

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA

December 31, 2022

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Garden State Municipal Joint Insurance Fund (the "Fund") is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14. The Fund is a pooling of the resources of its constituent member local units for the purpose of providing an efficient and cost-effective plan of risk management both through the pooling of risk among its members and the economies of scale in risk transfer methodologies that the size of the Fund permits. Each member local unit appoints one Commissioner to the Fund, and the Commissioners adopt budgets and set annual assessments from the members, approve annual risk management plans and oversee the operations of the Fund. The Fund is not considered a component-unit of any of its member local units. In addition, the Fund does not have any component-units. The following Management's Discussion and Analysis of the activities and financial performance of the Fund provides an introduction to the financial statements of the Fund as of and for the years ended December 31, 2022 and 2021. 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

2022

Cash and investments decreased by \$5,896,331 (11.71%) to \$44,458,759 in 2022 from \$50,355,090 in 2021 and total assets decreased by \$3,185,737 (4.75%) to \$63,828,590 in 2022 from \$67,014,327 in 2021.

Claims reserves increased by \$1,505,573 (2.44%) to \$63,294,424 in 2022 from \$61,788,851 in 2021.

The Fund had a net loss of \$5,133,559 in 2022 versus a net gain of \$18,716 in 2021.

2021

Cash and investments increased by \$433,221 (0.87%) to \$50,355,090 in 2021 from \$49,921,869 in 2020 and total assets increased by \$3,924,827 (5.33%) to \$67,014,327 in 2021 from \$63,089,500 in 2020.

Claims reserves decreased by \$628,964 (1.01%) to \$61,788,851 in 2021 from \$62,417,815 in 2020.

The Fund had a net gain of \$18,716 in 2021 versus a net gain of \$921,492 in 2020.

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, 2022, 2021 and 2020:

| | 2022 | 2021 | 2020 | 2022-2021 \$ Increase (Decrease) | 2022-2021 % Increase (Decrease) |
|---------------------------------------|----------------|---------------|---------------|--|---------------------------------------|
| Cash, Cash Equivalents & Investments | \$ 44,458,759 | \$ 50,355,090 | \$ 49,921,869 | \$ (5,896,331) | (12%) |
| Deductible & Co-Insurance Receivables | 3,661,657 | 2,838,485 | 1,172,194 | 823,172 | 29% |
| Recoverable from Excess Carriers | 7,536,217 | 9,656,392 | 6,944,992 | (2,120,175) | (22%) |
| Member SIR Receivables | 3,452,819 | 1,782,291 | 2,195,391 | 1,670,528 | 94% |
| Special Assessment Receivable | 1,532,259 | 471,087 | 1,285,592 | 1,061,172 | 225% |
| Other Assets | 3,186,879 | 1,910,982 | 1,569,462 | 1,275,897 | 67% |
| Total Assets | 63,828,590 | 67,014,327 | 63,089,500 | (3,185,737) | (5%) |
| Total Liabilities | 68,592,521 | 66,644,699 | 62,738,588 | 1,947,822 | 3% |
| Net Position (Deficit) | \$ (4,763,931) | \$ 369,628 | \$ 350,912 | \$ (5,133,559) | (1,389%) |

Assets

2022

The Fund's cash flow from operations is invested in an interest-bearing custody account and with the New Jersey Cash Management Fund ("CMF"). The Fund utilizes a nightly sweep for investment purposes with its financial institution. During 2022, the Fund also invested its available funds in U.S. Treasury Securities and U.S. Government Agency Securities.

The Fund recorded receivables, not including recoverables from excess carriers, in the amount of \$8,800,633. These receivables consisted of balances due from its members representing the members' deductible and co-insurance amounts on its Employment Practices Liability claims of \$3,661,657, members' claims payments within their Self-Insured Retention of \$3,452,819, and assessments due from members, including special assessments and endorsements, of \$1,686,157. Of the \$4,956,650 recorded but not billed to members, 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 \$7,536,217 as of December 31, 2022, reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2013 through 2018 Fund years of \$1,357,029 and excess insurance for all other lines of business during the 2004 through 2022 Fund years of \$6,179,188.

Other assets relate to accrued interest and prepaid expense. The decrease in total assets from 2021 resulted mainly from decreases in investments and recoverables from excess carriers, offset by increases in special assessment recorded not billed, member SIR receivable and prepaid expenses.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

Assets (Continued)

2021

The Fund's cash flow from operations is invested in an interest-bearing custody account and with the New Jersey Cash Management Fund ("CMF"). The Fund utilizes a nightly sweep for investment purposes with its financial institution. During 2021, the Fund also invested its available funds in U.S. Treasury Securities and U.S. Government Agency Securities.

The Fund recorded receivables, not including recoverables from excess carriers, in the amount of \$5,180,659. These receivables consisted of balances due from its members representing the members' deductible and co-insurance amounts on its Employment Practices Liability claims of \$2,838,485, members' claims payments within their Self-Insured Retention of \$1,782,291, and assessments due from members, including special assessments and endorsements, of \$559,883. Of the \$3,025,845 recorded but not billed to members, 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 \$9,656,392 as of December 31, 2021, reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2013 through 2016 Fund years of \$3,952,266 and excess insurance for all other lines of business during the 2004 through 2021 Fund years of \$5,704,126.

Other assets relate to accrued interest and prepaid expense. The increase in total assets from 2020 resulted mainly from increases in cash and cash equivalents, recoverables from excess carriers, recoverables recorded not billed, and prepaid expense, offset by decreases in investments, special assessments recorded not billed, and member SIR receivable.

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)

FINANCIAL ANALYSIS OF THE FUND (CONTINUED)

Results of Operations

The following table summarizes the changes in results of operations between fiscal years 2022, 2021 and 2020:

| | 2022 | 2021 | 2020 | 2022-2021 \$ Increase (Decrease) | 2022-2021 % Increase (Decrease) |
|----------------------------|-----------------------|------------------|-------------------|--|---------------------------------------|
| Revenues | \$ 40,854,829 | \$ 36,021,640 | \$ 35,643,020 | \$ 4,833,189 | 13% |
| Claims | (23,639,154) | (17,824,783) | (19,536,704) | 5,814,371 | (33%) |
| Expenses | (21,426,038) | (17,994,989) | (16,277,520) | 3,431,049 | (19%) |
| Operating (loss) income | (4,210,364) | 201,867 | (171,204) | (4,412,231) | (2,186%) |
| Net Investment (loss) gain | (923,196) | (183,152) | 1,092,696 | (740,044) | (404%) |
| Changes in net position | <u>\$ (5,133,559)</u> | <u>\$ 18,716</u> | <u>\$ 921,492</u> | <u>\$ (5,152,275)</u> | (27,529%) |

Revenues consist of Fund Members' 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 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, 2022 and 2021, \$136,253 and \$134,231, 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 2022 and 2021 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 Government Unit Deposit Protection Act 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)

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, 2022, 2021 and 2020:

| | 2022 | 2021 | 2020 |
|---|---------------------|---------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Cash Contributions Received from Participants and Other Sources | \$ 37,215,948 | \$ 36,057,998 | \$ 32,163,829 |
| Cash Payments for Goods and Services | (9,241,535) | (8,309,838) | (8,270,304) |
| Cash Payments for Risk Transfer Premiums | (12,483,164) | (9,657,451) | (8,008,691) |
| Cash Payments for Costs of Claims | (20,457,288) | (17,535,468) | (14,563,871) |
| Net Cash from Operating Activities | (4,966,039) | 555,241 | 1,320,963 |
| Cash Flows from Investing Activities | | | |
| Purchases of Investments - Net | 6,109,180 | 2,890,356 | (1,366,750) |
| Investment Income | (930,292) | (122,020) | 1,105,396 |
| Net Cash from Investing Activities | 5,178,888 | 2,768,336 | (261,354) |
| Net Change in Cash and Cash Equivalents | 212,849 | 3,323,577 | 1,059,609 |
| Cash and Cash Equivalents, Beginning of Year | 5,709,910 | 2,386,333 | 1,326,724 |
| Cash and Cash Equivalents, End of Year | <u>\$ 5,922,759</u> | <u>\$ 5,709,910</u> | <u>\$ 2,386,333</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 Jonathan Hall, Executive Director, Garden State Municipal Joint Insurance Fund, NIP Group, Inc., 900 Route 9 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 Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Garden State Municipal Joint Insurance Fund (the "Fund"), as of and for the years ended December 31, 2022 and 2021, and the related notes to financial statements, which comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above, except for the effects of any potential adjustments pertaining to the unaudited Incurred But Not Reported ("IBNR") reserve balance 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, 2022 and 2021, 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.

Basis for Qualified Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"), 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"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As permitted by the DCA and DOBI, audit procedures were not extended to the underlying actuarial assumptions for IBNR reserve amounts, as these assumptions are prepared by the Fund's actuary.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and audit requirements prescribed by the DCA and DOBI, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and audit requirements prescribed by the DCA and DOBI, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

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 is the responsibility of management and, 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 GAAS, 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 audits 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Supplementary Information

Management is responsible for the supplemental schedules included in the financial statements. The supplemental schedules, as listed in the table of contents, do not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the basic financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, 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 grant agreements, 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 28, 2023

BASIC FINANCIAL STATEMENTS

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

STATEMENTS OF NET POSITION

December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|-----------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash & Cash Equivalents | \$ 5,922,759 | \$ 5,709,910 |
| Investments | 38,536,000 | 44,645,180 |
| Recoverables from Excess Carriers | 7,536,217 | 9,656,392 |
| Recoverables Recorded not Billed | 3,433,391 | 2,554,758 |
| Special Assessment Recorded not Billed | 1,532,259 | 471,087 |
| Other Receivables: | | |
| Assessment/Endorsement to Members | 153,898 | 88,796 |
| Member SIR | 3,452,819 | 1,782,291 |
| Deductible & Co-Insurance from Members | 228,266 | 283,727 |
| Accrued Interest | 117,808 | 110,712 |
| Prepaid Expenses | 2,915,173 | 1,711,474 |
| | <u>63,828,590</u> | <u>\$ 67,014,327</u> |
| Total Assets | <u>\$ 63,828,590</u> | <u>\$ 67,014,327</u> |
| <u>LIABILITIES AND NET POSITION</u> | | |
| Liabilities: | | |
| Claims: | | |
| Case Reserves | \$ 42,599,601 | \$ 39,523,453 |
| IBNR Reserves | 20,694,823 | 22,265,398 |
| Claims Payable | 4,843,588 | 4,700,000 |
| Expenses: | | |
| Accrued Expenses | 454,509 | 155,848 |
| | <u>68,592,521</u> | <u>66,644,699</u> |
| Total Liabilities | <u>68,592,521</u> | <u>66,644,699</u> |
| Net Position (Deficit) | <u>\$ (4,763,931)</u> | <u>\$ 369,628</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Years Ended December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------|-------------------|
| REVENUES | | |
| Assessments - Participating Members | \$ 39,586,414 | \$ 36,021,640 |
| Special Assessments | 1,268,415 | - |
| Total Revenues | <u>40,854,829</u> | <u>36,021,640</u> |
| EXPENSES | | |
| Provision for Claims and Claim Adjustment Expense - Net | 23,639,154 | 17,824,783 |
| Excess Insurance Premiums | 12,483,164 | 9,657,451 |
| Administrative Expenses | 8,942,874 | 8,337,538 |
| Total Expenses | <u>45,065,192</u> | <u>35,819,772</u> |
| Operating (Loss) Gain | <u>(4,210,363)</u> | <u>201,868</u> |
| Non-Operating Expenses | | |
| Net Investment Loss | <u>(923,196)</u> | <u>(183,152)</u> |
| Total Non-Operating Expenses | <u>(923,196)</u> | <u>(183,152)</u> |
| Changes in Net Position | (5,133,559) | 18,716 |
| Net Position - Beginning of Year | <u>369,628</u> | <u>350,912</u> |
| Net Position - End of Year | <u>\$ (4,763,931)</u> | <u>\$ 369,628</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

| | 2022 | 2021 |
|---|----------------|---------------|
| Cash Flows from Operating Activities | | |
| Cash Contributions Received from Participants and Other Sources | \$ 37,215,948 | \$ 36,057,998 |
| Cash Payments for Goods and Services | (9,241,535) | (8,309,838) |
| Cash Payments for Risk Transfer Premiums | (12,483,164) | (9,657,451) |
| Cash Payments for Costs of Claims | (20,457,288) | (17,535,468) |
| Net Cash from Operating Activities | (4,966,039) | 555,241 |
| Cash Flows from Investing Activities | | |
| Purchases of Investments - Net | 6,109,180 | 2,890,356 |
| Investment Income | (930,292) | (122,020) |
| Net Cash from Investing Activities | 5,178,888 | 2,768,336 |
| Net Change in Cash and Cash Equivalents | 212,849 | 3,323,577 |
| Cash and Cash Equivalents, Beginning of Year | 5,709,910 | 2,386,333 |
| Cash and Cash Equivalents, End of Year | \$ 5,922,759 | \$ 5,709,910 |
| Reconciliation of Operating (Loss)/Income to Net Cash from Operating Activities | | |
| Operating (Loss)/Income | \$ (4,210,363) | \$ 201,868 |
| Adjustment to Reconcile Operating (Loss)/Income to Cash from Operating Activities | | |
| Change in Assets and Liabilities | | |
| Receivables & Prepaids | (2,703,498) | (3,552,738) |
| Claim Reserves & Payables | 1,649,161 | 3,933,811 |
| Accrued Expenses | 298,661 | (27,700) |
| Due to Members | - | - |
| Net Cash from Operating Activities | \$ (4,966,039) | \$ 555,241 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Fund

The Garden State Municipal Joint Insurance Fund (the "Fund") was established, effective February 1, 2002, in accordance with P.L. 1983, c.372 of the State of New Jersey, entitled "An Act Concerning Joint Insurance Funds for Local Units of Government", codified as N.J.S.A. 40A:10-1 et seq. The Department of Banking and Insurance ("DOBI") and the Department of Community Affairs ("DCA") of the State of New Jersey have been designated by statute as oversight agencies for joint insurance funds and have issued regulations governing the operations of these funds. The Fund provides for a pooling of the participants' insurable risks and the associated resources available to manage these risks. The Fund operates in accordance with its bylaws 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, 2022 and 2021, the Fund had 41 and 40 members in total, respectively.

Member contributions to the Fund for claim payments are based on the actuarial assumptions determined by the Fund's actuary. The Commissioner of DOBI may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to ensure the payment of the Fund's obligations.

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

The following primary coverages are offered by the Fund to its members:

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

Reporting Entity

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

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America. The Fund's financial statements are presented as those of an enterprise fund. The focus of enterprise funds is a measurement of economic resources, that is, the determination of 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. Beginning in fiscal year 2021, the Fund discounts estimated claim liabilities, as described in Note H. The recorded value of discounted estimated claim liabilities is subject to interest rate risk as the discount rate is based on management's estimate of potential investment portfolio performance.

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

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, 2022 and 2021, 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 members 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

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts on deposit, money market accounts, and short-term investments with original maturities of ninety 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 ("CMF") 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.

Additionally, the Fund has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the CMF.

As of December 31, 2022 and 2021, the carrying value of the Fund's cash and cash equivalents was \$5,922,759 and \$5,709,910, respectively. As of December 31, 2022 and 2021, the Fund's bank balances were \$8,826,672 and \$6,529,131, respectively, and were exposed to risk as follows:

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Insured and Collateralized | \$ 500,000 | \$ 500,000 |
| Uninsured and Collateralized | 8,326,672 | 6,029,131 |
| Total | \$ 8,826,672 | \$ 6,529,131 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the local unit's deposits may not be returned to it. As of December 31, 2022 and 2021, with respect to the Fund's bank balances, \$500,000 was covered by federal depository insurance and \$8,326,672 and \$6,029,131, 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 CMF 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, 2022 and 2021.

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 CMF.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

C. INVESTMENTS (CONTINUED)

Investments are recorded at market value based on quoted market prices.

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

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

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

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

The Fund’s Level 1 investments at December 31, 2022 and 2021, are categorized as follows:

| | Risk Category | Market Value | |
|---------------------------------|---------------|----------------------|----------------------|
| | | 2022 | 2021 |
| New Jersey Cash Management Fund | B | \$ 136,253 | \$ 134,231 |
| U.S. Treasury Securities | A | 38,399,747 | 44,510,949 |
| | | <u>\$ 38,536,000</u> | <u>\$ 44,645,180</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.

As of December 31, 2022 and 2021, the Fund had net unrealized investment losses in the amount of \$1,452,803 and \$110,927, respectively, which represent the difference between investment market value and cost basis. The composition of the net investment income as shown in the statements of revenues, expenses and changes in net position for years ended December 31, 2022 and 2021, are as follows:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Change in unrealized investment losses | \$ (1,341,876) | \$ (928,654) |
| Realized gain on investments | 34,056 | 161,188 |
| Interest income | 384,624 | 584,314 |
| | <u>\$ (923,196)</u> | <u>\$ (183,152)</u> |

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

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 2022 or 2021.

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, 2022 and 2021, the following Fund years' net position were in a deficit position:

| <u>Fund Year</u> | <u>2022</u> | <u>2021</u> |
|------------------|-------------|-------------|
| 2002 | \$ (10,426) | \$ (9,102) |
| 2003 | (84,062) | (80,590) |
| 2004 | (260,227) | (227,690) |
| 2005 | (350,538) | (247,754) |
| 2006 | (550,918) | (341,157) |
| 2007 | (549,621) | (420,209) |
| 2014 | (1,304,212) | (1,403,160) |
| 2018 | (2,391,681) | (1,703,255) |
| 2019 | (3,046,158) | (3,901,673) |
| 2021 | (5,669,971) | (3,149,083) |
| 2022 | (1,551,901) | - |

Management approved a supplemental assessment/dividend plan in July 2015. In accordance with the plan, which complies with N.J.S.A. 11:15-2.21, fund year 2002 would be closed and monies released from such closure would be "refunded" to eligible members in that year through an offset to the assessments to be levied against such members for the 2003-2006 fund year deficits.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

G. DEFICIT (NET POSITION) (CONTINUED)

All other members would be assessed their proportionate share as set forth in N.J.S.A. 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.

In 2022, the Fund authorized supplemental assessments totaling \$1,268,415 for fund years 2020 through 2022 to certain members who elected a retrospective loss experience ratings plan.

As of December 31, 2022 and 2021, receivables on the supplemental assessments were \$1,532,259 and \$471,087 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, 2022 and 2021. 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, 2022 and 2021, 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 the 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 statements 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 and 2020, 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.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

H. LOSS RESERVES (CONTINUED)

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 2020. The Fund did not establish an all lines of business stop loss aggregate for the years 2021 and 2022.

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, 2022, which have been estimated by the Fund's management.

| | 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) | - | - | - | 10,429 | - | - | 10,429 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,429</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,429</u> |
| 2003 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 113,114 | \$ - | \$ - | \$ 113,114 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 21,060 | - | - | 21,060 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 134,174</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 134,174</u> |
| 2004 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 50,077 | \$ - | \$ - | \$ 50,077 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 29,915 | - | - | 29,915 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 79,992</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 79,992</u> |
| 2005 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 6,824 | \$ - | \$ - | \$ 6,824 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 62,959 | - | - | 62,959 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 69,783</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 69,783</u> |
| 2006 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 341,004 | \$ - | \$ - | \$ 341,004 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 87,019 | - | - | 87,019 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 428,023</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 428,023</u> |
| 2007 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 133,022 | \$ - | \$ - | \$ 133,022 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 112,073 | - | - | 112,073 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 245,095</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 245,095</u> |
| 2008 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 8,141 | \$ - | \$ 93,280 | \$ - | \$ - | \$ 101,421 |
| Losses Incurred But Not Reported (IBNR) | - | 7,914 | - | 90,678 | - | - | 98,592 |
| | <u>\$ -</u> | <u>\$ 16,056</u> | <u>\$ -</u> | <u>\$ 183,957</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 200,013</u> |
| 2009 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 179,752 | \$ - | \$ - | \$ 179,752 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 168,237 | - | - | 168,237 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 347,989</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 347,989</u> |
| 2010 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 184 | \$ - | \$ - | \$ 184 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | - | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 184</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 184</u> |
| 2011 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 154,452 | \$ - | \$ - | \$ 154,452 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 241,202 | - | - | 241,202 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 395,654</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 395,654</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 |
|---|---------------------|------------------------|---------------------------|----------------------------|---------------------|-----------------|----------------------|
| 2012 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 294,989 | \$ - | \$ - | \$ 294,989 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 335,554 | - | - | 335,554 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 630,543</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 630,543</u> |
| 2013 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 44,096 | \$ - | \$ 329,253 | \$ - | \$ - | \$ 373,349 |
| Losses Incurred But Not Reported (IBNR) | - | 30,138 | - | 225,030 | - | - | 255,168 |
| | <u>\$ -</u> | <u>\$ 74,234</u> | <u>\$ -</u> | <u>\$ 554,283</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 628,517</u> |
| 2014 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 57,679 | \$ - | \$ 809,140 | \$ - | \$ - | \$ 866,818 |
| Losses Incurred But Not Reported (IBNR) | - | 24,446 | - | 342,944 | - | - | 367,390 |
| | <u>\$ -</u> | <u>\$ 82,125</u> | <u>\$ -</u> | <u>\$ 1,152,083</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,234,208</u> |
| 2015 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 164,439 | \$ - | \$ 1,339,184 | \$ - | \$ - | \$ 1,503,623 |
| Losses Incurred But Not Reported (IBNR) | - | 41,081 | - | 334,557 | - | - | 375,638 |
| | <u>\$ -</u> | <u>\$ 205,520</u> | <u>\$ -</u> | <u>\$ 1,673,742</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,879,261</u> |
| 2016 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 110,280 | \$ 101,980 | \$ 703,202 | \$ - | \$ - | \$ 915,461 |
| Losses Incurred But Not Reported (IBNR) | - | 37,799 | 34,955 | 241,029 | - | - | 313,783 |
| | <u>\$ -</u> | <u>\$ 148,079</u> | <u>\$ 136,934</u> | <u>\$ 944,231</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,229,244</u> |
| 2017 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 501,437 | \$ 199,798 | \$ 1,575,406 | \$ - | \$ - | \$ 2,276,641 |
| Losses Incurred But Not Reported (IBNR) | - | 59,438 | 23,683 | 186,740 | - | - | 269,861 |
| | <u>\$ -</u> | <u>\$ 560,875</u> | <u>\$ 223,481</u> | <u>\$ 1,762,146</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,546,502</u> |
| 2018 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 1,756,941 | \$ - | \$ 2,145,821 | \$ - | \$ - | \$ 3,902,762 |
| Losses Incurred But Not Reported (IBNR) | - | 373,621 | - | 456,317 | - | - | 829,938 |
| | <u>\$ -</u> | <u>\$ 2,130,562</u> | <u>\$ -</u> | <u>\$ 2,602,139</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,732,700</u> |
| 2019 Fund Year: | | | | | | | |
| Case Reserves | \$ 7,503 | \$ 2,496,057 | \$ 3,709 | \$ 3,833,524 | \$ - | \$ - | \$ 6,340,793 |
| Losses Incurred But Not Reported (IBNR) | 507 | 168,811 | 251 | 259,266 | - | - | 428,835 |
| | <u>\$ 8,011</u> | <u>\$ 2,664,868</u> | <u>\$ 3,960</u> | <u>\$ 4,092,790</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,769,628</u> |
| 2020 Fund Year: | | | | | | | |
| Case Reserves | \$ 20,493 | \$ 3,953,914 | \$ 585,947 | \$ 4,446,698 | \$ - | \$ - | \$ 9,007,051 |
| Losses Incurred But Not Reported (IBNR) | 4,016 | 774,859 | 114,830 | 871,431 | - | - | 1,765,135 |
| | <u>\$ 24,509</u> | <u>\$ 4,728,772</u> | <u>\$ 700,777</u> | <u>\$ 5,318,128</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,772,186</u> |
| 2021 Fund Year: | | | | | | | |
| Case Reserves | \$ 213,942 | \$ 1,574,643 | \$ 336,030 | \$ 7,294,709 | \$ - | \$ - | \$ 9,419,323 |
| Losses Incurred But Not Reported (IBNR) | 121,641 | 895,295 | 191,056 | 4,147,554 | - | - | 5,355,546 |
| | <u>\$ 335,583</u> | <u>\$ 2,469,938</u> | <u>\$ 527,086</u> | <u>\$ 11,442,263</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,774,869</u> |
| 2022 Fund Year: | | | | | | | |
| Case Reserves | \$ 477,675 | \$ 932,674 | \$ 213,420 | \$ 4,995,171 | \$ - | \$ - | \$ 6,618,940 |
| Losses Incurred But Not Reported (IBNR) | 690,394 | 1,348,012 | 308,460 | 7,219,623 | - | - | 9,566,489 |
| | <u>\$ 1,168,069</u> | <u>\$ 2,280,686</u> | <u>\$ 521,880</u> | <u>\$ 12,214,794</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,185,429</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, 2021, 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) | - | - | - | 9,327 | - | - | 9,327 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,327</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,327</u> |
| 2003 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 109,747 | \$ - | \$ - | \$ 109,747 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 30,005 | - | - | 30,005 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 139,752</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 139,752</u> |
| 2004 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 92,257 | \$ - | \$ - | \$ 92,257 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 5,280 | - | - | 5,280 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 97,537</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 97,537</u> |
| 2005 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 70,529 | \$ - | \$ - | \$ 70,529 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 40,750 | - | - | 40,750 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 111,279</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 111,279</u> |
| 2006 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 278,172 | \$ - | \$ - | \$ 278,172 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 69,623 | - | - | 69,623 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 347,795</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 347,795</u> |
| 2007 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 178,678 | \$ - | \$ - | \$ 178,678 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 109,970 | - | - | 109,970 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 288,648</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 288,648</u> |
| 2008 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 5,528 | \$ - | \$ 107,990 | \$ - | \$ - | \$ 113,518 |
| Losses Incurred But Not Reported (IBNR) | - | 4,677 | - | 91,376 | - | - | 96,053 |
| | <u>\$ -</u> | <u>\$ 10,205</u> | <u>\$ -</u> | <u>\$ 199,366</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 209,571</u> |
| 2009 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 239,761 | \$ - | \$ - | \$ 239,761 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 166,218 | - | - | 166,218 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 405,979</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 405,979</u> |
| 2010 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 17,254 | \$ - | \$ - | \$ 17,254 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 50,481 | - | - | 50,481 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 67,735</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 67,735</u> |
| 2011 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 289,255 | \$ - | \$ - | \$ 289,255 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 203,509 | - | - | 203,509 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 492,764</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 492,764</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 |
|---|-------------------|------------------------|---------------------------|----------------------------|---------------------|-----------------|----------------------|
| 2012 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ - | \$ - | \$ 425,852 | \$ - | \$ - | \$ 425,852 |
| Losses Incurred But Not Reported (IBNR) | - | - | - | 323,075 | - | - | 323,075 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 748,927</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 748,927</u> |
| 2013 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 50,637 | \$ - | \$ 643,426 | \$ - | \$ - | \$ 694,063 |
| Losses Incurred But Not Reported (IBNR) | - | 21,459 | - | 272,666 | - | - | 294,125 |
| | <u>\$ -</u> | <u>\$ 72,096</u> | <u>\$ -</u> | <u>\$ 916,092</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 988,188</u> |
| 2014 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 60,569 | \$ 52,787 | \$ 994,258 | \$ - | \$ - | \$ 1,107,614 |
| Losses Incurred But Not Reported (IBNR) | - | 30,105 | 26,236 | 494,187 | - | - | 550,528 |
| | <u>\$ -</u> | <u>\$ 90,674</u> | <u>\$ 79,023</u> | <u>\$ 1,488,445</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,658,142</u> |
| 2015 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 187,971 | \$ 99,097 | \$ 1,550,029 | \$ - | \$ - | \$ 1,837,097 |
| Losses Incurred But Not Reported (IBNR) | - | 61,454 | 32,399 | 506,752 | - | - | 600,605 |
| | <u>\$ -</u> | <u>\$ 249,425</u> | <u>\$ 131,496</u> | <u>\$ 2,056,781</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,437,702</u> |
| 2016 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 293,968 | \$ 46,450 | \$ 1,150,345 | \$ - | \$ - | \$ 1,490,763 |
| Losses Incurred But Not Reported (IBNR) | - | 101,392 | 16,021 | 396,764 | - | - | 514,177 |
| | <u>\$ -</u> | <u>\$ 395,360</u> | <u>\$ 62,471</u> | <u>\$ 1,547,109</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,004,940</u> |
| 2017 Fund Year: | | | | | | | |
| Case Reserves | \$ - | \$ 755,350 | \$ 223,417 | \$ 1,916,544 | \$ - | \$ - | \$ 2,895,311 |
| Losses Incurred But Not Reported (IBNR) | - | 195,819 | 57,921 | 496,851 | - | - | 750,591 |
| | <u>\$ -</u> | <u>\$ 951,169</u> | <u>\$ 281,338</u> | <u>\$ 2,413,395</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,645,902</u> |
| 2018 Fund Year: | | | | | | | |
| Case Reserves | \$ 2,941 | \$ 2,625,072 | \$ 13,170 | \$ 2,542,098 | \$ - | \$ - | \$ 5,183,281 |
| Losses Incurred But Not Reported (IBNR) | 1,116 | 996,322 | 4,999 | 964,829 | - | - | 1,967,266 |
| | <u>\$ 4,057</u> | <u>\$ 3,621,394</u> | <u>\$ 18,169</u> | <u>\$ 3,506,927</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,150,547</u> |
| 2019 Fund Year: | | | | | | | |
| Case Reserves | \$ 11,403 | \$ 4,542,989 | \$ 1,087,729 | \$ 5,031,671 | \$ - | \$ - | \$ 10,673,792 |
| Losses Incurred But Not Reported (IBNR) | 3,014 | 1,200,772 | 287,501 | 1,329,937 | - | - | 2,821,224 |
| | <u>\$ 14,417</u> | <u>\$ 5,743,761</u> | <u>\$ 1,375,230</u> | <u>\$ 6,361,608</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 13,495,016</u> |
| 2020 Fund Year: | | | | | | | |
| Case Reserves | \$ 57,189 | \$ 1,578,560 | \$ 413,854 | \$ 4,326,213 | \$ - | \$ - | \$ 6,375,816 |
| Losses Incurred But Not Reported (IBNR) | 42,464 | 1,172,109 | 307,294 | 3,212,291 | - | - | 4,734,158 |
| | <u>\$ 99,653</u> | <u>\$ 2,750,669</u> | <u>\$ 721,148</u> | <u>\$ 7,538,504</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,109,974</u> |
| 2021 Fund Year: | | | | | | | |
| Case Reserves | \$ 437,084 | \$ 904,918 | \$ 125,702 | \$ 5,982,993 | \$ - | \$ - | \$ 7,450,697 |
| Losses Incurred But Not Reported (IBNR) | 523,774 | 1,084,395 | 150,633 | 7,169,632 | - | - | 8,928,434 |
| | <u>\$ 960,858</u> | <u>\$ 1,989,313</u> | <u>\$ 276,335</u> | <u>\$ 13,152,625</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,379,131</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

H. LOSS RESERVES (CONTINUED)

With regard to the IBNR reserves totaling \$20,694,823 and \$22,265,398 at December 31, 2022 and 2021, respectively, the amounts recorded were determined by the Fund's management, who estimated the IBNR reserves to be approximate to the discounted low estimate of the actuarially determined IBNR reserves. The discounted actuarial central estimates of approximately \$25,244,619 and \$24,795,723, respectively, were significantly higher than historic IBNR reserves due to different assumptions and methods used (the Fund engaged a new actuary firm beginning in 2021). To account for the inherent uncertainty of the establishment of the IBNR reserves and to normalize any impacts from changes in actuarial methods and assumptions, in 2022 management has begun prorating the recognition of the actuarial central estimate over a three-year period, with the actuarial central estimate being recorded in full as of December 31, 2024.

The undiscounted amounts of the case and IBNR reserves as of December 31, 2022, approximately \$50,920,068 and \$30,536,206, respectively, differ from the carrying values of \$42,599,601 and \$20,694,823, respectively, due to the case and IBNR reserves being discounted at an interest rate of 4.664%, which was estimated by management and is based on the 2-year treasury annual interest rate as of February 23, 2023. The undiscounted amounts of the case and IBNR reserves as of December 31, 2021, approximately \$44,005,809 and \$24,790,517, respectively, differ from the carrying values of \$39,523,453 and \$22,265,398, respectively, due to the case and IBNR reserves being discounted at an interest rate of 2.589%, which was estimated by management and is based on the 2-year treasury annual interest rate as of May 23, 2022.

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, 2022 and 2021, the Fund paid \$4,473,742 and \$4,032,697, respectively, to the Fund's administrator as per the management agreement.

J. CHANGES IN UNPAID CLAIMS AND LIABILITIES

As discussed in Note A, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and unrelated allocated claims adjustment expenses.

The following represents changes in those aggregate reported case reserves for the Fund during 2022 and 2021 for all open fund years net of excess insurance recoveries.

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Total Unpaid Claims and Claims Adjustment Expenses – All Fund Years – Beginning of Year | \$ 39,523,453 | \$ 41,993,173 |
| Incurred Claims and Claims Adjustment Expenses: | | |
| Provision for Insured Events – Current Year | 10,992,088 | 12,204,534 |
| Changes in Provision for Insured Events – Prior Years | <u>12,541,348</u> | <u>2,861,214</u> |
| Total Incurred Claims and Claims Adjustment Expenses - All Fund Years - Subtotal | <u>23,533,436</u> | <u>15,065,748</u> |
| Subtotal | 63,056,889 | 57,058,921 |
| Payments: | | |
| Claims and Claims Adjustment Expenses | <u>(20,457,288)</u> | <u>(17,535,468)</u> |
| Total Unpaid Claims and Claims Adjustment Expenses – All Fund Years – End of Year | <u>\$ 42,599,601</u> | <u>\$ 39,523,453</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

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. PENDING GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62.*" This statement is required to be adopted by the Fund for the year ending December 31, 2024. The Fund has not determined the effect of Statement No. 100 on the financial statements.

M. SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2022 through June 28, 2023, noting no significant subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

TEN YEAR CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)

Exhibit A

| | Fund Year | | | | | | | | | |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Underwriting Income-Required Contributions | \$ 24,914,745 | \$ 27,425,461 | \$ 28,199,165 | \$ 33,406,531 | \$ 30,830,023 | \$ 32,833,628 | \$ 34,015,322 | \$ 35,643,020 | \$ 39,586,414 | \$ 39,586,414 |
| Special Assessments | - | - | - | - | - | - | - | - | - | 1,268,415 |
| Investment Income | 99,094 | 153,655 | 196,431 | 311,344 | 194,705 | 843,824 | 451,299 | 300,871 | (42,770) | (237,537) |
| | <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> | <u>34,466,621</u> | <u>39,543,645</u> | <u>40,617,292</u> |
| Excess Insurance Premiums | 6,173,018 | 6,740,966 | 6,495,715 | 6,328,342 | 6,715,166 | 6,616,237 | 7,512,900 | 8,008,691 | 12,483,164 | 12,483,164 |
| Administrative Expenses | 6,314,016 | 6,942,632 | 7,029,227 | 7,210,125 | 7,545,962 | 7,975,040 | 8,246,754 | 8,268,829 | 8,942,874 | 8,942,874 |
| | <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> | <u>16,277,520</u> | <u>21,426,038</u> | <u>21,426,038</u> |
| Estimated Incurred Claims-End of Policy Year | <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>11,207,983</u> | <u>11,944,200</u> | <u>11,944,200</u> | <u>12,204,534</u> | <u>10,992,088</u> |
| Cumulative Paid Claims: | | | | | | | | | | |
| End of Policy Year | 1,621,622 | 1,684,640 | 2,889,876 | 3,314,218 | 3,215,602 | 3,078,346 | 4,433,447 | 3,761,004 | 4,753,837 | 4,373,148 |
| One Year Later | 3,683,581 | 3,256,600 | 4,867,606 | 5,281,474 | 5,269,502 | 6,061,471 | 7,669,434 | 6,130,086 | 8,811,316 | - |
| Two Years Later | 5,318,580 | 5,574,233 | 7,084,952 | 6,914,958 | 7,378,929 | 8,215,403 | 9,309,579 | 8,064,509 | - | - |
| Three Years Later | 7,449,346 | 7,077,435 | 9,513,683 | 9,331,726 | 9,893,714 | 13,500,509 | 18,584,694 | - | - | - |
| Four Years Later | 9,228,910 | 8,043,687 | 11,358,830 | 10,501,518 | 12,288,573 | 16,577,879 | - | - | - | - |
| Five Years Later | 10,522,666 | 8,754,382 | 12,255,394 | 12,279,969 | 13,017,351 | - | - | - | - | - |
| Six Years Later | 10,845,190 | 9,049,019 | 11,721,556 | 12,843,701 | - | - | - | - | - | - |
| Seven Years Later | 12,578,362 | 13,740,146 | 12,043,286 | - | - | - | - | - | - | - |
| Eight Years Later | 9,664,944 | 14,065,116 | - | - | - | - | - | - | - | - |
| Nine Years Later | 9,684,646 | - | - | - | - | - | - | - | - | - |
| Cumulative Incurred Claims: | | | | | | | | | | |
| End of Policy Year | 4,511,560 | 7,864,092 | 7,288,699 | 7,165,630 | 7,741,671 | 11,207,983 | 11,944,200 | 10,519,572 | 12,204,534 | 10,992,088 |
| One Year Later | 8,387,172 | 11,488,264 | 11,369,510 | 11,057,758 | 12,309,228 | 16,132,701 | 16,889,267 | 12,505,902 | 18,230,640 | - |
| Two Years Later | 10,100,889 | 14,079,466 | 12,404,898 | 13,405,077 | 15,124,283 | 18,967,615 | 19,983,371 | 17,071,560 | - | - |
| Three Years Later | 9,759,488 | 14,784,339 | 13,150,136 | 14,395,904 | 16,020,200 | 18,683,790 | 24,925,488 | - | - | - |
| Four Years Later | 9,814,143 | 15,378,567 | 13,314,219 | 14,034,252 | 15,183,884 | 20,480,641 | - | - | - | - |
| Five Years Later | 10,213,667 | 15,511,953 | 13,706,871 | 13,770,732 | 15,293,992 | - | - | - | - | - |
| Six Years Later | 10,325,502 | 15,201,021 | 13,558,653 | 13,759,162 | - | - | - | - | - | - |
| Seven Years Later | 10,245,744 | 14,847,760 | 13,546,909 | - | - | - | - | - | - | - |
| Eight Years Later | 10,359,007 | 14,931,934 | - | - | - | - | - | - | - | - |
| Nine Years Later | 10,057,995 | - | - | - | - | - | - | - | - | - |
| Increase in Cumulative Incurred Claims from End of Policy Year | <u>\$ 6,324,431</u> | <u>\$ 10,420,374</u> | <u>\$ 5,682,817</u> | <u>\$ 6,470,463</u> | <u>\$ 8,128,362</u> | <u>\$ 9,272,658</u> | <u>\$ 12,981,288</u> | <u>\$ 5,127,360</u> | <u>\$ 6,026,106</u> | <u>\$ -</u> |

SUPPLEMENTAL SCHEDULES (UNAUDITED)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

OPERATING RESULTS ANALYSIS – ALL YEARS COMBINED Year Ended December 31, 2022

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 | \$ 19,086,760 | \$ 71,012,764 | \$ 15,488,593 | \$ 139,063,939 | \$ - | \$ - | \$ 113,554,303 | \$ 111,817,150 | \$ 470,023,510 |
| Special Assessment | 760,796 | 1,634,160 | (141,061) | 4,817,974 | - | - | - | (1,483,498) | 5,588,371 |
| | <u>19,847,556</u> | <u>72,646,924</u> | <u>15,347,533</u> | <u>143,881,913</u> | <u>-</u> | <u>-</u> | <u>113,554,303</u> | <u>110,333,652</u> | <u>475,611,881</u> |
| 2. Incurred Liabilities: | | | | | | | | | |
| Claims | 75,420,816 | 98,217,134 | 22,429,111 | 160,090,875 | (694,457) | (3,459,502) | - | - | 352,003,977 |
| Expenses | - | - | - | - | - | - | 115,752,167 | 111,073,360 | 226,825,527 |
| | <u>75,420,816</u> | <u>98,217,134</u> | <u>22,429,111</u> | <u>160,090,875</u> | <u>(694,457)</u> | <u>(3,459,502)</u> | <u>115,752,167</u> | <u>111,073,360</u> | <u>578,829,504</u> |
| 3. Underwriting Surplus/(Deficit) | <u>(55,573,260)</u> | <u>(25,570,211)</u> | <u>(7,081,578)</u> | <u>(16,208,962)</u> | <u>694,457</u> | <u>3,459,502</u> | <u>(2,197,865)</u> | <u>(739,707)</u> | <u>(103,217,623)</u> |
| 4. Adjustments: | | | | | | | | | |
| Investment Income | - | - | - | - | - | - | - | 6,964,807 | 6,964,807 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | - | - | (158,060) | (158,060) |
| Recoveries | 51,991,670 | 23,302,348 | 6,925,475 | 9,427,452 | - | - | - | - | 91,646,946 |
| | <u>51,991,670</u> | <u>23,302,348</u> | <u>6,925,475</u> | <u>9,427,452</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,806,747</u> | <u>98,453,692</u> |
| 5. Gross Operating Surplus/(Deficit) | <u>(3,581,589)</u> | <u>(2,267,863)</u> | <u>(156,103)</u> | <u>(6,781,510)</u> | <u>694,457</u> | <u>3,459,502</u> | <u>(2,197,865)</u> | <u>6,067,039</u> | <u>(4,763,931)</u> |
| 6. Return of Surplus | - | - | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | <u>\$ (3,581,589)</u> | <u>\$ (2,267,863)</u> | <u>\$ (156,103)</u> | <u>\$ (6,781,510)</u> | <u>\$ 694,457</u> | <u>\$ 3,459,502</u> | <u>\$ (2,197,865)</u> | <u>\$ 6,067,039</u> | <u>\$ (4,763,931)</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2022 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 1,712,217 | \$ 5,748,329 | \$ 1,270,409 | \$ 10,427,234 | \$ 11,371,707 | \$ 9,056,517 | \$ 39,586,414 |
| Special Assessment | 96,865 | 325,200 | 71,871 | 589,900 | - | - | 1,083,837 |
| | <u>1,809,083</u> | <u>6,073,529</u> | <u>1,342,280</u> | <u>11,017,134</u> | <u>11,371,707</u> | <u>9,056,517</u> | <u>40,670,251</u> |
| 2. Incurred Liabilities: | | | | | | | |
| Claims | 17,546,814 | 2,963,071 | 679,537 | 14,409,616 | - | - | 35,599,038 |
| Expenses | - | - | - | - | 12,483,164 | 8,942,874 | 21,426,038 |
| | <u>17,546,814</u> | <u>2,963,071</u> | <u>679,537</u> | <u>14,409,616</u> | <u>12,483,164</u> | <u>8,942,874</u> | <u>57,025,076</u> |
| 3. Underwriting Surplus/(Deficit) | <u>(15,737,731)</u> | <u>3,110,459</u> | <u>662,743</u> | <u>(3,392,482)</u> | <u>(1,111,457)</u> | <u>113,643</u> | <u>(16,354,825)</u> |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 98,963 | 98,963 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (336,501) | (336,501) |
| Recoveries | 14,767,395 | 273,066 | - | - | - | - | 15,040,461 |
| Transfers | - | - | - | - | - | - | - |
| | <u>14,767,395</u> | <u>273,066</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(237,537)</u> | <u>14,802,924</u> |
| 5. Gross Current Position/(Deficit) | <u>(970,336)</u> | <u>3,383,525</u> | <u>662,743</u> | <u>(3,392,482)</u> | <u>(1,111,457)</u> | <u>(123,894)</u> | <u>(1,551,901)</u> |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | <u>\$ (970,336)</u> | <u>\$ 3,383,525</u> | <u>\$ 662,743</u> | <u>\$ (3,392,482)</u> | <u>\$ (1,111,457)</u> | <u>\$ (123,894)</u> | <u>\$ (1,551,901)</u> |
| Current Year Claims | \$ 17,546,814 | \$ 2,963,071 | \$ 679,537 | \$ 14,409,616 | \$ - | \$ - | \$ 32,139,536 |
| Prior Year Claims | - | - | - | - | - | - | - |
| Change in Claims Liabilities | <u>\$ 17,546,814</u> | <u>\$ 2,963,071</u> | <u>\$ 679,537</u> | <u>\$ 14,409,616</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,139,536</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2021 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-2

| | COVERAGES AND OTHER ACCOUNTS | | | | | | TOTALS |
|---|------------------------------|---------------------|-------------------|-----------------------|---------------------------|----------------------------|-----------------------|
| | PROPERTY | GENERAL LIABILITY | AUTOMOTIVE | WORKERS' COMPENSATION | EXCESS INSURANCE POLICIES | GENERAL AND ADMINISTRATIVE | |
| 1. Underwriting Income: | | | | | | | |
| Regular Contributions | \$ 1,482,306 | \$ 5,402,773 | \$ 1,280,132 | \$ 10,024,195 | \$ 9,539,624 | \$ 8,292,610 | \$ 36,021,640 |
| Special Assessment | 7,424 | 27,060 | 6,412 | 50,206 | - | - | 91,101 |
| | <u>1,489,730</u> | <u>5,429,833</u> | <u>1,286,544</u> | <u>10,074,401</u> | <u>9,539,624</u> | <u>8,292,610</u> | <u>36,112,742</u> |
| 2. Incurred Liabilities: | | | | | | | |
| Claims | 29,318,972 | 3,264,933 | 692,987 | 17,166,540 | - | - | 50,443,431 |
| Expenses | - | - | - | - | 9,657,451 | 8,337,538 | 17,994,989 |
| | <u>29,318,972</u> | <u>3,264,933</u> | <u>692,987</u> | <u>17,166,540</u> | <u>9,657,451</u> | <u>8,337,538</u> | <u>68,438,420</u> |
| 3. Underwriting Surplus/(Deficit) | <u>(27,829,241)</u> | <u>2,164,900</u> | <u>593,557</u> | <u>(7,092,139)</u> | <u>(117,827)</u> | <u>(44,927)</u> | <u>(32,325,678)</u> |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 202,595 | 202,595 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (404,133) | (404,133) |
| Recoveries | 26,530,823 | 319,100 | - | 7,323 | - | - | 26,857,246 |
| Transfers | - | - | - | - | - | - | - |
| | <u>26,530,823</u> | <u>319,100</u> | <u>-</u> | <u>7,323</u> | <u>-</u> | <u>(201,539)</u> | <u>26,655,707</u> |
| 5. Gross Current Position/(Deficit) | <u>(1,298,418)</u> | <u>2,484,000</u> | <u>593,557</u> | <u>(7,084,817)</u> | <u>(117,827)</u> | <u>(246,466)</u> | <u>(5,669,971)</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>\$ (1,298,418)</u> | <u>\$ 2,484,000</u> | <u>\$ 593,557</u> | <u>\$ (7,084,817)</u> | <u>\$ (117,827)</u> | <u>\$ (246,466)</u> | <u>\$ (5,669,971)</u> |
| Current Year Claims | \$ 29,318,972 | \$ 3,264,933 | \$ 692,987 | \$ 17,166,540 | \$ - | \$ - | \$ 46,983,929 |
| Prior Year Claims | 9,664,355 | 2,564,374 | 405,904 | 17,404,644 | - | - | 30,039,277 |
| | <u>\$ 19,654,617</u> | <u>\$ 700,558</u> | <u>\$ 287,083</u> | <u>\$ (238,104)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,944,652</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2020 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-3

| | COVERAGES AND OTHER ACCOUNTS | | | | | | TOTALS |
|---|------------------------------|-----------------------|-------------------|-----------------------|---------------------------|----------------------------|---------------------|
| | PROPERTY | GENERAL LIABILITY | AUTOMOTIVE | WORKERS' COMPENSATION | EXCESS INSURANCE POLICIES | GENERAL AND ADMINISTRATIVE | |
| 1. Underwriting Income: | | | | | | | |
| Regular Contributions | \$ 1,448,195 | \$ 5,503,136 | \$ 1,357,353 | \$ 11,007,159 | \$ 8,061,782 | \$ 8,265,395 | \$ 35,643,020 |
| Special Assessment | 7,008 | 26,632 | 6,569 | 53,267 | - | - | 93,476 |
| | <u>1,455,203</u> | <u>5,529,768</u> | <u>1,363,922</u> | <u>11,060,426</u> | <u>8,061,782</u> | <u>8,265,395</u> | <u>35,736,496</u> |
| 2. Incurred Liabilities: | | | | | | | |
| Claims | 2,898,045 | 7,100,537 | 892,106 | 12,099,855 | - | - | 22,990,543 |
| Expenses | - | - | - | - | 8,008,691 | 8,268,829 | 16,277,520 |
| | <u>2,898,045</u> | <u>7,100,537</u> | <u>892,106</u> | <u>12,099,855</u> | <u>8,008,691</u> | <u>8,268,829</u> | <u>39,268,063</u> |
| 3. Underwriting Surplus/(Deficit) | <u>(1,442,842)</u> | <u>(1,570,769)</u> | <u>471,816</u> | <u>(1,039,429)</u> | <u>53,091</u> | <u>(3,434)</u> | <u>(3,531,567)</u> |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 440,445 | 440,445 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (376,392) | (376,392) |
| Recoveries | 810,708 | 540,817 | - | 2,802,323 | - | - | 4,153,848 |
| Transfers | - | - | - | - | - | - | - |
| | <u>810,708</u> | <u>540,817</u> | <u>-</u> | <u>2,802,323</u> | <u>-</u> | <u>64,052</u> | <u>4,217,900</u> |
| 5. Gross Current Position/(Deficit) | <u>(632,134)</u> | <u>(1,029,953)</u> | <u>471,816</u> | <u>1,762,894</u> | <u>53,091</u> | <u>60,619</u> | <u>686,333</u> |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | <u>\$ (632,134)</u> | <u>\$ (1,029,953)</u> | <u>\$ 471,816</u> | <u>\$ 1,762,894</u> | <u>\$ 53,091</u> | <u>\$ 60,619</u> | <u>\$ 686,333</u> |
| Current Year Claims | \$ 2,898,045 | \$ 7,100,537 | \$ 892,106 | \$ 12,099,855 | \$ - | \$ - | \$ 19,531,041 |
| Prior Year Claims | 2,093,880 | 3,895,074 | 858,764 | 13,604,730 | - | - | 20,452,448 |
| | <u>\$ 804,165</u> | <u>\$ 3,205,463</u> | <u>\$ 33,342</u> | <u>\$ (1,504,874)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (921,407)</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2019 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-4

| | 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 | 6,146,523 | 9,731,453 | 1,291,048 | 13,613,836 | - | - | 27,323,358 |
| Expenses | - | - | - | - | 7,512,900 | 8,246,754 | 15,759,654 |
| Total Liabilities | 6,146,523 | 9,731,453 | 1,291,048 | 13,613,836 | 7,512,900 | 8,246,754 | 43,083,012 |
| 3. Underwriting Surplus/(Deficit) | (4,642,398) | (4,392,084) | (40,373) | (3,442,547) | (69,407) | 59,617 | (9,067,690) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 511,030 | 511,030 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 81,965 | 81,965 |
| Recoveries | 3,999,317 | 475,000 | 190,034 | 764,187 | - | - | 5,428,538 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 3,999,317 | 475,000 | 190,034 | 764,187 | - | 592,994 | 6,021,532 |
| 5. Gross Current Position/(Deficit) | (643,081) | (3,917,084) | 149,661 | (2,678,361) | (69,407) | 652,611 | (3,046,158) |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ (643,081) | \$ (3,917,084) | \$ 149,661 | \$ (2,678,361) | \$ (69,407) | \$ 652,611 | \$ (3,046,158) |
| Current Year Claims | \$ 6,146,523 | \$ 9,731,453 | \$ 1,291,048 | \$ 13,613,836 | \$ - | \$ - | \$ 27,323,358 |
| Prior Year Claims | 6,185,413 | 7,805,244 | 1,936,417 | 10,134,931 | - | - | 26,062,004 |
| Change in Claims Liabilities | \$ (38,890) | \$ 1,926,209 | \$ (645,368) | \$ 3,478,906 | \$ - | \$ - | \$ 1,261,354 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2018 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-5

| | COVERAGES AND OTHER ACCOUNTS | | | | | | TOTALS |
|---|------------------------------|-------------------|--------------|-----------------------|---------------------------|----------------------------|----------------|
| | PROPERTY | GENERAL LIABILITY | AUTOMOTIVE | WORKERS' COMPENSATION | 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 | 2,859,274 | 10,275,532 | 424,544 | 9,650,926 | - | - | 23,210,276 |
| Expenses | - | - | - | - | 6,616,237 | 7,933,183 | 14,549,420 |
| Total Liabilities | 2,859,274 | 10,275,532 | 424,544 | 9,650,926 | 6,616,237 | 7,933,183 | 37,759,696 |
| 3. Underwriting Surplus/(Deficit) | (1,387,214) | (4,590,719) | 741,784 | 292,196 | (32,974) | 9,002 | (4,967,925) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 543,626 | 543,626 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 132,921 | 132,921 |
| Recoveries | 609,514 | 1,290,182 | - | - | - | - | 1,899,697 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 609,514 | 1,290,182 | - | - | - | 676,547 | 2,576,244 |
| 5. Gross Current Position/(Deficit) | (777,700) | (3,300,536) | 741,784 | 292,196 | (32,974) | 685,549 | (2,391,681) |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ (777,700) | \$ (3,300,536) | \$ 741,784 | \$ 292,196 | \$ (32,974) | \$ 685,549 | \$ (2,391,681) |
| Current Year Claims | \$ 2,859,274 | \$ 10,275,532 | \$ 424,544 | \$ 9,650,926 | \$ - | \$ - | \$ 23,210,276 |
| Prior Year Claims | 2,867,423 | 8,781,367 | 432,324 | 9,567,090 | - | - | 21,648,204 |
| Change in Claims Liabilities | \$ (8,149) | \$ 1,494,165 | \$ (7,780) | \$ 83,836 | \$ - | \$ - | \$ 1,562,072 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2017 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 1,391,962 | \$ 4,808,820 | \$ 1,001,415 | \$ 9,309,169 | \$ 6,739,347 | \$ 7,559,070 | \$ 30,809,783 |
| 2. Incurred Liabilities | | | | | | | |
| Claims | 1,574,728 | 3,809,425 | 3,616,245 | 9,652,579 | - | - | 18,652,978 |
| Expenses | - | - | - | - | 6,715,166 | 7,525,723 | 14,240,889 |
| Total Liabilities | 1,574,728 | 3,809,425 | 3,616,245 | 9,652,579 | 6,715,166 | 7,525,723 | 32,893,867 |
| 3. Underwriting Surplus/(Deficit) | (182,766) | 999,395 | (2,614,830) | (343,410) | 24,181 | 33,347 | (2,084,084) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 557,381 | 557,381 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (22,126) | (22,126) |
| Recoveries | 27,568 | 616,200 | 1,456,314 | 989,042 | - | - | 3,089,125 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 27,568 | 616,200 | 1,456,314 | 989,042 | - | 535,254 | 3,624,379 |
| 5. Gross Current Position/(Deficit) | (155,198) | 1,615,596 | (1,158,517) | 645,632 | 24,181 | 568,601 | 1,540,295 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ (155,198) | \$ 1,615,596 | \$ (1,158,517) | \$ 645,632 | \$ 24,181 | \$ 568,601 | \$ 1,540,295 |
| Current Year Claims | \$ 1,574,728 | \$ 3,809,425 | \$ 3,616,245 | \$ 9,652,579 | \$ - | \$ - | \$ 18,652,978 |
| Prior Year Claims | 1,582,836 | 3,312,578 | 3,686,419 | 10,434,966 | - | - | 19,016,798 |
| Change in Claims Liabilities | \$ (8,108) | \$ 496,847 | \$ (70,173) | \$ (782,386) | \$ - | \$ - | \$ (363,821) |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2016 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-7

| | COVERAGES AND OTHER ACCOUNTS | | | | | | TOTALS |
|---|------------------------------|-------------------|--------------|-----------------------|---------------------------|----------------------------|---------------|
| | PROPERTY | GENERAL LIABILITY | AUTOMOTIVE | WORKERS' COMPENSATION | 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 | 2,365,993 | 6,651,176 | 1,981,205 | 6,612,705 | - | - | 17,611,079 |
| Expenses | - | - | - | - | 6,328,342 | 7,210,125 | 13,538,467 |
| Total Liabilities | 2,365,993 | 6,651,176 | 1,981,205 | 6,612,705 | 6,328,342 | 7,210,125 | 31,149,546 |
| 3. Underwriting Surplus/(Deficit) | (971,077) | (2,433,759) | (1,066,889) | 2,448,836 | (310,560) | 270,459 | (2,062,990) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 509,023 | 509,023 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (33,543) | (33,543) |
| Recoveries | 895,116 | 2,139,725 | 503,293 | - | - | - | 3,538,134 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 895,116 | 2,139,725 | 503,293 | - | - | 475,480 | 4,013,613 |
| 5. Gross Current Position/(Deficit) | (75,961) | (294,034) | (563,596) | 2,448,836 | (310,560) | 745,939 | 1,950,624 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ (75,961) | \$ (294,034) | \$ (563,596) | \$ 2,448,836 | \$ (310,560) | \$ 745,939 | \$ 1,950,624 |
| Current Year Claims | \$ 2,365,993 | \$ 6,651,176 | \$ 1,981,205 | \$ 6,612,705 | \$ - | \$ - | \$ 17,611,079 |
| Prior Year Claims | 2,428,615 | 6,855,492 | 1,816,572 | 6,857,985 | - | - | 17,958,664 |
| Change in Claims Liabilities | \$ (62,622) | \$ (204,316) | \$ 164,633 | \$ (245,280) | \$ - | \$ - | \$ (347,585) |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2015 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-8

| | COVERAGES AND OTHER ACCOUNTS | | | | | | TOTALS |
|---|------------------------------|-------------------|--------------|-----------------------|---------------------------|----------------------------|---------------|
| | PROPERTY | GENERAL LIABILITY | AUTOMOTIVE | WORKERS' COMPENSATION | 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 | 1,233,622 | 5,281,401 | 1,245,719 | 8,529,412 | - | - | 16,290,154 |
| Expenses | - | - | - | - | 6,495,715 | 7,029,227 | 13,524,942 |
| Total Liabilities | 1,233,622 | 5,281,401 | 1,245,719 | 8,529,412 | 6,495,715 | 7,029,227 | 29,815,096 |
| 3. Underwriting Surplus/(Deficit) | (109,218) | (1,115,006) | (389,420) | 4,886 | 2,883 | (10,056) | (1,615,931) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 453,237 | 453,237 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (66,304) | (66,304) |
| Recoveries | 222,951 | 1,696,435 | 448,221 | - | - | - | 2,367,607 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 222,951 | 1,696,435 | 448,221 | - | - | 386,933 | 2,754,540 |
| 5. Gross Current Position/(Deficit) | 113,733 | 581,429 | 58,801 | 4,886 | 2,883 | 376,877 | 1,138,609 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ 113,733 | \$ 581,429 | \$ 58,801 | \$ 4,886 | \$ 2,883 | \$ 376,877 | \$ 1,138,609 |
| Current Year Claims | \$ 1,233,622 | \$ 5,281,401 | \$ 1,245,719 | \$ 8,529,412 | \$ - | \$ - | \$ 16,290,154 |
| Prior Year Claims | 1,233,622 | 4,927,190 | 1,221,007 | 8,693,114 | - | - | 16,074,933 |
| Net Change in Claims Liabilities | \$ - | \$ 354,211 | \$ 24,712 | \$ (163,701) | \$ - | \$ - | \$ 215,221 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 953,757 | \$ 3,996,799 | \$ 765,586 | \$ 8,280,324 | \$ 6,417,518 | \$ 7,011,477 | \$ 27,425,461 |
| 2. Incurred Liabilities: | | | | | | | |
| Claims | 1,240,713 | 7,226,233 | 4,332,504 | 8,578,106 | - | - | 21,377,555 |
| Expenses | - | - | - | - | 6,740,966 | 6,942,632 | 13,683,598 |
| Total Liabilities | 1,240,713 | 7,226,233 | 4,332,504 | 8,578,106 | 6,740,966 | 6,942,632 | 35,061,153 |
| 3. Underwriting Surplus/(Deficit) | (286,956) | (3,229,434) | (3,566,918) | (297,782) | (323,448) | 68,845 | (7,635,692) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 257,654 | 257,654 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (4,405) | (4,405) |
| Recoveries | - | 2,661,003 | 3,192,049 | 225,179 | - | - | 6,078,231 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | - | 2,661,003 | 3,192,049 | 225,179 | - | 253,249 | 6,331,480 |
| 5. Gross Current Position/(Deficit) | (286,956) | (568,431) | (374,869) | (72,603) | (323,448) | 322,094 | (1,304,212) |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ (286,956) | \$ (568,431) | \$ (374,869) | \$ (72,603) | \$ (323,448) | \$ 322,094 | \$ (1,304,212) |
| Current Year Claims | \$ 1,240,713 | \$ 7,226,233 | \$ 4,332,504 | \$ 8,578,106 | \$ - | \$ - | \$ 21,377,555 |
| Prior Year Claims | 1,240,633 | 7,249,538 | 3,412,930 | 8,437,078 | - | - | 20,340,179 |
| Change in Claims Liabilities | \$ 80 | \$ (23,305) | \$ 919,574 | \$ 141,028 | \$ - | \$ - | \$ 1,037,376 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-10

| | COVERAGES AND OTHER ACCOUNTS | | | | | | TOTALS |
|---|------------------------------|-------------------|--------------|-----------------------|---------------------------|----------------------------|---------------|
| | PROPERTY | GENERAL LIABILITY | AUTOMOTIVE | WORKERS' COMPENSATION | 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 | 973,733 | 10,403,071 | 1,555,206 | 6,253,738 | - | - | 19,185,748 |
| Expenses | - | - | - | - | 6,173,018 | 6,314,016 | 12,487,034 |
| Total Liabilities | 973,733 | 10,403,071 | 1,555,206 | 6,253,738 | 6,173,018 | 6,314,016 | 31,672,782 |
| 3. Underwriting Surplus/(Deficit) | (174,616) | (6,850,805) | (915,096) | 1,123,288 | (11,887) | 71,079 | (6,758,037) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 391,719 | 391,719 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | (62,673) | (62,673) |
| Recoveries | 112,187 | 6,861,239 | 339,573 | 1,559,586 | - | - | 8,872,585 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 112,187 | 6,861,239 | 339,573 | 1,559,586 | - | 329,046 | 9,201,631 |
| 5. Gross Current Position/(Deficit) | (62,429) | 10,434 | (575,523) | 2,682,874 | (11,887) | 400,125 | 2,443,594 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ (62,429) | \$ 10,434 | \$ (575,523) | \$ 2,682,874 | \$ (11,887) | \$ 400,125 | \$ 2,443,594 |
| Current Year Claims | \$ 973,733 | \$ 10,403,071 | \$ 1,555,206 | \$ 6,253,738 | \$ - | \$ - | \$ 19,185,748 |
| Prior Year Claims | 973,733 | 9,801,579 | 1,555,206 | 6,511,026 | - | - | 18,841,544 |
| Change in Claims Liabilities | \$ - | \$ 601,491 | \$ - | \$ (257,288) | \$ - | \$ - | \$ 344,203 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2012 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 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 | 7,149,259 | 458,727 | 7,168,095 | - | - | 19,577,775 |
| Expenses | - | - | - | - | 5,188,128 | 6,015,416 | 11,203,544 |
| Total Liabilities | 4,801,694 | 7,149,259 | 458,727 | 7,168,095 | 5,188,128 | 6,015,416 | 30,781,319 |
| 3. Underwriting Surplus/(Deficit) | (4,201,309) | (3,629,406) | 210,841 | 466,249 | (41,766) | 104,471 | (7,090,920) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 219,668 | 219,668 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 31,760 | 31,760 |
| Recoveries | 3,638,305 | 3,354,564 | - | - | - | - | 6,992,869 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 3,638,305 | 3,354,564 | - | - | - | 251,427 | 7,244,296 |
| 5. Gross Current Position/(Deficit) | (563,004) | (274,842) | 210,841 | 466,249 | (41,766) | 355,898 | 153,376 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ (563,004) | \$ (274,842) | \$ 210,841 | \$ 466,249 | \$ (41,766) | \$ 355,898 | \$ 153,376 |
| Current Year Claims | \$ 4,801,694 | \$ 7,149,259 | \$ 458,727 | \$ 7,168,095 | \$ - | \$ - | \$ 19,577,775 |
| Prior Year Claims | 4,801,694 | 7,109,141 | 458,727 | 7,255,567 | - | - | 19,625,129 |
| Change in Claims Liabilities | \$ - | \$ 40,118 | \$ - | \$ (87,473) | \$ - | \$ - | \$ (47,354) |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 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 | 3,834,440 | 407,608 | 7,122,864 | - | - | 12,239,970 |
| Expenses | - | - | - | - | 4,047,006 | 5,019,195 | 9,066,201 |
| Total Liabilities | 875,058 | 3,834,440 | 407,608 | 7,122,864 | 4,047,006 | 5,019,195 | 21,306,171 |
| 3. Underwriting Surplus/(Deficit) | (266,443) | (644,665) | 281,167 | 791,183 | (275,601) | (38,571) | (152,930) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 270,725 | 270,725 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 268,787 | 268,787 |
| Recoveries | 370,245 | 486,147 | - | 154,371 | - | - | 1,010,763 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | 370,245 | 486,147 | - | 154,371 | - | 539,512 | 1,550,275 |
| 5. Gross Current Position/(Deficit) | 103,802 | (158,518) | 281,167 | 945,554 | (275,601) | 500,941 | 1,397,345 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ 103,802 | \$ (158,518) | \$ 281,167 | \$ 945,554 | \$ (275,601) | \$ 500,941 | \$ 1,397,345 |
| Current Year Claims | \$ 875,058 | \$ 3,834,440 | \$ 407,608 | \$ 7,122,864 | \$ - | \$ - | \$ 12,239,970 |
| Prior Year Claims | 875,058 | 3,884,559 | 407,608 | 7,272,823 | - | - | 12,440,048 |
| Change in Claims Liabilities | \$ - | \$ (50,119) | \$ - | \$ (149,959) | \$ - | \$ - | \$ (200,078) |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-13

| | 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 | 3,853,132 | 898,567 | 7,251,964 | (694,457) | - | - | 11,934,342 |
| Expenses | - | - | - | - | - | 3,922,628 | 4,236,550 | 8,159,178 |
| Total Liabilities | 625,135 | 3,853,132 | 898,567 | 7,251,964 | (694,457) | 3,922,628 | 4,236,550 | 20,093,519 |
| 3. Underwriting Surplus/(Deficit) | 652,310 | (827,212) | (31,619) | (552,780) | 694,457 | (115,332) | (107,595) | (287,771) |
| 4. Adjustments: | | | | | | | | |
| Investment Income | - | - | - | - | - | - | 242,608 | 242,608 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | - | 278,703 | 278,703 |
| Recoveries | 7,541 | 892,029 | - | 68,702 | - | - | - | 968,272 |
| Transfers | - | - | - | - | - | - | - | - |
| Total Adjustments | 7,541 | 892,029 | - | 68,702 | - | - | 521,311 | 1,489,583 |
| 5. Gross Current Position/(Deficit) | 659,851 | 64,817 | (31,619) | (484,078) | 694,457 | (115,332) | 413,717 | 1,201,812 |
| 6. Return of Surplus | - | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ 659,851 | \$ 64,817 | \$ (31,619) | \$ (484,078) | \$ 694,457 | \$ (115,332) | \$ 413,717 | \$ 1,201,812 |
| Current Year Claims | \$ 625,135 | \$ 3,853,132 | \$ 898,567 | \$ 7,251,964 | \$ (694,457) | \$ - | \$ - | \$ 11,934,342 |
| Prior Year Claims | 625,135 | 3,853,132 | 898,567 | 7,062,876 | (561,456) | - | - | 11,878,254 |
| Change in Claims Liabilities | \$ - | \$ - | \$ - | \$ 189,089 | \$ (133,001) | \$ - | \$ - | \$ 56,088 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 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 | 2,635,217 | 2,029,939 | 6,072,073 | - | - | 11,068,704 |
| Expenses | - | - | - | - | 3,583,325 | 3,410,553 | 6,993,878 |
| Total Liabilities | 331,475 | 2,635,217 | 2,029,939 | 6,072,073 | 3,583,325 | 3,410,553 | 18,062,582 |
| 3. Underwriting Surplus/(Deficit) | 518,465 | (387,467) | (1,584,129) | (922,144) | 130,090 | 108,772 | (2,136,413) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 131,548 | 131,548 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 181,453 | 181,453 |
| Recoveries | - | 568,327 | 795,992 | 512,133 | - | - | 1,876,452 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | - | 568,327 | 795,992 | 512,133 | - | 313,001 | 2,189,453 |
| 5. Gross Current Position/(Deficit) | 518,465 | 180,860 | (788,137) | (410,011) | 130,090 | 421,773 | 53,039 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ 518,465 | \$ 180,860 | \$ (788,137) | \$ (410,011) | \$ 130,090 | \$ 421,773 | \$ 53,039 |
| Current Year Claims | \$ 331,475 | \$ 2,635,217 | \$ 2,029,939 | \$ 6,072,073 | \$ - | \$ - | \$ 11,068,704 |
| Prior Year Claims | 331,475 | 2,635,217 | 2,029,939 | 6,038,800 | - | - | 11,035,431 |
| Change in Claims Liabilities | \$ - | \$ - | \$ - | \$ 33,274 | \$ - | \$ - | \$ 33,274 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 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 | 2,838,723 | 278,795 | 4,253,198 | - | - | 7,760,505 |
| Expenses | - | - | - | - | 3,487,963 | 3,149,211 | 6,637,174 |
| Total Liabilities | 389,789 | 2,838,723 | 278,795 | 4,253,198 | 3,487,963 | 3,149,211 | 14,397,679 |
| 3. Underwriting Surplus/(Deficit) | 223,932 | (674,692) | 85,534 | 355,271 | 2,150 | 109,138 | 101,333 |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 239,543 | 239,543 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 99,879 | 99,879 |
| Recoveries | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | - | - | - | - | - | 339,422 | 339,422 |
| 5. Gross Current Position/(Deficit) | 223,932 | (674,692) | 85,534 | 355,271 | 2,150 | 448,560 | 440,755 |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ 223,932 | \$ (674,692) | \$ 85,534 | \$ 355,271 | \$ 2,150 | \$ 448,560 | \$ 440,755 |
| Current Year Claims | \$ 389,789 | \$ 2,838,723 | \$ 278,795 | \$ 4,253,198 | \$ - | \$ - | \$ 7,760,505 |
| Prior Year Claims | 389,789 | 2,832,920 | 278,795 | 4,208,240 | - | - | 7,709,744 |
| Change in Claims Liabilities | \$ - | \$ 5,803 | \$ - | \$ 44,957 | \$ - | \$ - | \$ 50,761 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2007 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 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 | 2,852,186 | 317,222 | 5,945,706 | - | - | 9,542,151 |
| Expenses | - | - | - | - | 3,441,417 | 3,209,879 | 6,651,296 |
| Total Liabilities | 427,037 | 2,852,186 | 317,222 | 5,945,706 | 3,441,417 | 3,209,879 | 16,193,447 |
| 3. Underwriting Surplus/(Deficit) | 263,844 | (738,886) | 77,754 | (1,004,606) | - | - | (1,401,894) |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 440,221 | 440,221 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 43,874 | 43,874 |
| Recoveries | - | 368,177 | - | - | - | - | 368,177 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | - | 368,177 | - | - | - | 484,095 | 852,272 |
| 5. Gross Current Position/(Deficit) | 263,844 | (370,709) | 77,754 | (1,004,606) | - | 484,095 | (549,621) |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | \$ 263,844 | \$ (370,709) | \$ 77,754 | \$ (1,004,606) | \$ - | \$ 484,095 | \$ (549,621) |
| Current Year Claims | \$ 427,037 | \$ 2,852,186 | \$ 317,222 | \$ 5,945,706 | \$ - | \$ - | \$ 9,542,151 |
| Prior Year Claims | 427,037 | 2,852,186 | 317,222 | 5,844,417 | - | - | 9,440,862 |
| Change in Claims Liabilities | \$ - | \$ - | \$ - | \$ 101,288 | \$ - | \$ - | \$ 101,288 |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2006 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 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 | 5,159,069 | - | - | 9,101,681 |
| Expenses | - | - | - | - | 3,586,174 | 3,072,388 | 6,658,562 |
| Total Liabilities | <u>747,023</u> | <u>2,652,518</u> | <u>543,071</u> | <u>5,159,069</u> | <u>3,586,174</u> | <u>3,072,388</u> | <u>15,760,243</u> |
| 3. Underwriting Surplus/(Deficit) | <u>-</u> | <u>(437,047)</u> | <u>2,500</u> | <u>(553,800)</u> | <u>-</u> | <u>(634,980)</u> | <u>(1,623,327)</u> |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 634,220 | 634,220 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | 760 | 760 |
| Recoveries | - | 437,429 | - | - | - | - | 437,429 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | <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) | <u>-</u> | <u>382</u> | <u>2,500</u> | <u>(553,800)</u> | <u>-</u> | <u>-</u> | <u>(550,918)</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>\$ 382</u> | <u>\$ 2,500</u> | <u>\$ (553,800)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (550,918)</u> |
| Current Year Claims | \$ 747,023 | \$ 2,652,518 | \$ 543,071 | \$ 5,159,069 | \$ - | \$ - | \$ 9,101,681 |
| Prior Year Claims | <u>747,023</u> | <u>2,652,518</u> | <u>543,071</u> | <u>4,941,062</u> | <u>-</u> | <u>-</u> | <u>8,883,674</u> |
| Change in Claims Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 218,007</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 218,007</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

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 | \$ 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 | 4,703,615 | - | - | 7,709,708 |
| Expenses | - | - | - | - | 4,594,367 | 2,385,474 | 6,979,841 |
| | <u>509,718</u> | <u>2,105,908</u> | <u>390,467</u> | <u>4,703,615</u> | <u>4,594,367</u> | <u>2,385,474</u> | <u>14,689,549</u> |
| 3. Underwriting Surplus/(Deficit) | <u>-</u> | <u>(209,018)</u> | <u>-</u> | <u>(1,528,422)</u> | <u>-</u> | <u>(362,337)</u> | <u>(2,099,777)</u> |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 362,337 | 362,337 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | - | - |
| Recoveries | - | 208,910 | - | 1,177,992 | - | - | 1,386,902 |
| Transfers | - | - | - | - | - | - | - |
| | <u>-</u> | <u>208,910</u> | <u>-</u> | <u>1,177,992</u> | <u>-</u> | <u>362,337</u> | <u>1,749,239</u> |
| 5. Gross Current Position/(Deficit) | <u>-</u> | <u>(108)</u> | <u>-</u> | <u>(350,430)</u> | <u>-</u> | <u>-</u> | <u>(350,538)</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>\$ (108)</u> | <u>\$ -</u> | <u>\$ (350,430)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (350,538)</u> |
| Current Year Claims | \$ 509,718 | \$ 2,105,908 | \$ 390,467 | \$ 4,703,615 | \$ - | \$ - | \$ 7,709,708 |
| Prior Year Claims | 509,718 | 2,105,908 | 390,467 | 4,608,602 | - | - | 7,614,695 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 95,013</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 95,013</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-19

| | 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 | 2,430,440 | 278,743 | 3,679,613 | - | - | 6,679,209 |
| Expenses | - | - | - | - | 3,757,561 | 1,778,528 | 5,536,089 |
| Total Liabilities | <u>290,414</u> | <u>2,430,440</u> | <u>278,743</u> | <u>3,679,613</u> | <u>3,757,561</u> | <u>1,778,528</u> | <u>12,215,298</u> |
| 3. Underwriting Surplus/(Deficit) | <u>-</u> | <u>(1)</u> | <u>-</u> | <u>(1,320,038)</u> | <u>-</u> | <u>(120,113)</u> | <u>(1,440,151)</u> |
| 4. Adjustments: | | | | | | | |
| Investment Income | - | - | - | - | - | 120,113 | 120,113 |
| Investment Activity (Realized/Unrealized) | - | - | - | - | - | - | - |
| Recoveries | - | - | - | 1,059,811 | - | - | 1,059,811 |
| Transfers | - | - | - | - | - | - | - |
| Total Adjustments | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,059,811</u> | <u>-</u> | <u>120,113</u> | <u>1,179,924</u> |
| 5. Gross Current Position/(Deficit) | <u>-</u> | <u>(1)</u> | <u>-</u> | <u>(260,227)</u> | <u>-</u> | <u>-</u> | <u>(260,227)</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>\$ (1)</u> | <u>\$ -</u> | <u>\$ (260,227)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (260,227)</u> |
| Current Year Claims | \$ 290,414 | \$ 2,430,440 | \$ 278,743 | \$ 3,679,613 | \$ - | \$ - | \$ 6,679,209 |
| Prior Year Claims | 290,414 | 2,690,089 | 278,743 | 3,672,859 | - | - | 6,932,105 |
| Change in Claims Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,754</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (252,896)</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-20

| | 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 | 1,449,595 | - | - | 2,689,242 |
| 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>1,449,595</u> | <u>2,282,855</u> | <u>1,253,350</u> | <u>6,225,447</u> |
| 3. Underwriting Surplus/(Deficit) | - | (48,080) | - | (84,062) | - | (141,530) | (273,672) |
| 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) | - | - | - | (84,062) | - | - | (84,062) |
| 6. Return of Surplus | - | - | - | - | - | - | - |
| 7. Net Current Position/(Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (84,062)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (84,062)</u> |
| Current Year Claims | \$ 208,108 | \$ 952,993 | \$ 78,546 | \$ 1,449,595 | \$ - | \$ - | \$ 2,689,242 |
| Prior Year Claims | 208,108 | 952,993 | 78,546 | 1,439,148 | - | - | 2,678,795 |
| Change in Claims Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,447</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,447</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR OPERATING RESULTS ANALYSIS
Year Ended December 31, 2022

Schedule A-21

| | 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 | 717,767 | - | - | 1,016,532 |
| Expenses | - | - | - | - | 1,129,093 | 791,916 | 1,921,009 |
| Total Liabilities | <u>56,949</u> | <u>205,490</u> | <u>36,325</u> | <u>717,767</u> | <u>1,129,093</u> | <u>791,916</u> | <u>2,937,541</u> |
| 3. Underwriting Surplus/(Deficit) | <u>(0)</u> | <u>(65,917)</u> | <u>(0)</u> | <u>(117,228)</u> | <u>-</u> | <u>(224,538)</u> | <u>(407,684)</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>(0)</u> | <u>-</u> | <u>(0)</u> | <u>(10,425)</u> | <u>-</u> | <u>-</u> | <u>(10,426)</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>\$ (0)</u> | <u>\$ -</u> | <u>\$ (0)</u> | <u>\$ (10,425)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (10,426)</u> |
| Current Year Claims | \$ 56,949 | \$ 205,490 | \$ 36,325 | \$ 717,767 | \$ - | \$ - | \$ 1,016,532 |
| Prior Year Claims | <u>56,949</u> | <u>205,490</u> | <u>36,325</u> | <u>720,350</u> | <u>-</u> | <u>-</u> | <u>1,019,114</u> |
| Change in Claims Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (2,583)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (2,583)</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS – ALL YEARS COMBINED
 Year Ended December 31, 2022

Schedule B

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>AGGREGATE RETENTION</u> | <u>TOTALS</u> |
|----------------------|----------------------|------------------------------|----------------------|----------------------------------|--------------------------------|-----------------------|
| Claims Incurred | \$ 73,884,647 | \$ 82,855,421 | \$ 20,314,993 | \$ 115,808,450 | \$ (4,153,959) | \$ 288,709,553 |
| Case Reserves | 719,611 | 11,600,300 | 1,440,883 | 28,838,807 | - | 42,599,601 |
| IBNR Reserves | 816,557 | 3,761,413 | 673,234 | 15,443,618 | - | 20,694,823 |
| Subtotal | <u>75,420,816</u> | <u>98,217,134</u> | <u>22,429,111</u> | <u>160,090,875</u> | <u>(4,153,959)</u> | <u>352,003,977</u> |
| Less: | | | | | | |
| Recoveries | <u>51,991,670</u> | <u>23,302,348</u> | <u>6,925,475</u> | <u>9,427,452</u> | <u>-</u> | <u>91,646,946</u> |
| Subtotal | <u>51,991,670</u> | <u>23,302,348</u> | <u>6,925,475</u> | <u>9,427,452</u> | <u>-</u> | <u>91,646,946</u> |
| Claims Expense (Net) | <u>\$ 23,429,146</u> | <u>\$ 74,914,786</u> | <u>\$ 15,503,635</u> | <u>\$ 150,663,423</u> | <u>\$ (4,153,959)</u> | <u>\$ 260,357,031</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2022 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-1

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|-------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 16,378,745 | \$ 682,385 | \$ 157,658 | \$ 2,194,822 | \$ 19,413,609 |
| Case Reserves | 477,675 | 932,674 | 213,420 | 4,995,171 | 6,618,940 |
| IBNR Reserves | 690,394 | 1,348,012 | 308,460 | 7,219,623 | 9,566,489 |
| Subtotal | <u>17,546,814</u> | <u>2,963,071</u> | <u>679,537</u> | <u>14,409,616</u> | <u>35,599,038</u> |
| Less: | | | | | |
| Recoveries | <u>14,767,395</u> | <u>273,066</u> | <u>-</u> | <u>-</u> | <u>15,040,461</u> |
| Subtotal | <u>14,767,395</u> | <u>273,066</u> | <u>-</u> | <u>-</u> | <u>15,040,461</u> |
| Claims Expense (Net) | <u>\$ 2,779,419</u> | <u>\$ 2,690,004</u> | <u>\$ 679,537</u> | <u>\$ 14,409,616</u> | <u>\$ 20,558,577</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2021 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-2

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|-------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 28,983,389 | \$ 794,995 | \$ 165,901 | \$ 5,724,277 | \$ 35,668,562 |
| Case Reserves | 213,942 | 1,574,643 | 336,030 | 7,294,709 | 9,419,323 |
| IBNR Reserves | 121,641 | 895,295 | 191,056 | 4,147,554 | 5,355,546 |
| Subtotal | <u>29,318,972</u> | <u>3,264,933</u> | <u>692,987</u> | <u>17,166,540</u> | <u>50,443,431</u> |
| Less: | | | | | |
| Recoveries | <u>26,530,823</u> | <u>319,100</u> | <u>-</u> | <u>7,323</u> | <u>26,857,246</u> |
| Subtotal | <u>26,530,823</u> | <u>319,100</u> | <u>-</u> | <u>7,323</u> | <u>26,857,246</u> |
| Claims Expense (Net) | <u>\$ 2,788,148</u> | <u>\$ 2,945,832</u> | <u>\$ 692,987</u> | <u>\$ 17,159,218</u> | <u>\$ 23,586,186</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2020 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-3

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|-------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 2,873,536 | \$ 2,371,765 | \$ 191,329 | \$ 6,781,727 | \$ 12,218,357 |
| Case Reserves | 20,493 | 3,953,914 | 585,947 | 4,446,698 | 9,007,051 |
| IBNR Reserves | 4,016 | 774,859 | 114,830 | 871,431 | 1,765,135 |
| Subtotal | <u>2,898,045</u> | <u>7,100,537</u> | <u>892,106</u> | <u>12,099,855</u> | <u>22,990,543</u> |
| Less: | | | | | |
| Recoveries | <u>810,708</u> | <u>540,817</u> | <u>-</u> | <u>2,802,323</u> | <u>4,153,848</u> |
| Subtotal | <u>810,708</u> | <u>540,817</u> | <u>-</u> | <u>2,802,323</u> | <u>4,153,848</u> |
| Claims Expense (Net) | <u>\$ 2,087,337</u> | <u>\$ 6,559,720</u> | <u>\$ 892,106</u> | <u>\$ 9,297,532</u> | <u>\$ 18,836,695</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2019 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-4

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>AGGREGATE RETENTION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|---------------------|----------------------------------|--------------------------------|----------------------|
| Claims Incurred | \$ 6,138,513 | \$ 7,066,585 | \$ 1,287,089 | \$ 9,521,046 | \$ (3,459,502) | \$ 24,013,232 |
| Case Reserves | 7,503 | 2,496,057 | 3,709 | 3,833,524 | - | 6,340,793 |
| IBNR Reserves | 507 | 168,811 | 251 | 259,266 | - | 428,835 |
| Subtotal | <u>6,146,523</u> | <u>9,731,453</u> | <u>1,291,048</u> | <u>13,613,836</u> | <u>(3,459,502)</u> | <u>27,323,358</u> |
| Less: | | | | | | |
| Recoveries | <u>3,999,317</u> | <u>475,000</u> | <u>190,034</u> | <u>764,187</u> | <u>-</u> | <u>5,428,538</u> |
| Subtotal | <u>3,999,317</u> | <u>475,000</u> | <u>190,034</u> | <u>764,187</u> | <u>-</u> | <u>5,428,538</u> |
| Claims Expense (Net) | <u>\$ 2,147,206</u> | <u>\$ 9,256,453</u> | <u>\$ 1,101,014</u> | <u>\$ 12,849,650</u> | <u>\$ (3,459,502)</u> | <u>\$ 21,894,820</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2018 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-5

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|-------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 2,859,274 | \$ 8,144,970 | \$ 424,544 | \$ 7,048,788 | \$ 18,477,575 |
| Case Reserves | - | 1,756,941 | - | 2,145,821 | 3,902,762 |
| IBNR Reserves | - | 373,621 | - | 456,317 | 829,938 |
| Subtotal | <u>2,859,274</u> | <u>10,275,532</u> | <u>424,544</u> | <u>9,650,926</u> | <u>23,210,276</u> |
| Less: | | | | | |
| Recoveries | <u>609,514</u> | <u>1,290,182</u> | <u>-</u> | <u>-</u> | <u>1,899,697</u> |
| Subtotal | <u>609,514</u> | <u>1,290,182</u> | <u>-</u> | <u>-</u> | <u>1,899,697</u> |
| Claims Expense (Net) | <u>\$ 2,249,760</u> | <u>\$ 8,985,349</u> | <u>\$ 424,544</u> | <u>\$ 9,650,926</u> | <u>\$ 21,310,579</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2017 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-6

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|---------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 1,574,728 | \$ 3,248,550 | \$ 3,392,764 | \$ 7,890,433 | \$ 16,106,475 |
| Case Reserves | - | 501,437 | 199,798 | 1,575,406 | 2,276,641 |
| IBNR Reserves | - | 59,438 | 23,683 | 186,740 | 269,861 |
| Subtotal | <u>1,574,728</u> | <u>3,809,425</u> | <u>3,616,245</u> | <u>9,652,579</u> | <u>18,652,978</u> |
| Less: | | | | | |
| Recoveries | <u>27,568</u> | <u>616,200</u> | <u>1,456,314</u> | <u>989,042</u> | <u>3,089,125</u> |
| Subtotal | <u>27,568</u> | <u>616,200</u> | <u>1,456,314</u> | <u>989,042</u> | <u>3,089,125</u> |
| Claims Expense (Net) | <u>\$ 1,547,160</u> | <u>\$ 3,193,224</u> | <u>\$ 2,159,932</u> | <u>\$ 8,663,537</u> | <u>\$ 15,563,853</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2016 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-7

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|---------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 2,365,993 | \$ 6,503,097 | \$ 1,844,270 | \$ 5,668,474 | \$ 16,381,834 |
| Case Reserves | - | 110,280 | 101,980 | 703,202 | 915,461 |
| IBNR Reserves | - | 37,799 | 34,955 | 241,029 | 313,783 |
| Subtotal | <u>2,365,993</u> | <u>6,651,176</u> | <u>1,981,205</u> | <u>6,612,705</u> | <u>17,611,079</u> |
| Less: | | | | | |
| Recoveries | <u>895,116</u> | <u>2,139,725</u> | <u>503,293</u> | <u>-</u> | <u>3,538,134</u> |
| Subtotal | <u>895,116</u> | <u>2,139,725</u> | <u>503,293</u> | <u>-</u> | <u>3,538,134</u> |
| Claims Expense (Net) | <u>\$ 1,470,877</u> | <u>\$ 4,511,451</u> | <u>\$ 1,477,912</u> | <u>\$ 6,612,705</u> | <u>\$ 14,072,945</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2015 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-8

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|-------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 1,233,622 | \$ 5,075,881 | \$ 1,245,719 | \$ 6,855,671 | \$ 14,410,893 |
| Case Reserves | - | 164,439 | - | 1,339,184 | 1,503,623 |
| IBNR Reserves | - | 41,081 | - | 334,557 | 375,638 |
| Subtotal | <u>1,233,622</u> | <u>5,281,401</u> | <u>1,245,719</u> | <u>8,529,412</u> | <u>16,290,154</u> |
| Less: | | | | | |
| Recoveries | <u>222,951</u> | <u>1,696,435</u> | <u>448,221</u> | <u>-</u> | <u>2,367,607</u> |
| Subtotal | <u>222,951</u> | <u>1,696,435</u> | <u>448,221</u> | <u>-</u> | <u>2,367,607</u> |
| Claims Expense (Net) | <u>\$ 1,010,671</u> | <u>\$ 3,584,966</u> | <u>\$ 797,498</u> | <u>\$ 8,529,412</u> | <u>\$ 13,922,547</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-9

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|---------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 1,240,713 | \$ 7,144,107 | \$ 4,332,504 | \$ 7,426,023 | \$ 20,143,347 |
| Case Reserves | - | 57,679 | - | 809,140 | 866,818 |
| IBNR Reserves | - | 24,446 | - | 342,944 | 367,390 |
| Subtotal | <u>1,240,713</u> | <u>7,226,233</u> | <u>4,332,504</u> | <u>8,578,106</u> | <u>21,377,555</u> |
| Less: | | | | | |
| Recoveries | - | 2,661,003 | 3,192,049 | 225,179 | 6,078,231 |
| Subtotal | <u>-</u> | <u>2,661,003</u> | <u>3,192,049</u> | <u>225,179</u> | <u>6,078,231</u> |
| Claims Expense (Net) | <u>\$ 1,240,713</u> | <u>\$ 4,565,230</u> | <u>\$ 1,140,455</u> | <u>\$ 8,352,927</u> | <u>\$ 15,299,324</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-10

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|---------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 973,733 | \$ 10,328,837 | \$ 1,555,206 | \$ 5,699,455 | \$ 18,557,231 |
| Case Reserves | - | 44,096 | - | 329,253 | 373,349 |
| IBNR Reserves | - | 30,138 | - | 225,030 | 255,168 |
| Subtotal | <u>973,733</u> | <u>10,403,071</u> | <u>1,555,206</u> | <u>6,253,738</u> | <u>19,185,748</u> |
| Less: | | | | | |
| Recoveries | <u>112,187</u> | <u>6,861,239</u> | <u>339,573</u> | <u>1,559,586</u> | <u>8,872,585</u> |
| Subtotal | <u>112,187</u> | <u>6,861,239</u> | <u>339,573</u> | <u>1,559,586</u> | <u>8,872,585</u> |
| Claims Expense (Net) | <u>\$ 861,546</u> | <u>\$ 3,541,832</u> | <u>\$ 1,215,633</u> | <u>\$ 4,694,152</u> | <u>\$ 10,313,163</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2012 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-11

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|---------------------|------------------------------|-------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 4,801,694 | \$ 7,149,259 | \$ 458,727 | \$ 6,537,552 | \$ 18,947,232 |
| Case Reserves | - | - | - | 294,989 | 294,989 |
| IBNR Reserves | - | - | - | 335,554 | 335,554 |
| Subtotal | <u>4,801,694</u> | <u>7,149,259</u> | <u>458,727</u> | <u>7,168,095</u> | <u>19,577,775</u> |
| Less: | | | | | |
| Recoveries | <u>3,638,305</u> | <u>3,354,564</u> | <u>-</u> | <u>-</u> | <u>6,992,869</u> |
| Subtotal | <u>3,638,305</u> | <u>3,354,564</u> | <u>-</u> | <u>-</u> | <u>6,992,869</u> |
| Claims Expense (Net) | <u>\$ 1,163,389</u> | <u>\$ 3,794,695</u> | <u>\$ 458,727</u> | <u>\$ 7,168,095</u> | <u>\$ 12,584,906</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-12

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|-------------------|----------------------------------|----------------------|
| Claims Incurred | \$ 875,058 | \$ 3,834,440 | \$ 407,608 | \$ 6,727,210 | \$ 11,844,316 |
| Case Reserves | - | - | - | 154,452 | 154,452 |
| IBNR Reserves | - | - | - | 241,202 | 241,202 |
| Subtotal | <u>875,058</u> | <u>3,834,440</u> | <u>407,608</u> | <u>7,122,864</u> | <u>12,239,970</u> |
| Less: | | | | | |
| Recoveries | <u>370,245</u> | <u>486,147</u> | <u>-</u> | <u>154,371</u> | <u>1,010,763</u> |
| Subtotal | <u>370,245</u> | <u>486,147</u> | <u>-</u> | <u>154,371</u> | <u>1,010,763</u> |
| Claims Expense (Net) | <u>\$ 504,813</u> | <u>\$ 3,348,293</u> | <u>\$ 407,608</u> | <u>\$ 6,968,493</u> | <u>\$ 11,229,207</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-13

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>AGGREGATE RETENTION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|-------------------|----------------------------------|--------------------------------|----------------------|
| Claims Incurred | \$ 625,135 | \$ 3,853,132 | \$ 898,567 | \$ 7,251,780 | \$ (694,457) | \$ 11,934,158 |
| Case Reserves | - | - | - | 184 | - | 184 |
| IBNR Reserves | - | - | - | - | - | - |
| Subtotal | <u>625,135</u> | <u>3,853,132</u> | <u>898,567</u> | <u>7,251,964</u> | <u>(694,457)</u> | <u>11,934,342</u> |
| Less: | | | | | | |
| Recoveries | <u>7,541</u> | <u>892,029</u> | <u>-</u> | <u>68,702</u> | <u>-</u> | <u>968,272</u> |
| Subtotal | <u>7,541</u> | <u>892,029</u> | <u>-</u> | <u>68,702</u> | <u>-</u> | <u>968,272</u> |
| Claims Expense (Net) | <u>\$ 617,594</u> | <u>\$ 2,961,103</u> | <u>\$ 898,567</u> | <u>\$ 7,183,262</u> | <u>\$ (694,457)</u> | <u>\$ 10,966,070</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR CLAIMS ANALYSIS
 Year Ended December 31, 2022

Schedule B-14

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|---------------------|----------------------------------|---------------------|
| Claims Incurred | \$ 331,475 | \$ 2,635,217 | \$ 2,029,939 | \$ 5,724,084 | \$ 10,720,715 |
| Case Reserves | - | - | - | 179,752 | 179,752 |
| IBNR Reserves | - | - | - | 168,237 | 168,237 |
| Subtotal | <u>331,475</u> | <u>2,635,217</u> | <u>2,029,939</u> | <u>6,072,073</u> | <u>11,068,704</u> |
| Less: | | | | | |
| Recoveries | - | 568,327 | 795,992 | 512,133 | 1,876,452 |
| Subtotal | <u>-</u> | <u>568,327</u> | <u>795,992</u> | <u>512,133</u> | <u>1,876,452</u> |
| Claims Expense (Net) | <u>\$ 331,475</u> | <u>\$ 2,066,890</u> | <u>\$ 1,233,947</u> | <u>\$ 5,559,940</u> | <u>\$ 9,192,252</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-15

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|-------------------|----------------------------------|---------------------|
| Claims Incurred | \$ 389,789 | \$ 2,822,668 | \$ 278,795 | \$ 4,069,240 | \$ 7,560,492 |
| Case Reserves | - | 8,141 | - | 93,280 | 101,421 |
| IBNR Reserves | - | 7,914 | - | 90,678 | 98,592 |
| Subtotal | <u>389,789</u> | <u>2,838,723</u> | <u>278,795</u> | <u>4,253,198</u> | <u>7,760,505</u> |
| Less: | | | | | |
| Recoveries | - | - | - | - | - |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Claims Expense (Net) | <u>\$ 389,789</u> | <u>\$ 2,838,723</u> | <u>\$ 278,795</u> | <u>\$ 4,253,198</u> | <u>\$ 7,760,505</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2007 FUND YEAR CLAIMS ANALYSIS
 Year Ended December 31, 2022

Schedule B-16

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|-------------------|----------------------------------|---------------------|
| Claims Incurred | \$ 427,037 | \$ 2,852,186 | \$ 317,222 | \$ 5,700,611 | \$ 9,297,056 |
| Case Reserves | - | - | - | 133,022 | 133,022 |
| IBNR Reserves | - | - | - | 112,073 | 112,073 |
| Subtotal | <u>427,037</u> | <u>2,852,186</u> | <u>317,222</u> | <u>5,945,706</u> | <u>9,542,151</u> |
| Less: | | | | | |
| Recoveries | - | 368,177 | - | - | 368,177 |
| Subtotal | <u>-</u> | <u>368,177</u> | <u>-</u> | <u>-</u> | <u>368,177</u> |
| Claims Expense (Net) | <u>\$ 427,037</u> | <u>\$ 2,484,009</u> | <u>\$ 317,222</u> | <u>\$ 5,945,706</u> | <u>\$ 9,173,974</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2006 FUND YEAR CLAIMS ANALYSIS
 Year Ended December 31, 2022

Schedule B-17

| | <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 | \$ 4,731,046 | \$ 8,673,658 |
| Case Reserves | - | - | - | 341,004 | 341,004 |
| IBNR Reserves | - | - | - | 87,019 | 87,019 |
| Subtotal | <u>747,023</u> | <u>2,652,518</u> | <u>543,071</u> | <u>5,159,069</u> | <u>9,101,681</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>\$ 5,159,069</u> | <u>\$ 8,664,252</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR CLAIMS ANALYSIS
 Year Ended December 31, 2022

Schedule B-18

| | <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 | \$ 4,633,832 | \$ 7,639,925 |
| Case Reserves | - | - | - | 6,824 | 6,824 |
| IBNR Reserves | - | - | - | 62,959 | 62,959 |
| Subtotal | <u>509,718</u> | <u>2,105,908</u> | <u>390,467</u> | <u>4,703,615</u> | <u>7,709,708</u> |
| Less: | | | | | |
| Recoveries | - | 208,910 | - | 1,177,992 | 1,386,902 |
| Subtotal | <u>-</u> | <u>208,910</u> | <u>-</u> | <u>1,177,992</u> | <u>1,386,902</u> |
| Claims Expense (Net) | <u>\$ 509,718</u> | <u>\$ 1,896,998</u> | <u>\$ 390,467</u> | <u>\$ 3,525,623</u> | <u>\$ 6,322,806</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-19

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|-------------------|----------------------------------|---------------------|
| Claims Incurred | \$ 290,414 | \$ 2,430,440 | \$ 278,743 | \$ 3,599,620 | \$ 7,745,888 |
| Case Reserves | - | - | - | 50,077 | 50,077 |
| IBNR Reserves | - | - | - | 29,915 | 29,915 |
| Subtotal | <u>290,414</u> | <u>2,430,440</u> | <u>278,743</u> | <u>3,679,613</u> | <u>6,679,209</u> |
| Less: | | | | | |
| Recoveries | - | - | - | 1,059,811 | 1,059,811 |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,059,811</u> | <u>1,059,811</u> |
| Claims Expense (Net) | <u>\$ 290,414</u> | <u>\$ 2,430,440</u> | <u>\$ 278,743</u> | <u>\$ 2,619,802</u> | <u>\$ 5,619,398</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR CLAIMS ANALYSIS
 Year Ended December 31, 2022

Schedule B-20

| | <u>PROPERTY</u> | <u>GENERAL LIABILITY</u> | <u>AUTOMOTIVE</u> | <u>WORKERS' COMPENSATION</u> | <u>TOTALS</u> |
|----------------------|-------------------|------------------------------|-------------------|----------------------------------|---------------------|
| Claims Incurred | \$ 208,108 | \$ 952,993 | \$ 78,546 | \$ 1,315,421 | \$ 2,555,068 |
| Case Reserves | - | - | - | 113,114 | 113,114 |
| IBNR Reserves | - | - | - | 21,060 | 21,060 |
| Subtotal | <u>208,108</u> | <u>952,993</u> | <u>78,546</u> | <u>1,449,595</u> | <u>2,689,242</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>\$ 1,449,595</u> | <u>\$ 2,641,162</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR CLAIMS ANALYSIS
Year Ended December 31, 2022

Schedule B-21

| | <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 | \$ 707,338 | \$ 1,006,103 |
| Case Reserves | - | - | - | - | - |
| IBNR Reserves | - | - | - | 10,429 | 10,429 |
| Subtotal | <u>56,949</u> | <u>205,490</u> | <u>36,325</u> | <u>717,767</u> | <u>1,016,532</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>\$ 610,964</u> | <u>\$ 843,812</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2022 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2022
Year Ended December 31, 2022

Schedule C-1

| | |
|------------------------------------|-----------------------------|
| Excess Insurance: | |
| Excess Insurance Premiums | <u>\$ 12,483,164</u> |
| Subtotal Excess Insurance | <u>12,483,164</u> |
| Administrative Expenses: | |
| Legal | 34,599 |
| Treasurer | 18,499 |
| Other: | |
| Auditor | 17,580 |
| Administrative Consultant | 2,210,625 |
| Litigation Management | 39,750 |
| Safety Director | 374,264 |
| Underwriting Manager | 768,231 |
| Non-Contract Professional Services | 49,246 |
| Claims Administration | 2,534,616 |
| Actuary | 58,485 |
| Risk Management | <u>2,836,979</u> |
| Subtotal Administrative Expenses | <u>8,942,874</u> |
| Total Expenses | <u><u>\$ 21,426,038</u></u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2021 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2021
Year Ended December 31, 2022

Schedule C-2

| | |
|------------------------------------|-----------------------------|
| Excess Insurance: | |
| Excess Insurance Premiums | <u>\$ 9,657,451</u> |
| Subtotal Excess Insurance | <u>9,657,451</u> |
| Administrative Expenses: | |
| Legal | 34,173 |
| Treasurer | 18,499 |
| Other: | |
| Auditor | 16,670 |
| Administrative Consultant | 2,078,427 |
| Litigation Management | 43,193 |
| Safety Director | 334,962 |
| Underwriting Manager | 699,009 |
| Non-Contract Professional Services | 74,028 |
| Claims Administration | 2,314,760 |
| Actuary | 38,850 |
| Risk Management | <u>2,684,968</u> |
| Subtotal Administrative Expenses | <u>8,337,538</u> |
| Total Expenses | <u><u>\$ 17,994,989</u></u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2020 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2020
Year Ended December 31, 2022

Schedule C-3

| | |
|------------------------------------|-----------------------------|
| Excess Insurance: | |
| Excess Insurance Premiums | <u>\$ 8,008,691</u> |
| Subtotal Excess Insurance | <u>8,008,691</u> |
| Administrative Expenses: | |
| Legal | 34,695 |
| Treasurer | 18,500 |
| Other: | |
| Auditor | 17,340 |
| Administrative Consultant | 1,990,276 |
| Litigation Management | 50,750 |
| Safety Director | 320,568 |
| Underwriting Manager | 691,656 |
| Non-Contract Professional Services | 227,172 |
| Claims Administration | 2,207,376 |
| Actuary | 15,215 |
| Risk Management | <u>2,695,281</u> |
| Subtotal Administrative Expenses | <u>8,268,829</u> |
| Total Expenses | <u><u>\$ 16,277,520</u></u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2019 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2019
Year Ended December 31, 2022

Schedule C-4

| | |
|------------------------------------|-----------------------------|
| 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, 2022

Schedule C-5

| | |
|------------------------------------|-----------------------------|
| 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, 2022

Schedule C-6

| | |
|------------------------------------|-----------------------------|
| 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, 2022

Schedule C-7

| | |
|------------------------------------|-----------------------------|
| 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, 2022

Schedule C-8

| | |
|------------------------------------|-----------------------------|
| 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, 2022

Schedule C-9

| | |
|------------------------------------|----------------------|
| Excess Insurance: | |
| Excess Insurance Premiums | \$ 6,740,966 |
| | <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 | 2,360,421 |
| | <u>2,360,421</u> |
| Subtotal Administrative Expenses | <u>6,942,632</u> |
| Total Expenses | <u>\$ 13,683,598</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2013
Year Ended December 31, 2022

Schedule C-10

| | |
|------------------------------------|-----------------------------|
| 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, 2022

Schedule C-11

| | |
|------------------------------------|-----------------------------|
| 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, 2022

Schedule C-12

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-13

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-14

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-15

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-16

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-17

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-18

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-19

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule C-20

| | |
|------------------------------------|---------------------|
| 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>\$ 3,536,205</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR EXPENSE ANALYSIS – REPORT YEAR 2002
Year Ended December 31, 2022

Schedule C-21

| | |
|------------------------------------|----------------------------|
| 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, 2022

Schedule D

| | |
|---|---------------------------|
| Underwriting Income: | |
| Regular Contributions | \$ 470,023,510 |
| Special Assessments | <u>5,588,371</u> |
| Total Revenues | <u>475,611,881</u> |
| Expenses: | |
| Claims: | |
| Paid | 197,062,608 |
| Case Reserves | 42,599,601 |
| IBNR Reserves | <u>20,694,823</u> |
| Claims - Net of Recoveries | <u>260,357,032</u> |
| Excess Insurance Premiums | 115,752,167 |
| Administrative | <u>111,073,360</u> |
| Total Expenses | <u>226,825,527</u> |
| Operating Loss | (11,570,678) |
| Non-Operating Income: | |
| Investment Income | 6,964,807 |
| Realized/Unrealized Loss | <u>(158,060)</u> |
| Total Non-Operating Income | <u>6,806,747</u> |
| Net Income | <u>(4,763,931)</u> |
| Cumulative Net Position - December 31, 2022 | <u>\$ (4,763,931)</u> |

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

PROGRAM SUMMARY – FUND YEAR 2022
Year Ended December 31, 2022

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 |
| Fund Retention | | | | | |
| Specific Aggregate: | | | | | |
| Property | \$ 100,000 | \$ 500,000 * *** | \$ 500,000 *** | \$ 750,000 ** | \$ 500,000 *** |
| Auto Property | \$ 100,000 | | | | |
| All Lines of Business | | | | | |
| Stop Loss Aggregate | N/A | **** | | | |
| Number of Participants | 41 | 41 | 41 | 41 | 41 |

* 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 | Alliant Property Insurance Program | as noted above | \$600,000,000 |
| Auto Phys. Damage | Alliant Property Insurance Program | as noted above | As per Policy Limit |
| Casualty | Safety National Casualty Co., | | |
| - General Liability | Allied World Assurance Company and Kinsale Insurance Company | 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 | Alliant Property Insurance Program | \$10,000 plus tiers for larger power and boiler units from \$50,000 through \$350,000 | \$100,000,000 |
| Crime & Bonds | Fidelity & Deposit Co. of Maryland | \$10,000 | \$1,000,000 |
| XS Work Comp. | Safety National Casualty Co. and Allied World Assurance Company | \$750,000 | Statutory |
| XS Employers Liability | Safety National Casualty Co. and Allied World Assurance Company | \$750,000 | \$15,000,000 |
| Disaster Management Services | XLC Syndicate 2003 (Lloyd's of London) | \$0 | \$20,000,000 |
| Underground Storage Tank Liability | ACE American Insurance Co. | per schedule on file | varies by policy; \$1,000,000 Legal Defenses aggregate limit |
| Cyber Liability | Alliant Property Insurance Program | \$25,000-\$100,000 | \$50,000,000 |
| Unmanned Aircraft (drones) | Global Aerospace, Inc. | per schedule on file | \$1,000,000 |
| Non-Owned Aircraft Liability | Global Aerospace, Inc. | \$0 | \$5,000,000 |
| Site Pollution Liability | Allied World Assurance Company | \$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 (the “Fund”), as of and for the year ended December 31, 2022, and the related notes to financial statements, which comprise the Fund’s basic financial statements, and have issued our report thereon dated June 28, 2023. 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.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not 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)

Report on 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 financial statements. 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.

Merodien, P.C.

Certified Public Accountants

June 28, 2023

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None reported.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None reported.