604	679,400
Special Assessment Recorded not Billed	2,142,641	2,732,218
Other Receivables:		
Assessment/Endorsement to Members	107,901	-
Member SIR	1,088,848	1,091,033
Deductible & Co-Insurance from Members	204,345	133,313
Accrued Interest	184,544	165,755
	<u>57,285,513</u>	<u>52,967,800</u>
Total Assets	<u>\$ 57,285,513</u>	<u>\$ 52,967,800</u>
 <u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Claims:		
Case Reserves	\$ 38,911,571	\$ 33,177,829
IBNR Reserves	18,415,501	18,867,897
Claims Payable	55,295	120,009
Expenses:		
Accrued Expenses	182,073	174,808
Due to Members	291,653	-
	<u>57,856,093</u>	<u>52,340,543</u>
Total Liabilities	<u>57,856,093</u>	<u>52,340,543</u>
Net Position	<u>\$ (570,580)</u>	<u>\$ 627,257</u>

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>REVENUES</u>		
Assessments - Participating Members	<u>\$ 34,015,322</u>	<u>\$ 32,833,628</u>
Total Revenues	<u>34,015,322</u>	<u>32,833,628</u>
<u>EXPENSES</u>		
Provision for Claims and Claim Adjustment Expense - Net	21,084,513	25,284,373
Excess Insurance Premiums	7,512,900	6,616,237
Administrative Expenses	<u>8,246,754</u>	<u>7,975,040</u>
Total Expenses	<u>36,844,167</u>	<u>39,875,650</u>
Operating Loss	<u>(2,828,845)</u>	<u>(7,042,022)</u>
Non-Operating Income:		
Net Investment Income	<u>1,631,008</u>	<u>843,824</u>
Total Non-Operating Income	<u>1,631,008</u>	<u>843,824</u>
Changes in Net Position	(1,197,837)	(6,198,198)
Net Position - Beginning of Year	<u>627,257</u>	<u>6,825,455</u>
Net Position - End of Year	<u>\$ (570,580)</u>	<u>\$ 627,257</u>

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Cash Contributions Received from Participants and Other Sources	\$ 31,617,503	\$ 32,758,101
Cash Payments for Goods and Services	(8,254,019)	(7,879,048)
Cash Payments for Risk Transfer Premiums	(7,512,900)	(6,616,237)
Cash Payments for Costs of Claims	(16,383,957)	(15,206,159)
	(533,373)	3,056,657
Net Cash from Operating Activities		
Cash Flows from Investing Activities		
Purchases of Investments - Net	(751,058)	(4,042,783)
Investment Income	1,612,219	786,594
	861,161	(3,256,189)
Net Cash from Investing Activities		
Net Change in Cash and Cash Equivalents	327,788	(199,532)
Cash and Cash Equivalents, Beginning of Year	998,936	1,198,468
Cash and Cash Equivalents, End of Year	\$ 1,326,724	\$ 998,936
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating Loss	(2,828,845)	(7,042,022)
Adjustment to Reconcile Operating Loss to Cash from Operating Activities		
Change in Assets and Liabilities		
Receivables & Prepaids	(3,220,078)	892,440
Claim Reserves	5,216,632	9,136,476
Accrued Expenses	7,265	69,763
Due to Members	291,653	-
	(533,373)	3,056,657
Net Cash from Operating Activities	\$ (533,373)	\$ 3,056,657



# GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2019 and 2018, the Fund has 40 members in total.

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

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### 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 change in net position, 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 Claims Liabilities**

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The fund does not discount estimated claim liabilities.

In accordance with practices prescribed or permitted by the DCA and DOBI, 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

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### 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 not Billed**

During the years ended December 31, 2019 and 2018, 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 claims 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 is 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

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### 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, 2019 and 2018, the carrying value of the Fund's cash and cash equivalents were \$1,326,724 and \$988,936, respectively. As of December 31, 2019 and 2018, the Fund's bank balances were \$2,409,251 and \$2,259,169, respectively, and were exposed to risk as follows:

	2019	2018
Insured and Collateralized	\$ 500,000	\$ 500,000
Uninsured and Collateralized	1,909,251	1,759,169
Total	<u>\$ 2,409,251</u>	<u>\$ 2,259,169</u>

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### NOTES TO FINANCIAL STATEMENTS

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#### 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, 2019 and 2018, with respect to the Fund's bank balances, \$500,000 was covered by federal depository insurance and \$1,909,251 and \$1,759,169, respectively, were covered by the collateral pool maintained by the banks as required by New Jersey statutes. The 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, 2019 and 2018.

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

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### 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, 2019 and 2018, are categorized as follows:

	Risk Category	Market Value	
		2019	2018
New Jersey Cash Management Fund	A	\$ 133,464	\$ 130,537
U.S. Treasury Securities	A	46,035,322	45,287,191
		<u>\$ 46,168,786</u>	<u>\$ 45,417,728</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 2019 and 2018, the Fund had unrealized investment gains in the amount of \$799,666 and \$326,967 and unrealized losses of \$0 and \$197,789, 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 DOBI and DCA.

Inter-year fund transfers require prior approval of DOBI and DCA. 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

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#### 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 2019 or 2018.

#### 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, 2019 and 2018, the following fund years' net position were in a deficit position:

Fund Year	2019	2018
2002	\$ (149)	\$ -
2004	(298,229)	(136,865)
2005	(336,548)	(313,669)
2006	(488,295)	(413,172)
2007	(373,719)	(316,362)
2012	(1,305)	(480,861)
2014	(1,954,507)	(2,281,892)
2018	(2,260,128)	(3,253,572)
2019	(3,269,843)	-

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

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#### 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, 2019 and 2018, receivables on the supplemental assessment were \$2,142,641 and \$2,732,218 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, 2019. 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, 2019 and 2018, 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 provide coverage to the Fund for claims in excess of \$750,000 for workers' compensation claims, \$500,000 for general and automobile liability claims, \$500,000 for law enforcement liability claims, \$100,000 for automobile physical damage claims, \$50,000 for property claims, \$500,000 for employment practices liability claims, and \$500,000 for public officials liability claims.

For the years 2010 through 2015, an "inner corridor endorsement" for general, employment practices, public officials and automobile liabilities combined 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 \$500,000 per claim and \$1,000,000 in total. In 2018, the limit was \$1,000,000 per claim and \$2,000,000 in total. In 2019, the limit was decreased to \$500,000 per claim and \$2,000,000 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. Effective January 1, 2018, the limit was increased to \$250,000 per claim and \$500,000 in total.

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 claims thereafter is reduced. In years 2007 and 2008, the aggregate limit was \$750,000 and in year 2009 the aggregate limit was \$450,000. The Fund established an all lines of business stop loss aggregate for the years 2010 through 2019.



# GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## NOTES TO FINANCIAL STATEMENTS

### H. LOSS RESERVES (CONTINUED)

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

The following table sets forth the case reserves for reported claims and reserves for claims related to IBNR established for each respective fund year at December 31, 2019, 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	\$ -	\$ -	\$ -	\$ 166,305	\$ -	\$ -	\$ 166,305
Losses Incurred But Not Reported (IBNR)	-	-	-	20,833	-	-	20,833
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,138</u>
2005 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 84,612	\$ -	\$ -	\$ 84,612
Losses Incurred But Not Reported (IBNR)	-	-	-	12,275	-	-	12,275
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,887</u>
2006 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 414,673	\$ -	\$ -	\$ 414,673
Losses Incurred But Not Reported (IBNR)	-	-	-	43,344	-	-	43,344
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458,017</u>
2007 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 118,739	\$ -	\$ -	\$ 118,739
Losses Incurred But Not Reported (IBNR)	-	-	-	18,694	-	-	18,694
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,433</u>
2008 Fund Year:							
Case Reserves	\$ -	\$ 13,888	\$ -	\$ 120,248	\$ -	\$ -	\$ 134,136
Losses Incurred But Not Reported (IBNR)	-	1,492	-	13,251	-	-	14,743
	<u>\$ -</u>	<u>\$ 15,380</u>	<u>\$ -</u>	<u>\$ 133,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,879</u>
2009 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 99,320	\$ -	\$ -	\$ 99,320
Losses Incurred But Not Reported (IBNR)	-	-	-	17,289	-	-	17,289
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,609</u>
2010 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 812,677	\$ (428,872)	\$ -	\$ 383,805
Losses Incurred But Not Reported (IBNR)	-	-	-	114,930	(114,930)	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 927,607</u>	<u>\$ (543,802)</u>	<u>\$ -</u>	<u>\$ 383,805</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	\$ -	\$ 77,500	\$ -	\$ 614,162	\$ -	\$ -	\$ 691,662
Losses Incurred But Not Reported (IBNR)	-	8,037	-	97,955	-	-	105,992
	<u>\$ -</u>	<u>\$ 85,537</u>	<u>\$ -</u>	<u>\$ 712,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,654</u>
2012 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 1,415,043	\$ -	\$ -	\$ 1,415,043
Losses Incurred But Not Reported (IBNR)	-	-	-	155,411	-	-	155,411
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,570,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,570,454</u>
2013 Fund Year:							
Case Reserves	\$ 1,000	\$ 164,411	\$ -	\$ 1,111,072	\$ -	\$ -	\$ 1,276,483
Losses Incurred But Not Reported (IBNR)	454	17,211	-	192,326	-	-	209,991
	<u>\$ 1,454</u>	<u>\$ 181,622</u>	<u>\$ -</u>	<u>\$ 1,303,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,486,474</u>
2014 Fund Year:							
Case Reserves	\$ -	\$ 561,106	\$ 212,677	\$ 2,482,776	\$ -	\$ -	\$ 3,256,559
Losses Incurred But Not Reported (IBNR)	-	69,900	21,714	334,802	-	-	426,416
	<u>\$ -</u>	<u>\$ 631,006</u>	<u>\$ 234,391</u>	<u>\$ 2,817,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,682,975</u>
2015 Fund Year:							
Case Reserves	\$ -	\$ 510,190	\$ 166,049	\$ 2,136,462	\$ -	\$ -	\$ 2,812,701
Losses Incurred But Not Reported (IBNR)	-	71,170	16,683	567,687	-	5,141	660,681
	<u>\$ -</u>	<u>\$ 581,360</u>	<u>\$ 182,732</u>	<u>\$ 2,704,149</u>	<u>\$ -</u>	<u>\$ 5,141</u>	<u>\$ 3,473,382</u>
2016 Fund Year:							
Case Reserves	\$ -	\$ 1,141,049	\$ 439,815	\$ 2,921,326	\$ -	\$ -	\$ 4,502,190
Losses Incurred But Not Reported (IBNR)	-	251,246	50,363	348,439	-	-	650,048
	<u>\$ -</u>	<u>\$ 1,392,295</u>	<u>\$ 490,178</u>	<u>\$ 3,269,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,152,238</u>
2017 Fund Year:							
Case Reserves	\$ 420	\$ 1,073,375	\$ 632,335	\$ 5,202,750	\$ -	\$ -	\$ 6,908,880
Losses Incurred But Not Reported (IBNR)	1,422	362,715	79,007	549,458	-	119,507	1,112,109
	<u>\$ 1,842</u>	<u>\$ 1,436,090</u>	<u>\$ 711,342</u>	<u>\$ 5,752,208</u>	<u>\$ -</u>	<u>\$ 119,507</u>	<u>\$ 8,020,989</u>
2018 Fund Year:							
Case Reserves	\$ 18,258	\$ 2,265,559	\$ 90,037	\$ 6,089,413	\$ -	\$ -	\$ 8,463,267
Losses Incurred But Not Reported (IBNR)	23,669	2,706,564	503,791	1,102,609	-	598,432	4,935,065
	<u>\$ 41,927</u>	<u>\$ 4,972,123</u>	<u>\$ 593,828</u>	<u>\$ 7,192,022</u>	<u>\$ -</u>	<u>\$ 598,432</u>	<u>\$ 13,398,332</u>
2019 Fund Year:							
Case Reserves	\$ 356,846	\$ 1,820,714	\$ 110,574	\$ 5,895,062	\$ -	\$ -	\$ 8,183,196
Losses Incurred But Not Reported (IBNR)	227,817	4,743,907	733,687	4,327,199	-	-	10,032,610
	<u>\$ 584,663</u>	<u>\$ 6,564,621</u>	<u>\$ 844,261</u>	<u>\$ 10,222,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,215,806</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, 2018, 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	\$ -	\$ -	\$ -	\$ 49,904	\$ -	\$ -	\$ 49,904
Losses Incurred But Not Reported (IBNR)	-	-	-	9,646	-	-	9,646
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,550</u>
2005 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 298,488	\$ -	\$ -	\$ 298,488
Losses Incurred But Not Reported (IBNR)	-	-	-	33,287	-	-	33,287
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,775</u>
2006 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 484,686	\$ -	\$ -	\$ 484,686
Losses Incurred But Not Reported (IBNR)	-	-	-	50,948	-	-	50,948
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535,634</u>
2007 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 202,157	\$ -	\$ -	\$ 202,157
Losses Incurred But Not Reported (IBNR)	-	-	-	25,516	-	-	25,516
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,673</u>
2008 Fund Year:							
Case Reserves	\$ -	\$ 8,570	\$ -	\$ 135,029	\$ -	\$ -	\$ 143,599
Losses Incurred But Not Reported (IBNR)	-	992	-	26,363	-	-	27,355
	<u>\$ -</u>	<u>\$ 9,562</u>	<u>\$ -</u>	<u>\$ 161,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,954</u>
2009 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 207,205	\$ -	\$ -	\$ 207,205
Losses Incurred But Not Reported (IBNR)	-	-	-	38,093	-	-	38,093
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,298</u>
2010 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 719,017	\$ (235,746)	\$ -	\$ 483,271
Losses Incurred But Not Reported (IBNR)	-	2,005	-	179,773	(181,778)	-	-
	<u>\$ -</u>	<u>\$ 2,005</u>	<u>\$ -</u>	<u>\$ 898,790</u>	<u>\$ (417,524)</u>	<u>\$ -</u>	<u>\$ 483,271</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	\$ -	\$ -	\$ -	\$ 1,193,718	\$ -	\$ -	\$ 1,193,718
Losses Incurred But Not Reported (IBNR)	-	-	-	214,960	-	-	214,960
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,408,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,408,678</u>
2012 Fund Year:							
Case Reserves	\$ -	\$ -	\$ -	\$ 1,768,929	\$ -	\$ -	\$ 1,768,929
Losses Incurred But Not Reported (IBNR)	-	-	-	558,702	-	-	558,702
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,327,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,327,631</u>
2013 Fund Year:							
Case Reserves	\$ -	\$ 135,478	\$ -	\$ 1,323,807	\$ -	\$ -	\$ 1,459,285
Losses Incurred But Not Reported (IBNR)	-	19,160	-	459,070	-	-	478,230
	<u>\$ -</u>	<u>\$ 154,638</u>	<u>\$ -</u>	<u>\$ 1,782,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,937,515</u>
2014 Fund Year:							
Case Reserves	\$ 216	\$ 886,392	\$ 447,537	\$ 2,685,592	\$ -	\$ -	\$ 4,019,737
Losses Incurred But Not Reported (IBNR)	101	114,352	46,735	679,717	-	-	840,905
	<u>\$ 317</u>	<u>\$ 1,000,744</u>	<u>\$ 494,272</u>	<u>\$ 3,365,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,860,642</u>
2015 Fund Year:							
Case Reserves	\$ -	\$ 876,374	\$ 163,840	\$ 2,778,196	\$ -	\$ -	\$ 3,818,410
Losses Incurred But Not Reported (IBNR)	-	210,226	43,294	818,208	-	15,338	1,087,066
	<u>\$ -</u>	<u>\$ 1,086,600</u>	<u>\$ 207,134</u>	<u>\$ 3,596,404</u>	<u>\$ -</u>	<u>\$ 15,338</u>	<u>\$ 4,905,476</u>
2016 Fund Year:							
Case Reserves	\$ 688	\$ 1,701,095	\$ 274,315	\$ 4,050,050	\$ -	\$ -	\$ 6,026,148
Losses Incurred But Not Reported (IBNR)	278	579,870	58,428	823,985	-	121,806	1,584,367
	<u>\$ 966</u>	<u>\$ 2,280,965</u>	<u>\$ 332,743</u>	<u>\$ 4,874,035</u>	<u>\$ -</u>	<u>\$ 121,806</u>	<u>\$ 7,610,515</u>
2017 Fund Year:							
Case Reserves	\$ 5,795	\$ 843,304	\$ 317,855	\$ 5,080,803	\$ -	\$ -	\$ 6,247,757
Losses Incurred But Not Reported (IBNR)	35,818	1,549,698	307,627	1,007,574	-	494,071	3,394,788
	<u>\$ 41,613</u>	<u>\$ 2,393,002</u>	<u>\$ 625,482</u>	<u>\$ 6,088,377</u>	<u>\$ -</u>	<u>\$ 494,071</u>	<u>\$ 9,642,545</u>
2018 Fund Year:							
Case Reserves	\$ 307,448	\$ 1,771,294	\$ 33,673	\$ 4,662,121	\$ -	\$ -	\$ 6,774,536
Losses Incurred But Not Reported (IBNR)	212,785	3,953,760	635,672	4,984,456	-	737,361	10,524,034
	<u>\$ 520,233</u>	<u>\$ 5,725,054</u>	<u>\$ 669,345</u>	<u>\$ 9,646,577</u>	<u>\$ -</u>	<u>\$ 737,361</u>	<u>\$ 17,298,570</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, 2019 and 2018, the Fund paid \$4,726,914 and \$4,495,303, respectively, to the Fund's administrator as per the management agreement.

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### NOTES TO FINANCIAL STATEMENTS

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#### 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 claims adjustment expenses.

The following represents changes in those aggregate undiscounted reported case reserves for the Fund during 2019 and 2018 for all open fund years net of excess insurance recoveries.

	<u>2019</u>	<u>2018</u>
Total Unpaid Claims and Claims Adjustment Expenses – All Fund Years – Beginning of Year	\$ 33,177,829	\$ 28,162,179
Incurred Claims and Claims Adjustment Expenses:		
Provision for Insured Events – Current Year	11,944,200	11,207,983
Changes in Provision for Insured Events – Prior Years	<u>10,173,499</u>	<u>9,013,826</u>
Total Incurred Claims and Claims Adjustment Expenses - All Fund Years - Subtotal	<u>22,117,699</u>	<u>20,221,809</u>
Subtotal	55,295,528	48,383,988
Payments:		
Claims and Claims Adjustment Expenses	<u>(16,383,957)</u>	<u>(15,206,159)</u>
Total Unpaid Claims and Claims Adjustment Expenses – All Fund Years – End of Year	<u>\$ 38,911,571</u>	<u>\$ 33,177,829</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.

#### L. SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2019 through June 22, 2020, noting no significant subsequent events requiring disclosure other than the following:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates. Due to the impact of New Jersey Governor Murphy's Executive Order No. 107 dated March 21, 2020, mandating statewide stay-at-home practices and closure of all non-essential retail businesses, it is reasonably possible member municipalities may be slow to fund their assessment obligations due to broader budget constraints and/or experience a higher frequency of claims stemming from the pandemic, thereby adversely impacting the overall liquidity of the Fund. It is unknown how long these conditions will last and what the complete financial affect will be to the Fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

# GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## TEN YEAR CLAIMS DEVELOPMENT INFORMATION

Exhibit A

	Fund Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Underwriting Income-Required Contribution	\$ 19,805,748	\$ 21,178,634	\$ 23,665,002	\$ 24,914,745	\$ 27,425,461	\$ 28,199,165	\$ 33,406,531	\$ 30,830,023	\$ 32,833,628	\$ 34,015,322
Investment Income	71,632	1,000,641	103,937	99,094	153,655	196,431	311,344	194,705	843,824	451,299
	<u>19,877,380</u>	<u>22,179,275</u>	<u>23,768,939</u>	<u>25,013,839</u>	<u>27,579,116</u>	<u>28,395,596</u>	<u>33,717,875</u>	<u>31,024,728</u>	<u>33,677,452</u>	<u>34,466,621</u>
Excess Insurance Premiums	3,922,628	4,047,005	5,188,128	6,173,018	6,740,966	6,495,715	6,328,342	6,715,166	6,616,237	7,512,900
Administrative Expenses	4,236,550	5,019,195	6,015,414	6,314,016	6,942,632	7,029,227	7,210,125	7,545,962	7,975,040	8,246,754
	<u>8,159,178</u>	<u>9,066,200</u>	<u>11,203,542</u>	<u>12,487,034</u>	<u>13,683,598</u>	<u>13,524,942</u>	<u>13,538,467</u>	<u>14,261,128</u>	<u>14,591,277</u>	<u>15,759,654</u>
Estimated Incurred Claims-End of Policy Year	<u>5,128,034</u>	<u>7,179,328</u>	<u>3,733,564</u>	<u>4,511,560</u>	<u>7,864,092</u>	<u>7,288,699</u>	<u>7,165,630</u>	<u>7,741,671</u>	<u>11,207,983</u>	<u>11,944,200</u>
Cumulative Paid Claims:										
End of Policy Year	1,637,274	2,226,336	1,621,622	1,684,640	2,889,876	3,314,218	3,215,602	3,078,346	4,433,447	3,761,004
One Year Later	4,030,948	4,319,480	3,683,581	3,256,600	4,867,606	5,281,474	5,269,502	6,061,471	7,669,434	-
Two Years Later	5,838,352	6,064,970	5,318,580	5,574,233	7,084,952	6,914,958	7,378,929	8,215,403	-	-
Three Years Later	7,189,958	7,720,987	7,449,346	7,077,435	9,513,683	9,331,726	9,893,714	-	-	-
Four Years Later	8,344,750	8,955,503	9,228,910	8,043,687	11,358,830	10,501,518	-	-	-	-
Five Years Later	9,450,094	9,849,861	10,522,666	8,754,382	12,255,394	-	-	-	-	-
Six Years Later	9,986,783	9,947,020	10,845,190	9,049,019	-	-	-	-	-	-
Seven Years Later	10,231,817	9,982,547	12,578,362	-	-	-	-	-	-	-
Eight Years Later	10,482,794	10,507,161	-	-	-	-	-	-	-	-
Nine Years Later	10,582,264	-	-	-	-	-	-	-	-	-
Cumulative Incurred Claims:										
End of Policy Year	5,128,034	7,179,328	3,733,564	4,511,560	7,864,092	7,288,699	7,165,630	7,741,671	11,207,983	11,944,200
One Year Later	8,754,162	8,553,900	8,049,395	8,387,172	11,488,264	11,369,510	11,057,758	12,309,228	16,132,701	-
Two Years Later	9,537,686	10,273,911	10,528,102	10,100,889	14,079,466	12,404,898	13,405,077	15,124,283	-	-
Three Years Later	10,953,106	10,631,239	11,164,729	9,759,488	14,784,339	13,150,136	14,395,904	-	-	-
Four Years Later	10,849,436	10,440,681	11,942,070	9,814,143	15,378,567	13,314,219	-	-	-	-
Five Years Later	10,784,077	10,676,512	12,370,618	10,213,667	15,511,953	-	-	-	-	-
Six Years Later	10,966,069	10,944,571	12,614,119	10,325,502	-	-	-	-	-	-
Seven Years Later	10,966,069	11,176,265	12,578,362	-	-	-	-	-	-	-
Eight Years Later	10,966,065	11,198,823	-	-	-	-	-	-	-	-
Nine Years Later	10,966,069	-	-	-	-	-	-	-	-	-
Increase in Cumulative Incurred Claims from End of Policy Year	<u>\$ 5,838,035</u>	<u>\$ 4,019,495</u>	<u>\$ 8,844,798</u>	<u>\$ 5,813,942</u>	<u>\$ 7,647,861</u>	<u>\$ 6,025,520</u>	<u>\$ 7,230,274</u>	<u>\$ 7,382,612</u>	<u>\$ 4,924,718</u>	<u>\$ -</u>

## **SUPPLEMENTAL SCHEDULES**



## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

### OPERATING RESULTS ANALYSIS – ALL YEARS COMBINED Year Ended December 31, 2019

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	\$ 14,444,042	\$ 54,358,526	\$ 11,580,699	\$ 107,605,351	\$ -	\$ -	\$ 84,581,190	\$ 86,202,628	\$ 358,772,436
Special Assessment	649,498	1,255,268	(225,912)	4,124,600	-	-	-	(1,483,498)	4,319,956
	<u>15,093,540</u>	<u>55,613,794</u>	<u>11,354,787</u>	<u>111,729,951</u>	<u>-</u>	<u>-</u>	<u>84,581,190</u>	<u>84,719,130</u>	<u>\$ 363,092,392</u>
2. Incurred Liabilities:									
Claims	24,887,968	74,853,279	15,254,682	116,450,180	(543,802)	723,080	-	-	231,625,387
Expenses	-	-	-	-	-	-	85,602,861	85,524,120	171,126,981
Total Liabilities	<u>24,887,968</u>	<u>74,853,279</u>	<u>15,254,682</u>	<u>116,450,180</u>	<u>(543,802)</u>	<u>723,080</u>	<u>85,602,861</u>	<u>85,524,120</u>	<u>402,752,368</u>
3. Underwriting Surplus/(Deficit)	<u>(9,794,428)</u>	<u>(19,239,485)</u>	<u>(3,899,895)</u>	<u>(4,720,229)</u>	<u>543,802</u>	<u>(723,080)</u>	<u>(1,021,671)</u>	<u>(804,990)</u>	<u>(39,659,976)</u>
4. Adjustments:									
Investment Income	-	-	-	-	-	-	-	5,186,962	5,186,962
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-	1,633,437	1,633,437
Recoveries	8,791,786	18,096,727	2,847,307	2,533,177	-	-	-	-	32,268,997
Total Adjustments	<u>8,791,786</u>	<u>18,096,727</u>	<u>2,847,307</u>	<u>2,533,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,820,399</u>	<u>39,089,396</u>
5. Gross Operating Surplus/(Deficit)	<u>(1,002,642)</u>	<u>(1,142,758)</u>	<u>(1,052,588)</u>	<u>(2,187,052)</u>	<u>543,802</u>	<u>(723,080)</u>	<u>(1,021,671)</u>	<u>6,015,409</u>	<u>(570,580)</u>
6. Return of Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7. Net Current Position/(Deficit)	<u>\$ (1,002,642)</u>	<u>\$ (1,142,758)</u>	<u>\$ (1,052,588)</u>	<u>\$ (2,187,052)</u>	<u>\$ 543,802</u>	<u>\$ (723,080)</u>	<u>\$ (1,021,671)</u>	<u>\$ 6,015,409</u>	<u>\$ (570,580)</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2019 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-1

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 1,504,125	\$ 5,339,369	\$ 1,250,675	\$ 10,171,289	\$ 7,443,493	\$ 8,306,371	\$ 34,015,322
2. Incurred Liabilities:							
Claims	5,346,054	6,814,005	950,963	11,917,215	-	-	25,028,237
Expenses	-	-	-	-	7,512,900	8,246,754	15,759,654
Total Liabilities	<u>5,346,054</u>	<u>6,814,005</u>	<u>950,963</u>	<u>11,917,215</u>	<u>7,512,900</u>	<u>8,246,754</u>	<u>40,787,891</u>
3. Underwriting Surplus/(Deficit)	<u>(3,841,929)</u>	<u>(1,474,636)</u>	<u>299,712</u>	<u>(1,745,926)</u>	<u>(69,407)</u>	<u>59,617</u>	<u>(6,772,569)</u>
4. Adjustments:							
Investment Income	-	-	-	-	-	230,032	230,032
Investment Activity (Realized/Unrealized)	-	-	-	-	-	221,267	221,267
Recoveries	2,921,054	130,373	-	-	-	-	3,051,427
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>2,921,054</u>	<u>130,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,299</u>	<u>3,502,726</u>
5. Gross Current Position/(Deficit)	<u>(920,875)</u>	<u>(1,344,263)</u>	<u>299,712</u>	<u>(1,745,926)</u>	<u>(69,407)</u>	<u>510,916</u>	<u>(3,269,843)</u>
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ (920,875)</u>	<u>\$ (1,344,263)</u>	<u>\$ 299,712</u>	<u>\$ (1,745,926)</u>	<u>\$ (69,407)</u>	<u>\$ 510,916</u>	<u>\$ (3,269,843)</u>
Current Year Claims	\$ 5,346,054	\$ 6,814,005	\$ 950,963	\$ 11,917,215	\$ -	\$ -	\$ 25,028,237
Prior Year Claims	-	-	-	-	-	-	-
Change in Claims Liabilities	<u>\$ 5,346,054</u>	<u>\$ 6,814,005</u>	<u>\$ 950,963</u>	<u>\$ 11,917,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,028,237</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2018 FUND YEAR OPERATING RESULTS ANALYSIS  
 Year Ended December 31, 2019

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	\$ 1,472,060	\$ 5,684,813	\$ 1,166,328	\$ 9,943,122	\$ -	\$ 6,583,263	\$ 7,942,185	\$ 32,791,771
2. Incurred Liabilities:								
Claims	2,921,944	6,728,589	820,992	11,112,426	598,432	-	-	22,182,383
Expenses	-	-	-	-	-	6,616,237	7,933,183	14,549,420
Total Liabilities	2,921,944	6,728,589	820,992	11,112,426	598,432	6,616,237	7,933,183	36,731,803
3. Underwriting Surplus/(Deficit)	(1,449,884)	(1,043,776)	345,336	(1,169,304)	(598,432)	(32,974)	9,002	(3,940,032)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	367,744	367,744
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	197,543	197,543
Recoveries	595,944	518,673	-	-	-	-	-	1,114,617
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	595,944	518,673	-	-	-	-	565,287	1,679,904
5. Gross Current Position/(Deficit)	(853,940)	(525,103)	345,336	(1,169,304)	(598,432)	(32,974)	574,289	(2,260,128)
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (853,940)	\$ (525,103)	\$ 345,336	\$ (1,169,304)	\$ (598,432)	\$ (32,974)	\$ 574,289	\$ (2,260,128)
Current Year Claims	\$ 2,921,944	\$ 6,728,589	\$ 820,992	\$ 11,112,426	\$ 598,432	\$ -	\$ -	\$ 22,182,383
Prior Year Claims	2,519,397	6,175,013	829,850	11,688,282	737,361	-	-	21,949,903
Change in Claims Liabilities	\$ 402,547	\$ 553,576	\$ (8,858)	\$ (575,856)	\$ (138,929)	\$ -	\$ -	\$ 232,480

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2017 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

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	\$ 1,391,962	\$ 4,808,820	\$ 1,001,415	\$ 9,309,169	\$ -	\$ 6,739,347	\$ 7,559,070	\$ 30,809,783
0. Incurred Liabilities								
Claims	1,534,568	3,086,887	1,114,794	10,703,206	119,507	-	-	16,558,962
Expenses	-	-	-	-	-	6,715,166	7,525,723	14,240,889
Total Liabilities	1,534,568	3,086,887	1,114,794	10,703,206	119,507	6,715,166	7,525,723	30,799,851
3. Underwriting Surplus/(Deficit)	(142,606)	1,721,933	(113,379)	(1,394,037)	(119,507)	24,181	33,347	9,932
4. Adjustments:								
Investment Income	-	-	-	-	-	-	401,719	401,719
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	92,412	92,412
Recoveries	27,568	295,002	-	-	-	-	-	322,570
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	27,568	295,002	-	-	-	-	494,131	816,701
5. Gross Current Position/(Deficit)	(115,038)	2,016,935	(113,379)	(1,394,037)	(119,507)	24,181	527,478	826,633
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (115,038)	\$ 2,016,935	\$ (113,379)	\$ (1,394,037)	\$ (119,507)	\$ 24,181	\$ 527,478	\$ 826,633
Current Year Claims	\$ 1,534,568	\$ 3,086,887	\$ 1,114,794	\$ 10,703,206	\$ 119,507	\$ -	\$ -	\$ 16,558,962
Prior Year Claims	1,536,569	3,158,123	838,239	9,942,412	494,071	-	-	15,969,414
Change in Claims Liabilities	\$ (2,001)	\$ (71,236)	\$ 276,555	\$ 760,794	\$ (374,564)	\$ -	\$ -	\$ 589,548

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2016 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

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	\$ 1,394,916	\$ 4,217,417	\$ 914,316	\$ 9,061,541	\$ -	\$ 6,017,782	\$ 7,480,584	\$ 29,086,556
2. Incurred Liabilities:								
Claims	2,384,033	4,790,867	1,740,226	7,843,915	-	-	-	16,759,041
Expenses	-	-	-	-	-	6,328,342	7,210,125	13,538,467
Total Liabilities	2,384,033	4,790,867	1,740,226	7,843,915	-	6,328,342	7,210,125	30,297,508
3. Underwriting Surplus/(Deficit)	(989,117)	(573,450)	(825,910)	1,217,626	-	(310,560)	270,459	(1,210,952)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	392,942	392,942
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	54,670	54,670
Recoveries	895,991	476,780	340,318	-	-	-	-	1,713,089
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	895,991	476,780	340,318	-	-	-	447,612	2,160,701
5. Gross Current Position/(Deficit)	(93,126)	(96,670)	(485,592)	1,217,626	-	(310,560)	718,071	949,749
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (93,126)	\$ (96,670)	\$ (485,592)	\$ 1,217,626	\$ -	\$ (310,560)	\$ 718,071	\$ 949,749
Current Year Claims	\$ 2,384,033	\$ 4,790,867	\$ 1,740,226	\$ 7,843,915	\$ -	\$ -	\$ -	\$ 16,759,041
Prior Year Claims	2,365,115	4,081,824	1,415,603	8,490,909	121,806	-	-	16,475,257
Change in Claims Liabilities	\$ 18,918	\$ 709,043	\$ 324,623	\$ (646,994)	\$ (121,806)	\$ -	\$ -	\$ 283,784

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2015 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

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	\$ 1,124,404	\$ 4,166,395	\$ 856,299	\$ 8,534,298	\$ -	\$ 6,498,598	\$ 7,019,171	\$ 28,199,165
2. Incurred Liabilities:								
Claims	1,227,254	5,630,926	801,640	8,552,988	5,141	-	-	16,217,949
Expenses	-	-	-	-	-	6,495,715	7,029,227	13,524,942
Total Liabilities	1,227,254	5,630,926	801,640	8,552,988	5,141	6,495,715	7,029,227	29,742,891
3. Underwriting Surplus/(Deficit)	(102,850)	(1,464,531)	54,659	(18,690)	(5,141)	2,883	(10,056)	(1,543,726)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	356,882	356,882
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	21,402	21,402
Recoveries	222,951	2,020,098	-	-	-	-	-	2,243,049
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	222,951	2,020,098	-	-	-	-	378,284	2,621,333
5. Gross Current Position/(Deficit)	120,101	555,567	54,659	(18,690)	(5,141)	2,883	368,228	1,077,607
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 120,101	\$ 555,567	\$ 54,659	\$ (18,690)	\$ (5,141)	\$ 2,883	\$ 368,228	\$ 1,077,607
Current Year Claims	\$ 1,227,254	\$ 5,630,926	\$ 801,640	\$ 8,552,988	\$ 5,141	\$ -	\$ -	\$ 16,217,949
Prior Year Claims	1,227,254	4,797,959	691,980	8,815,809	15,338	-	-	15,548,340
Net Change in Claims Liabilities	\$ -	\$ 832,967	\$ 109,660	\$ (262,821)	\$ (10,197)	\$ -	\$ -	\$ 669,609

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2014 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-6

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	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	1,236,528	6,110,308	2,552,851	8,878,543	-	-	18,778,230
Expenses	-	-	-	-	6,740,966	6,942,632	13,683,598
Total Liabilities	1,236,528	6,110,308	2,552,851	8,878,543	6,740,966	6,942,632	32,461,828
3. Underwriting Surplus/(Deficit)	(282,771)	(2,113,509)	(1,787,265)	(598,219)	(323,448)	68,845	(5,036,367)
4. Adjustments:							
Investment Income	-	-	-	-	-	249,276	249,276
Investment Activity (Realized/Unrealized)	-	-	-	-	-	(7,277)	(7,277)
Recoveries	-	1,468,437	1,371,424	-	-	-	2,839,861
Transfers	-	-	-	-	-	-	-
Total Adjustments	-	1,468,437	1,371,424	-	-	241,999	3,081,860
5. Gross Current Position/(Deficit)	(282,771)	(645,072)	(415,841)	(598,219)	(323,448)	310,844	(1,954,507)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (282,771)	\$ (645,072)	\$ (415,841)	\$ (598,219)	\$ (323,448)	\$ 310,844	\$ (1,954,507)
Current Year Claims	\$ 1,236,528	\$ 6,110,308	\$ 2,552,851	\$ 8,878,543	\$ -	\$ -	\$ 18,778,230
Prior Year Claims	1,234,000	5,724,013	1,325,902	9,280,849	-	-	17,564,764
Change in Claims Liabilities	\$ 2,528	\$ 386,295	\$ 1,226,949	\$ (402,306)	\$ -	\$ -	\$ 1,213,466

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2013 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-7

	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	975,187	7,663,771	1,555,206	5,107,062	-	-	-	15,301,226
Expenses	-	-	-	-	-	6,173,018	6,314,016	12,487,034
Total Liabilities	975,187	7,663,771	1,555,206	5,107,062	-	6,173,018	6,314,016	27,788,260
3. Underwriting Surplus/(Deficit)	(176,070)	(4,111,505)	(915,096)	2,269,964	-	(11,887)	71,079	(2,873,515)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	298,119	298,119
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	27,633	27,633
Recoveries	112,187	4,211,206	339,573	102,767	-	-	-	4,765,733
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	112,187	4,211,206	339,573	102,767	-	-	325,752	5,091,485
5. Gross Current Position/(Deficit)	(63,883)	99,701	(575,523)	2,372,731	-	(11,887)	396,831	2,217,970
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (63,883)	\$ 99,701	\$ (575,523)	\$ 2,372,731	\$ -	\$ (11,887)	\$ 396,831	\$ 2,217,970
Current Year Claims	\$ 975,187	\$ 7,663,771	\$ 1,555,206	\$ 5,107,062	\$ -	\$ -	\$ -	\$ 15,301,226
Prior Year Claims	973,733	6,632,074	1,555,206	5,292,485	-	-	-	14,453,498
Change in Claims Liabilities	\$ 1,454	\$ 1,031,697	\$ -	\$ (185,423)	\$ -	\$ -	\$ -	\$ 847,728



**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2012 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-8

	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	4,801,694	7,777,736	458,727	7,360,647	-	-	-	20,398,804
Expenses	-	-	-	-	-	5,188,128	6,015,416	11,203,544
Total Liabilities	4,801,694	7,777,736	458,727	7,360,647	-	5,188,128	6,015,416	31,602,348
3. Underwriting Surplus/(Deficit)	(4,201,309)	(4,257,883)	210,841	273,697	-	(41,766)	104,471	(7,911,949)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	196,022	196,022
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	49,591	49,591
Recoveries	3,638,305	4,026,726	-	-	-	-	-	7,665,031
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	3,638,305	4,026,726	-	-	-	-	245,613	7,910,644
5. Gross Current Position/(Deficit)	(563,004)	(231,157)	210,841	273,697	-	(41,766)	350,084	(1,305)
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (563,004)	\$ (231,157)	\$ 210,841	\$ 273,697	\$ -	\$ (41,766)	\$ 350,084	\$ (1,305)
Current Year Claims	\$ 4,801,694	\$ 7,777,736	\$ 458,727	\$ 7,360,647	\$ -	\$ -	\$ -	\$ 20,398,804
Prior Year Claims	4,801,694	7,767,537	458,727	7,807,142	-	-	-	20,835,100
Change in Claims Liabilities	\$ -	\$ 10,199	\$ -	\$ (446,495)	\$ -	\$ -	\$ -	\$ (436,296)

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2011 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-9

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:							
Regular Contributions	\$ 608,615	\$ 3,189,775	\$ 688,775	\$ 7,914,047	\$ 3,771,405	\$ 4,980,624	\$ 21,153,241
2. Incurred Liabilities:							
Claims	875,058	4,269,590	407,608	7,145,082	-	-	12,697,338
Expenses	-	-	-	-	4,047,006	5,019,195	9,066,201
Total Liabilities	875,058	4,269,590	407,608	7,145,082	4,047,006	5,019,195	21,763,539
3. Underwriting Surplus/(Deficit)	(266,443)	(1,079,815)	281,167	768,965	(275,601)	(38,571)	(610,298)
4. Adjustments:							
Investment Income	-	-	-	-	-	228,093	228,093
Investment Activity (Realized/Unrealized)	-	-	-	-	-	309,788	309,788
Recoveries	370,245	895,565	-	126,713	-	-	1,392,523
Transfers	-	-	-	-	-	-	-
Total Adjustments	370,245	895,565	-	126,713	-	537,881	1,930,404
5. Gross Current Position/(Deficit)	103,802	(184,250)	281,167	895,678	(275,601)	499,310	1,320,106
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 103,802	\$ (184,250)	\$ 281,167	\$ 895,678	\$ (275,601)	\$ 499,310	\$ 1,320,106
Current Year Claims	\$ 875,058	\$ 4,269,590	\$ 407,608	\$ 7,145,082	\$ -	\$ -	\$ 12,697,338
Prior Year Claims	874,963	4,184,053	407,608	7,303,775	-	-	12,770,399
Change in Claims Liabilities	\$ 95	\$ 85,537	\$ -	\$ (158,693)	\$ -	\$ -	\$ (73,061)

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-10

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 1,277,445	\$ 3,025,920	\$ 866,948	\$ 6,699,184	\$ -	\$ 3,807,296	\$ 4,128,955	\$ 19,805,748
2. Incurred Liabilities:								
Claims	625,135	4,481,444	898,567	7,094,674	(543,802)	-	-	12,556,018
Expenses	-	-	-	-	-	3,922,628	4,236,550	8,159,178
Total Liabilities	625,135	4,481,444	898,567	7,094,674	(543,802)	3,922,628	4,236,550	20,715,196
3. Underwriting Surplus/(Deficit)	652,310	(1,455,524)	(31,619)	(395,490)	543,802	(115,332)	(107,595)	(909,448)
4. Adjustments:								
Investment Income	-	-	-	-	-	-	215,207	215,207
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	300,264	300,264
Recoveries	7,541	1,520,341	-	62,067	-	-	-	1,589,949
Transfers	-	-	-	-	-	-	-	-
Total Adjustments	7,541	1,520,341	-	62,067	-	-	515,471	2,105,420
5. Gross Current Position/(Deficit)	659,851	64,817	(31,619)	(333,423)	543,802	(115,332)	407,876	1,195,972
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 659,851	\$ 64,817	\$ (31,619)	\$ (333,423)	\$ 543,802	\$ (115,332)	\$ 407,876	\$ 1,195,972
Current Year Claims	\$ 625,135	\$ 4,481,444	\$ 898,567	\$ 7,094,674	\$ (543,802)	\$ -	\$ -	\$ 12,556,018
Prior Year Claims	625,135	3,599,510	898,567	6,966,443	(417,524)	-	-	11,672,131
Change in Claims Liabilities	\$ -	\$ 881,934	\$ -	\$ 128,231	\$ (126,278)	\$ -	\$ -	\$ 883,887

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2009 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-11

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
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	331,475	2,791,488	2,029,939	5,655,053	-	-	10,807,955
Expenses	-	-	-	-	3,583,325	3,410,553	6,993,878
Total Liabilities	331,475	2,791,488	2,029,939	5,655,053	3,583,325	3,410,553	17,801,833
3. Underwriting Surplus/(Deficit)	518,465	(543,738)	(1,584,129)	(505,124)	130,090	108,772	(1,875,664)
4. Adjustments:							
Investment Income	-	-	-	-	-	128,983	128,983
Investment Activity (Realized/Unrealized)	-	-	-	-	-	184,858	184,858
Recoveries	-	724,597	795,992	236,611	-	-	1,757,200
Transfers	-	-	-	-	-	-	-
Total Adjustments	-	724,597	795,992	236,611	-	313,841	2,071,041
5. Gross Current Position/(Deficit)	518,465	180,859	(788,137)	(268,513)	130,090	422,613	195,377
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 518,465	\$ 180,859	\$ (788,137)	\$ (268,513)	\$ 130,090	\$ 422,613	\$ 195,377
Current Year Claims	\$ 331,475	\$ 2,791,488	\$ 2,029,939	\$ 5,655,053	\$ -	\$ -	\$ 10,807,955
Prior Year Claims	331,475	2,791,489	2,030,480	5,574,760	-	-	10,728,204
Change in Claims Liabilities	\$ -	\$ (1)	\$ (541)	\$ 80,293	\$ -	\$ -	\$ 79,751

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2008 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

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	\$ 613,721	\$ 2,164,031	\$ 364,329	\$ 4,608,469	\$ 3,490,113	\$ 3,258,349	\$ 14,499,012
2. Incurred Liabilities:							
Claims	389,789	3,055,742	278,795	4,116,321	-	-	7,840,647
Expenses	-	-	-	-	3,487,963	3,149,211	6,637,174
Total Liabilities	<u>389,789</u>	<u>3,055,742</u>	<u>278,795</u>	<u>4,116,321</u>	<u>3,487,963</u>	<u>3,149,211</u>	<u>14,477,821</u>
3. Underwriting Surplus/(Deficit)	<u>223,932</u>	<u>(891,711)</u>	<u>85,534</u>	<u>492,148</u>	<u>2,150</u>	<u>109,138</u>	<u>21,191</u>
4. Adjustments:							
Investment Income	-	-	-	-	-	226,901	226,901
Investment Activity (Realized/Unrealized)	-	-	-	-	-	108,735	108,735
Recoveries	-	228,023	-	-	-	-	228,023
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>-</u>	<u>228,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,636</u>	<u>563,659</u>
5. Gross Current Position/(Deficit)	<u>223,932</u>	<u>(663,688)</u>	<u>85,534</u>	<u>492,148</u>	<u>2,150</u>	<u>444,774</u>	<u>584,850</u>
6. Return of Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7. Net Current Position/(Deficit)	<u>\$ 223,932</u>	<u>\$ (663,688)</u>	<u>\$ 85,534</u>	<u>\$ 492,148</u>	<u>\$ 2,150</u>	<u>\$ 444,774</u>	<u>\$ 584,850</u>
Current Year Claims	\$ 389,789	\$ 3,055,742	\$ 278,795	\$ 4,116,321	\$ -	\$ -	\$ 7,840,647
Prior Year Claims	<u>389,789</u>	<u>3,037,741</u>	<u>278,795</u>	<u>4,066,439</u>	<u>-</u>	<u>-</u>	<u>7,772,764</u>
Change in Claims Liabilities	<u>\$ -</u>	<u>\$ 18,001</u>	<u>\$ -</u>	<u>\$ 49,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,883</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2007 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

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	\$ 690,881	\$ 2,113,300	\$ 394,976	\$ 4,941,100	\$ 3,441,417	\$ 3,209,879	\$ 14,791,553
2. Incurred Liabilities:							
Claims	427,037	3,044,928	317,222	5,769,804	-	-	9,558,991
Expenses	-	-	-	-	3,441,417	3,209,879	6,651,296
Total Liabilities	427,037	3,044,928	317,222	5,769,804	3,441,417	3,209,879	16,210,287
3. Underwriting Surplus/(Deficit)	263,844	(931,628)	77,754	(828,704)	-	-	(1,418,734)
4. Adjustments:							
Investment Income	-	-	-	-	-	440,221	440,221
Investment Activity (Realized/Unrealized)	-	-	-	-	-	43,874	43,874
Recoveries	-	560,920	-	-	-	-	560,920
Transfers	-	-	-	-	-	-	-
Total Adjustments	-	560,920	-	-	-	484,095	1,045,015
5. Gross Current Position/(Deficit)	263,844	(370,708)	77,754	(828,704)	-	484,095	(373,719)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 263,844	\$ (370,708)	\$ 77,754	\$ (828,704)	\$ -	\$ 484,095	\$ (373,719)
Current Year Claims	\$ 427,037	\$ 3,044,928	\$ 317,222	\$ 5,769,804	\$ -	\$ -	\$ 9,558,991
Prior Year Claims	427,037	3,044,928	317,222	5,712,447	-	-	9,501,634
Change in Claims Liabilities	\$ -	\$ -	\$ -	\$ 57,357	\$ -	\$ -	\$ 57,357

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2006 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-14

	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	747,023	2,652,518	543,071	5,096,446	-	-	9,039,058
Expenses	-	-	-	-	3,586,174	3,072,388	6,658,562
	<u>747,023</u>	<u>2,652,518</u>	<u>543,071</u>	<u>5,096,446</u>	<u>3,586,174</u>	<u>3,072,388</u>	<u>15,697,620</u>
3. Underwriting Surplus/(Deficit)	-	(437,047)	2,500	(491,177)	-	(634,980)	(1,560,704)
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)	-	382	2,500	(491,177)	-	-	(488,295)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ 382</u>	<u>\$ 2,500</u>	<u>\$ (491,177)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (488,295)</u>
Current Year Claims	\$ 747,023	\$ 2,652,518	\$ 543,071	\$ 5,096,446	\$ -	\$ -	\$ 9,039,058
Prior Year Claims	747,023	2,652,518	543,071	5,021,323	-	-	8,963,935
Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,123</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2005 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

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	\$ 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	509,718	2,105,908	390,467	4,379,996	-	-	7,386,089
Expenses	-	-	-	-	4,594,367	2,385,474	6,979,841
	<u>509,718</u>	<u>2,105,908</u>	<u>390,467</u>	<u>4,379,996</u>	<u>4,594,367</u>	<u>2,385,474</u>	<u>14,365,930</u>
3. Underwriting Surplus/(Deficit)	-	(209,018)	-	(1,204,803)	-	(362,337)	(1,776,158)
4. Adjustments:							
Investment Income	-	-	-	-	-	362,337	362,337
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-
Recoveries	-	208,910	-	868,363	-	-	1,077,273
Transfers	-	-	-	-	-	-	-
	<u>-</u>	<u>208,910</u>	<u>-</u>	<u>868,363</u>	<u>-</u>	<u>362,337</u>	<u>1,439,610</u>
5. Gross Current Position/(Deficit)	-	(108)	-	(336,440)	-	-	(336,548)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ (108)</u>	<u>\$ -</u>	<u>\$ (336,440)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (336,548)</u>
Current Year Claims	\$ 509,718	\$ 2,105,908	\$ 390,467	\$ 4,379,996	\$ -	\$ -	\$ 7,386,089
Prior Year Claims	509,718	2,105,908	390,467	4,136,417	-	-	7,142,510
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,579</u>
Change in Claims Liabilities							



**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2004 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

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	\$ 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	290,414	2,690,089	278,743	3,687,657	-	-	6,946,903
Expenses	-	-	-	-	3,757,561	1,778,528	5,536,089
Total Liabilities	<u>290,414</u>	<u>2,690,089</u>	<u>278,743</u>	<u>3,687,657</u>	<u>3,757,561</u>	<u>1,778,528</u>	<u>12,482,992</u>
3. Underwriting Surplus/(Deficit)	<u>-</u>	<u>(259,650)</u>	<u>-</u>	<u>(1,328,082)</u>	<u>-</u>	<u>(120,113)</u>	<u>(1,707,845)</u>
4. Adjustments:							
Investment Income	-	-	-	-	-	120,113	120,113
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-
Recoveries	-	259,650	-	1,029,853	-	-	1,289,503
Transfers	-	-	-	-	-	-	-
Total Adjustments	<u>-</u>	<u>259,650</u>	<u>-</u>	<u>1,029,853</u>	<u>-</u>	<u>120,113</u>	<u>1,409,616</u>
5. Gross Current Position/(Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298,229)</u>	<u>-</u>	<u>-</u>	<u>(298,229)</u>
6. Return of Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (298,229)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (298,229)</u>
Current Year Claims	\$ 290,414	\$ 2,690,089	\$ 278,743	\$ 3,687,657	\$ -	\$ -	\$ 6,946,903
Prior Year Claims	290,414	2,690,089	278,743	3,335,768	-	-	6,595,014
Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,889</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2003 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-17

	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	208,108	952,993	78,546	1,321,654	-	-	2,561,301
Expenses	-	-	-	-	2,282,855	1,253,350	3,536,205
Total Liabilities	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,321,654</u>	<u>2,282,855</u>	<u>1,253,350</u>	<u>6,097,506</u>
3. Underwriting Surplus/(Deficit)	<u>-</u>	<u>(48,080)</u>	<u>-</u>	<u>43,879</u>	<u>-</u>	<u>(141,530)</u>	<u>(145,731)</u>
4. Adjustments:							
Investment Income	-	-	-	-	-	141,530	141,530
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-
Recoveries	-	48,080	-	-	-	-	48,080
Transfers	-	-	-	-	-	-	-
Total Adjustments	<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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,879</u>	<u>-</u>	<u>-</u>	<u>43,879</u>
6. Return of Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,879</u>
Current Year Claims	\$ 208,108	\$ 952,993	\$ 78,546	\$ 1,321,654	\$ -	\$ -	\$ 2,561,301
Prior Year Claims	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,315,533</u>	<u>-</u>	<u>-</u>	<u>2,555,180</u>
Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,121</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2002 FUND YEAR OPERATING RESULTS ANALYSIS  
Year Ended December 31, 2019

Schedule A-18

	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	56,949	205,490	36,325	707,491	-	-	1,006,255
Expenses	-	-	-	-	1,129,093	791,916	1,921,009
Total Liabilities	<u>56,949</u>	<u>205,490</u>	<u>36,325</u>	<u>707,491</u>	<u>1,129,093</u>	<u>791,916</u>	<u>2,927,264</u>
3. Underwriting Surplus/(Deficit)	<u>-</u>	<u>(65,917)</u>	<u>-</u>	<u>(106,952)</u>	<u>-</u>	<u>(224,538)</u>	<u>(397,407)</u>
4. Adjustments:							
Investment Income	-	-	-	-	-	196,621	196,621
Investment Activity (Realized/Unrealized)	-	-	-	-	-	27,917	27,917
Recoveries	-	65,917	-	106,803	-	-	172,720
Transfers	-	-	-	-	-	-	-
Total Adjustments	<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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149)</u>	<u>-</u>	<u>-</u>	<u>(149)</u>
6. Return of Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7. Net Current Position/(Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (149)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (149)</u>
Current Year Claims	\$ 56,949	\$ 205,490	\$ 36,325	\$ 707,491	\$ -	\$ -	\$ 1,006,255
Prior Year Claims	<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>
Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

FUND YEAR CLAIMS ANALYSIS – ALL YEARS COMBINED  
 Year Ended December 31, 2019

Schedule B

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>AGGREGATE RETENTION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 24,258,082	\$ 58,993,245	\$ 12,197,950	\$ 78,849,038	\$ -	\$ -	\$ 174,298,315
Case Reserves	376,524	7,627,792	1,651,487	29,684,640	(428,872)	-	38,911,571
IBNR Reserves	253,362	8,232,242	1,405,245	7,916,502	(114,930)	723,080	18,415,501
Subtotal	<u>24,887,968</u>	<u>74,853,279</u>	<u>15,254,682</u>	<u>116,450,180</u>	<u>(543,802)</u>	<u>723,080</u>	<u>231,625,387</u>
Less:							
Recoveries	<u>8,791,786</u>	<u>18,096,727</u>	<u>2,847,307</u>	<u>2,533,177</u>	<u>-</u>	<u>-</u>	<u>32,268,997</u>
Subtotal	<u>8,791,786</u>	<u>18,096,727</u>	<u>2,847,307</u>	<u>2,533,177</u>	<u>-</u>	<u>-</u>	<u>32,268,997</u>
Claims Expense (Net)	<u>\$ 16,096,182</u>	<u>\$ 56,756,552</u>	<u>\$ 12,407,375</u>	<u>\$ 113,917,003</u>	<u>\$ (543,802)</u>	<u>\$ 723,080</u>	<u>\$ 199,356,390</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2019 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-1

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 4,761,391	\$ 249,384	\$ 106,702	\$ 1,694,954	\$ 6,812,431
Case Reserves	356,846	1,820,714	110,574	5,895,062	8,183,196
IBNR Reserves	227,817	4,743,907	733,687	4,327,199	10,032,610
Subtotal	<u>5,346,054</u>	<u>6,814,005</u>	<u>950,963</u>	<u>11,917,215</u>	<u>25,028,237</u>
Less:					
Recoveries	<u>2,921,054</u>	<u>130,373</u>	<u>-</u>	<u>-</u>	<u>3,051,427</u>
Subtotal	<u>2,921,054</u>	<u>130,373</u>	<u>-</u>	<u>-</u>	<u>3,051,427</u>
Claims Expense (Net)	<u><u>\$ 2,425,000</u></u>	<u><u>\$ 6,683,632</u></u>	<u><u>\$ 950,963</u></u>	<u><u>\$ 11,917,215</u></u>	<u><u>\$ 21,976,810</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2018 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

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	\$ 2,880,017	\$ 1,756,466	\$ 227,164	\$ 3,920,404	\$ -	\$ 8,784,051
Case Reserves	18,258	2,265,559	90,037	6,089,413	-	8,463,267
IBNR Reserves	23,669	2,706,564	503,791	1,102,609	598,432	4,935,065
Subtotal	<u>2,921,944</u>	<u>6,728,589</u>	<u>820,992</u>	<u>11,112,426</u>	<u>598,432</u>	<u>22,182,383</u>
Less:						
Recoveries	<u>595,944</u>	<u>518,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,114,617</u>
Subtotal	<u>595,944</u>	<u>518,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,114,617</u>
Claims Expense (Net)	<u>\$ 2,326,000</u>	<u>\$ 6,209,916</u>	<u>\$ 820,992</u>	<u>\$ 11,112,426</u>	<u>\$ 598,432</u>	<u>\$ 21,067,766</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2017 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-3

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,532,726	\$ 1,650,797	\$ 403,452	\$ 4,950,998	\$ -	\$ 8,537,973
Case Reserves	420	1,073,375	632,335	5,202,750	-	6,908,880
IBNR Reserves	<u>1,422</u>	<u>362,715</u>	<u>79,007</u>	<u>549,458</u>	<u>119,507</u>	<u>1,112,109</u>
Subtotal	<u>1,534,568</u>	<u>3,086,887</u>	<u>1,114,794</u>	<u>10,703,206</u>	<u>119,507</u>	<u>16,558,962</u>
Less:						
Recoveries	<u>27,568</u>	<u>295,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,570</u>
Subtotal	<u>27,568</u>	<u>295,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,570</u>
Claims Expense (Net)	<u>\$ 1,507,000</u>	<u>\$ 2,791,885</u>	<u>\$ 1,114,794</u>	<u>\$ 10,703,206</u>	<u>\$ 119,507</u>	<u>\$ 16,236,392</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2016 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-4

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 2,384,033	\$ 3,398,572	\$ 1,250,048	\$ 4,574,150	\$ 11,606,803
Case Reserves	-	1,141,049	439,815	2,921,326	4,502,190
IBNR Reserves	-	251,246	50,363	348,439	650,048
Subtotal	<u>2,384,033</u>	<u>4,790,867</u>	<u>1,740,226</u>	<u>7,843,915</u>	<u>16,759,041</u>
Less:					
Recoveries	<u>895,991</u>	<u>476,780</u>	<u>340,318</u>	<u>-</u>	<u>1,713,089</u>
Subtotal	<u>895,991</u>	<u>476,780</u>	<u>340,318</u>	<u>-</u>	<u>1,713,089</u>
Claims Expense (Net)	<u><u>\$ 1,488,042</u></u>	<u><u>\$ 4,314,087</u></u>	<u><u>\$ 1,399,908</u></u>	<u><u>\$ 7,843,915</u></u>	<u><u>\$ 15,045,952</u></u>



**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2015 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-5

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,227,254	\$ 5,049,566	\$ 618,908	\$ 5,848,839	\$ -	\$ 12,744,567
Case Reserves	-	510,190	166,049	2,136,462	-	2,812,701
IBNR Reserves	-	71,170	16,683	567,687	5,141	660,681
Subtotal	<u>1,227,254</u>	<u>5,630,926</u>	<u>801,640</u>	<u>8,552,988</u>	<u>5,141</u>	<u>16,217,949</u>
Less:						
Recoveries	<u>222,951</u>	<u>2,020,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,243,049</u>
Subtotal	<u>222,951</u>	<u>2,020,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,243,049</u>
Claims Expense (Net)	<u>\$ 1,004,303</u>	<u>\$ 3,610,828</u>	<u>\$ 801,640</u>	<u>\$ 8,552,988</u>	<u>\$ 5,141</u>	<u>\$ 13,974,900</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2014 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-6

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,236,528	\$ 5,479,302	\$ 2,318,460	\$ 6,060,965	\$ 15,095,255
Case Reserves	-	561,106	212,677	2,482,776	3,256,559
IBNR Reserves	-	69,900	21,714	334,802	426,416
Subtotal	<u>1,236,528</u>	<u>6,110,308</u>	<u>2,552,851</u>	<u>8,878,543</u>	<u>18,778,230</u>
Less:					
Recoveries	-	1,468,437	1,371,424	-	2,839,861
Subtotal	<u>-</u>	<u>1,468,437</u>	<u>1,371,424</u>	<u>-</u>	<u>2,839,861</u>
Claims Expense (Net)	<u>\$ 1,236,528</u>	<u>\$ 4,641,871</u>	<u>\$ 1,181,427</u>	<u>\$ 8,878,543</u>	<u>\$ 15,938,369</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2013 FUND YEAR CLAIMS ANALYSIS  
Year Ended December 31, 2019

Schedule B-7

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 973,733	\$ 7,482,149	\$ 1,555,206	\$ 3,803,664	\$ 13,814,752
Case Reserves	1,000	164,411	-	1,111,072	1,276,483
IBNR Reserves	454	17,211	-	192,326	209,991
Subtotal	<u>975,187</u>	<u>7,663,771</u>	<u>1,555,206</u>	<u>5,107,062</u>	<u>15,301,226</u>
Less:					
Recoveries	<u>112,187</u>	<u>4,211,206</u>	<u>339,573</u>	<u>102,767</u>	<u>4,765,733</u>
Subtotal	<u>112,187</u>	<u>4,211,206</u>	<u>339,573</u>	<u>102,767</u>	<u>4,765,733</u>
Claims Expense (Net)	<u>\$ 863,000</u>	<u>\$ 3,452,565</u>	<u>\$ 1,215,633</u>	<u>\$ 5,004,295</u>	<u>\$ 10,535,493</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2012 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-8

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 4,801,694	\$ 7,777,736	\$ 458,727	\$ 5,790,193	\$ 18,828,350
Case Reserves	-	-	-	1,415,043	1,415,043
IBNR Reserves	-	-	-	155,411	155,411
Subtotal	<u>4,801,694</u>	<u>7,777,736</u>	<u>458,727</u>	<u>7,360,647</u>	<u>20,398,804</u>
Less:					
Recoveries	<u>3,638,305</u>	<u>4,026,726</u>	<u>-</u>	<u>-</u>	<u>7,665,031</u>
Subtotal	<u>3,638,305</u>	<u>4,026,726</u>	<u>-</u>	<u>-</u>	<u>7,665,031</u>
Claims Expense (Net)	<u>\$ 1,163,389</u>	<u>\$ 3,751,010</u>	<u>\$ 458,727</u>	<u>\$ 7,360,647</u>	<u>\$ 12,733,773</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2011 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-9

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 875,058	\$ 4,184,053	\$ 407,608	\$ 6,432,965	\$ 11,899,684
Case Reserves	-	77,500	-	614,162	691,662
IBNR Reserves	-	8,037	-	97,955	105,992
Subtotal	<u>875,058</u>	<u>4,269,590</u>	<u>407,608</u>	<u>7,145,082</u>	<u>12,697,338</u>
Less:					
Recoveries	<u>370,245</u>	<u>895,565</u>	<u>-</u>	<u>126,713</u>	<u>1,392,523</u>
Subtotal	<u>370,245</u>	<u>895,565</u>	<u>-</u>	<u>126,713</u>	<u>1,392,523</u>
Claims Expense (Net)	<u>\$ 504,813</u>	<u>\$ 3,374,025</u>	<u>\$ 407,608</u>	<u>\$ 7,018,369</u>	<u>\$ 11,304,815</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2010 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-10

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>AGGREGATE RETENTION</u>	<u>TOTALS</u>
Claims Incurred	\$ 625,135	\$ 4,481,444	\$ 898,567	\$ 6,167,067	\$ -	\$ 12,172,213
Case Reserves	-	-	-	812,677	(428,872)	383,805
IBNR Reserves	-	-	-	114,930	(114,930)	-
Subtotal	<u>625,135</u>	<u>4,481,444</u>	<u>898,567</u>	<u>7,094,674</u>	<u>(543,802)</u>	<u>12,556,018</u>
Less:						
Recoveries	<u>7,541</u>	<u>1,520,341</u>	<u>-</u>	<u>62,067</u>	<u>-</u>	<u>1,589,949</u>
Subtotal	<u>7,541</u>	<u>1,520,341</u>	<u>-</u>	<u>62,067</u>	<u>-</u>	<u>1,589,949</u>
Claims Expense (Net)	<u>\$ 617,594</u>	<u>\$ 2,961,103</u>	<u>\$ 898,567</u>	<u>\$ 7,032,607</u>	<u>\$ (543,802)</u>	<u>\$ 10,966,069</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2009 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-11

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 331,475	\$ 2,791,488	\$ 2,029,939	\$ 5,538,444	\$ 10,691,346
Case Reserves	-	-	-	99,320	99,320
IBNR Reserves	-	-	-	17,289	17,289
Subtotal	<u>331,475</u>	<u>2,791,488</u>	<u>2,029,939</u>	<u>5,655,053</u>	<u>10,807,955</u>
Less:					
Recoveries	<u>-</u>	<u>724,597</u>	<u>795,992</u>	<u>236,611</u>	<u>1,757,200</u>
Subtotal	<u>-</u>	<u>724,597</u>	<u>795,992</u>	<u>236,611</u>	<u>1,757,200</u>
Claims Expense (Net)	<u>\$ 331,475</u>	<u>\$ 2,066,891</u>	<u>\$ 1,233,947</u>	<u>\$ 5,418,442</u>	<u>\$ 9,050,755</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2008 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-12

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 389,789	\$ 3,040,362	\$ 278,795	\$ 3,982,822	\$ 7,691,768
Case Reserves	-	13,888	-	120,248	134,136
IBNR Reserves	-	1,492	-	13,251	14,743
Subtotal	<u>389,789</u>	<u>3,055,742</u>	<u>278,795</u>	<u>4,116,321</u>	<u>7,840,647</u>
Less:					
Recoveries	-	228,023	-	-	228,023
Subtotal	<u>-</u>	<u>228,023</u>	<u>-</u>	<u>-</u>	<u>228,023</u>
Claims Expense (Net)	<u>\$ 389,789</u>	<u>\$ 2,827,719</u>	<u>\$ 278,795</u>	<u>\$ 4,116,321</u>	<u>\$ 7,612,624</u>



**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2007 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-13

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 427,037	\$ 3,044,928	\$ 317,222	\$ 5,632,371	\$ 9,421,558
Case Reserves	-	-	-	118,739	118,739
IBNR Reserves	-	-	-	18,694	18,694
Subtotal	<u>427,037</u>	<u>3,044,928</u>	<u>317,222</u>	<u>5,769,804</u>	<u>9,558,991</u>
Less:					
Recoveries	<u>-</u>	<u>560,920</u>	<u>-</u>	<u>-</u>	<u>560,920</u>
Subtotal	<u>-</u>	<u>560,920</u>	<u>-</u>	<u>-</u>	<u>560,920</u>
Claims Expense (Net)	<u><u>\$ 427,037</u></u>	<u><u>\$ 2,484,008</u></u>	<u><u>\$ 317,222</u></u>	<u><u>\$ 5,769,804</u></u>	<u><u>\$ 8,998,071</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2006 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-14

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 747,023	\$ 2,652,518	\$ 543,071	\$ 4,638,429	\$ 8,581,041
Case Reserves	-	-	-	414,673	414,673
IBNR Reserves	-	-	-	43,344	43,344
Subtotal	<u>747,023</u>	<u>2,652,518</u>	<u>543,071</u>	<u>5,096,446</u>	<u>9,039,058</u>
Less:					
Recoveries	-	437,429	-	-	437,429
Subtotal	<u>-</u>	<u>437,429</u>	<u>-</u>	<u>-</u>	<u>437,429</u>
Claims Expense (Net)	<u>\$ 747,023</u>	<u>\$ 2,215,089</u>	<u>\$ 543,071</u>	<u>\$ 5,096,446</u>	<u>\$ 8,601,629</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2005 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-15

	<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	\$ 4,283,109	\$ 7,289,202
Case Reserves	-	-	-	84,612	84,612
IBNR Reserves	-	-	-	12,275	12,275
Subtotal	<u>509,718</u>	<u>2,105,908</u>	<u>390,467</u>	<u>4,379,996</u>	<u>7,386,089</u>
Less:					
Recoveries	-	208,910	-	868,363	1,077,273
Subtotal	<u>-</u>	<u>208,910</u>	<u>-</u>	<u>868,363</u>	<u>1,077,273</u>
Claims Expense (Net)	<u>\$ 509,718</u>	<u>\$ 1,896,998</u>	<u>\$ 390,467</u>	<u>\$ 3,511,633</u>	<u>\$ 6,308,816</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2004 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-16

	<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	\$ 3,500,519	\$ 6,759,765
Case Reserves	-	-	-	166,305	166,305
IBNR Reserves	-	-	-	20,833	20,833
Subtotal	<u>290,414</u>	<u>2,690,089</u>	<u>278,743</u>	<u>3,687,657</u>	<u>6,946,903</u>
Less:					
Recoveries	-	259,650	-	1,029,853	1,289,503
Subtotal	<u>-</u>	<u>259,650</u>	<u>-</u>	<u>1,029,853</u>	<u>1,289,503</u>
Claims Expense (Net)	<u>\$ 290,414</u>	<u>\$ 2,430,439</u>	<u>\$ 278,743</u>	<u>\$ 2,657,804</u>	<u>\$ 5,657,400</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2003 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-17

	<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	\$ 1,321,654	\$ 2,561,301
Case Reserves	-	-	-	-	-
IBNR Reserves	-	-	-	-	-
Subtotal	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,321,654</u>	<u>2,561,301</u>
Less:					
Recoveries	-	48,080	-	-	48,080
Subtotal	<u>-</u>	<u>48,080</u>	<u>-</u>	<u>-</u>	<u>48,080</u>
Claims Expense (Net)	<u>\$ 208,108</u>	<u>\$ 904,913</u>	<u>\$ 78,546</u>	<u>\$ 1,321,654</u>	<u>\$ 2,513,221</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2002 FUND YEAR CLAIMS ANALYSIS  
 Year Ended December 31, 2019

Schedule B-18

	<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	\$ 707,491	\$ 1,006,255
Case Reserves	-	-	-	-	-
IBNR Reserves	-	-	-	-	-
Subtotal	<u>56,949</u>	<u>205,490</u>	<u>36,325</u>	<u>707,491</u>	<u>1,006,255</u>
Less:					
Recoveries	-	65,917	-	106,803	172,720
Subtotal	<u>-</u>	<u>65,917</u>	<u>-</u>	<u>106,803</u>	<u>172,720</u>
Claims Expense (Net)	<u>\$ 56,949</u>	<u>\$ 139,573</u>	<u>\$ 36,325</u>	<u>\$ 600,688</u>	<u>\$ 833,535</u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2019 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2019  
Year Ended December 31, 2019

Schedule C-1

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Excess Insurance:	
Excess Insurance Premiums	<u>\$ 7,512,900</u>
Subtotal Excess Insurance	<u>7,512,900</u>
Administrative Expenses:	
Legal	18,174
Treasurer	18,500
Other:	
Auditor	16,000
Administrative Consultant	1,902,276
Litigation Management	55,000
Safety Director	258,660
Underwriting Manager	661,075
Non-Contract Professional Services	142,674
Claims Administration	2,447,208
Actuary	18,925
Risk Management	<u>2,708,262</u>
Subtotal Administrative Expenses	<u>8,246,754</u>
Total Expenses	<u><u>\$ 15,759,654</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2018 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2018  
Year Ended December 31, 2019

Schedule C-2

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Excess Insurance:	
Excess Insurance Premiums	<u>\$ 6,616,237</u>
Subtotal Excess Insurance	<u>6,616,237</u>
Administrative Expenses:	
Legal	16,178
Treasurer	18,500
Other:	
Auditor	16,435
Administrative Consultant	1,833,054
Litigation Management	55,000
Safety Director	162,912
Underwriting Manager	637,019
Non-Contract Professional Services	192,744
Claims Administration	2,333,913
Actuary	38,850
Risk Management	<u>2,628,578</u>
Subtotal Administrative Expenses	<u>7,933,183</u>
Total Expenses	<u><u>\$ 14,549,420</u></u>



**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2017 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2017  
Year Ended December 31, 2019

Schedule C-3

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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>2,514,602</u>
Subtotal Administrative Expenses	<u>7,525,723</u>
Total Expenses	<u><u>\$ 14,240,889</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2016 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2016  
Year Ended December 31, 2019

Schedule C-4

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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, 2019

Schedule C-5

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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, 2019

Schedule C-6

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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, 2019

Schedule C-7

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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, 2019

Schedule C-8

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Excess Insurance:	
Excess Insurance Premiums	<u>\$ 5,188,128</u>
Subtotal Excess Insurance	<u>5,188,128</u>
Administrative Expenses:	
Legal	31,686
Treasurer	22,000
Other:	
Auditor	15,001
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>6,015,416</u>
Total Expenses	<u><u>\$ 11,203,544</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2011 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2011  
Year Ended December 31, 2019

Schedule C-9

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Excess Insurance:	
Excess Insurance Premiums	<u>\$ 4,047,006</u>
Subtotal Excess Insurance	<u>4,047,006</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>\$ 9,066,201</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2010 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2010  
Year Ended December 31, 2019

Schedule C-10

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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>1,156,765</u>
Subtotal Administrative Expenses	<u>4,236,550</u>
Total Expenses	<u><u>\$ 8,159,178</u></u>



## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2009  
Year Ended December 31, 2019

Schedule C-11

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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, 2019

Schedule C-12

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Excess Insurance:	
Excess Insurance Premiums	<u>\$ 3,487,963</u>
Subtotal Excess Insurance	<u>3,487,963</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>\$ 6,637,174</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2007 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2007  
Year Ended December 31, 2019

Schedule C-13

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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, 2019

Schedule C-14

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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, 2019

Schedule C-15

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Reinsurance:	
Excess Liability Premiums	<u>\$ 4,594,367</u>
Subtotal Reinsurance Expenses	<u>4,594,367</u>
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>613,641</u>
Subtotal Administrative Expenses	<u>2,385,474</u>
Total Expenses	<u><u>\$ 6,979,841</u></u>

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

2004 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2004  
Year Ended December 31, 2019

Schedule C-16

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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, 2019

Schedule C-17

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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, 2019

Schedule C-18

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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, 2019

Schedule D

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Underwriting Income:	
Regular Contributions	\$ 358,772,436
Special Assessments	<u>4,319,956</u>
 Total Revenues	 <u>363,092,392</u>
 Expenses:	
Claims:	
Paid	142,029,318
Case Reserves	38,911,571
IBNR Reserves	<u>18,415,501</u>
 Claims - Net	 <u>199,356,390</u>
 Excess Insurance Premiums	 85,602,861
Administrative	<u>85,524,120</u>
 Total Expenses	 <u>171,126,981</u>
 Operating (Loss)	 (7,390,979)
 Non-Operating Income:	
Investment Income	5,186,962
Realized/Unrealized Gain	<u>1,633,437</u>
 Total Non-Operating Income	 <u>6,820,399</u>
 Net Income	 <u>\$ (570,580)</u>
 Cumulative Net Position - December 31, 2019	 <u><u>\$ (570,580)</u></u>

# GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

PROGRAM SUMMARY – FUND YEAR 2019  
Year Ended December 31, 2019

Schedule E

Limits	Property	Liability	Automobile	Workers' Compensation	Employment Practices Liability
	\$ 600,000,000	\$ 15,500,000 per occurrence	\$ 15,500,000 per occurrence	Statutory	\$ 15,500,000
<b>Fund Retention</b>					
<b>Specific Aggregate:</b>					
Property	\$ 100,000	\$ 500,000 ****	\$ 500,000 ***	\$ 750,000 **	\$ 500,000 ***
Auto Property	\$ 100,000				
All Lines of Business					
Stop Loss Aggregate	\$ 12,455,009	****			
<b>Number of Participants</b>	40	40	40	40	40

\* LEL portion of Liability specific aggregate is \$500,000

\*\* Workers' Compensation subject to a \$250,000 specific, \$500,000 in the aggregate Loss Corridor retention

\*\*\* Liability, Automobile, and Employment Practices Liability subject to a \$500,000 specific, \$2,000,000 in the aggregate Loss Corridor retention

\*\*\*\* Excludes WC, Property and APD losses. Only applies to GL, LEL, AL, EPL, POL and Employee Benefits

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	Safety National Casualty Co.		
- General Liability		as noted above	\$15,000,000
- Auto Liability			\$15,000,000
- Public Officials Liab.			\$15,000,000
- Employment Prac.			\$15,000,000
- Law Enforce. Liab.			\$15,000,000
- Employee Ben. Liab.			\$15,000,000
Boiler & Machinery	Travelers Property Casualty Co.	\$25,000	\$100,000,000
Crime & Bonds	Fidelity & Deposit Co. of Maryland	\$10,000	\$1,000,000
XS Work Comp.	Safety National Casualty Co. and Lloyd's of London (Brit Syndicate 2987)	\$750,000	Statutory
XS Employers Liability	Safety National Casualty Co. and Lloyd's of London (Brit Syndicate 2987)	\$750,000	\$15,000,000
Disaster Management Services	XLC Syndicate 2003 (Lloyd's of London)	\$0	\$20,000,000
Cyber Liability	Beazley Insurance Company	\$25,000	\$2,500,000
Unmanned Aircraft (drones)	Global Aerospace		\$1,000,000
Non-Owned Aircraft Liability	Global Aerospace	\$0	\$5,000,000
Site Pollution Liability	ACE American Insurance Co.	\$25,000	\$25,000,000
Marina Operators - Liability/Protection & Indemnity	Atlantic Specialty Insurance Co.	per schedule on file	\$5,000,000
Marina Operators - Hull	Atlantic Specialty Insurance Co.	per schedule on file	per schedule on file

**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, 2019, and the related notes to financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated June 22, 2020. The opinion on the Fund's financial statements was qualified as permitted by the DCA and DOBI, 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 misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no 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*

June 22, 2020

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

**SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS**  
Year Ended December 31, 2019

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None reported.

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
Year Ended December 31, 2019

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None reported.