

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

***FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2014***

***HODULIK & MORRISON, P.A.***

*Certified Public Accountants  
Registered Municipal Accountants  
Highland Park, New Jersey*

# GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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**PART I**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Financial Statements**

We have audited the accompanying financial statements of the Garden State Municipal Joint Insurance Fund, Woodbridge, New Jersey (the "Fund") as of December 31, 2014, and the related notes to the financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

### **Opinions**

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

### **Other Matters**

#### **Required Supplementary Information**

Accounting principals generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

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

### Other Reporting Required by Government Auditing Standards


In Accordance with Government Auditing Standards, we have also issued our report dated June 26, 2015, on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over the financial reporting or on compliance. That report is an integral part of an audit performed in accordance Government Auditing Standards in considering the Fund's internal control over financial reporting and compliance.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.

Certified Public Accountants

Registered Municipal Accountants



Andrew G. Hodulik  
Registered Municipal Account  
No. 406

Highland Park, New Jersey  
June 26, 2015



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the Departments of Community Affairs and Banking and Insurance, State of New Jersey, the financial statements of the Garden State Municipal Joint Insurance Fund, Woodbridge, New Jersey (the "Fund") as of December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2015. The opinion on the Fund's financial statements was modified as permitted by the State of New Jersey Departments of Community Affairs and Banking and Insurance, as audit procedures were not extended to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) reserve amounts, as these assumptions are prepared by the Fund's actuary.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Highland Park, New Jersey  
June 26, 2015

**REQUIRED SUPPLEMENTARY INFORMATION**

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2014**

**(Unaudited)**

The Garden State Municipal Joint Insurance Fund (the "Fund") is not included in any other governmental "reporting entity" as defined by Government Accounting Standards Board ("GASB") Statement No. 14. The Fund is a pooling of the resources of its constituent member local units for the purpose of providing an efficient and cost effective plan of risk management both through the pooling of risk among its members and the economies of scale in risk transfer methodologies that the size of the Fund permits. Each member local unit appoints one Commissioner to the Fund, and the Commissioners adopt budgets and set annual assessments from the members, approve annual risk management plans and oversee the operations of the Fund. The Fund is not considered a component-unit of any of its member local units. In addition, the Fund does not have any component-units. The following Management's Discussion and Analysis of the activities and financial performance of the Fund provide an introduction to the financial statements of the Fund for the year ended December 31, 2014. Please read the following in conjunction with the Fund's financial statements and accompanying notes.

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

#### **FINANCIAL HIGHLIGHTS**

Cash and investments increased by \$2,511,968 (7.7%) to \$35,142,741 in 2014 from \$32,630,773 in 2013 and total assets increased by \$3,074,226 (8.9%) to \$37,541,477 in 2014 from \$34,467,251 in 2013.

Claims reserves increased by \$4,133,141 (12.8%) to \$36,540,881 in 2014 from \$32,407,740 in 2013.

Net loss was \$989,819 in 2014 versus a net gain of \$506,615 in 2013.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

## FINANCIAL ANALYSIS OF THE FUND

### Financial Position:

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

	2014	2013	% Increase (Decrease)
Cash, Cash Equivalents & Investments	\$ 35,142,741	\$ 32,630,773	7.70%
Deductible & Co-insurance Receivables	761,984	894,542	(14.82%)
Recoverable from Excess Carriers	655,847	348,475	88.20%
Member SIR Receivables	933,059	562,637	65.84%
Other Assets	47,846	30,824	55.22%
Total Assets	37,541,477	34,467,251	8.92%
Total Liabilities	36,638,899	32,574,832	12.48%
Net Position	\$ 902,578	\$ 1,892,419	(52.31%)

### Assets:

The Fund's cash flow from operations is invested in an interest bearing custody account and with the New Jersey Cash Management Fund. The Fund utilizes a nightly sweep for investment purposes with its financial institution. During 2014, the Fund also invested its available funds in U.S. Treasury Securities and U.S. Government Agency Securities.

The Fund recorded a receivable in the amount of \$1,695,043 which consists of balances due from its Members representing the Members' co-insurance and deductible amounts on its Employment Practices Liability claims of \$758,040 along with Members' claims payments within their Self Insured Retention of \$933,059. The amount recorded as a receivable at December 31, 2014 is comprised of billed to Members \$997,757 and unbilled \$697,286. The unbilled deductibles will be billed as the claim is closed.

Recoverables from excess carriers represent amounts from claims that exceed retention levels in accordance with the Fund's excess insurance program. The balance of \$655,847 as of December 31, 2014 reflects amounts due from excess carriers under the Employment Practices Liability aggregate stop loss program during the 2007 through 2012 loss years of \$442,655 and excess insurance for all other lines of business during the 2002 through 2014 loss years of \$213,192.

Other assets relate to balances due to the Fund from Members and prepaid expenses for 2015 services paid in 2014. Other assets also includes accrued interest. The increase in total assets from 2013 primarily resulted from an increase in funds held to meet future obligations.

**Liabilities:**

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

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

**Results of Operations:**

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

	2014	2013	% Increase (Decrease)
Revenues	\$ 27,425,461	\$ 24,914,745	10.08%
Claims	(14,885,338)	(12,020,191)	23.84%
Expenses	(13,683,597)	(12,487,033)	9.58%
Operating gain (loss)	(1,143,474)	407,521	(380.59%)
Investment income	153,655	99,094	55.06%
Change in net position	\$ (989,819)	\$ 506,615	(295.38%)

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

**Cash Flow and Liquidity:**

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

	<u>2014</u>
<b>Cash Flows from Operating Activities:</b>	
Cash contributions received from participants	\$ 26,880,226
Cash payments to suppliers and contractors for goods and services	(7,013,606)
Risk transfer premiums	(6,740,966)
Cash payments for costs of claims	<u>(10,752,219)</u>
<b>Net Cash Provided by Operating Activities</b>	2,373,435
<b>Cash Flows from Investing Activities</b>	
Redemption (Purchase) of Investments - Net	(3,142,972)
Investment income	<u>138,534</u>
<b>Net Cash Provided by Investing Activities</b>	<u>(3,004,438)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(631,003)
<b>Cash and Cash Equivalents, at December 31, 2013</b>	<u>2,953,151</u>
<b>Cash and Cash Equivalents, at December 31, 2014</b>	<u><u>\$ 2,322,148</u></u>

The New Jersey Cash Management Fund (the “CMF”), managed by the New Jersey Department of the Treasury, invests assets of various funds, divisions, agencies, and employees of the State of New Jersey into a diversified investment portfolio, consisting of U.S. Government and Agency Obligations, certificates of deposit, commercial paper and finance company debt, all maturing within 12 months or less. The investments of the CMF are subject to minimum criteria for each category of investments. As of December 31, 2014, \$126,460 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 2014 the Fund continued investing in U.S. Treasury and U.S. Government Agency Securities.

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

## **DEBT ADMINISTRATION**

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

## **CONTACTING THE FUND'S MANAGEMENT**

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



## **FINANCIAL STATEMENTS**

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## STATEMENT OF NET POSITION

DECEMBER 31, 2014

<u>ASSETS</u>	<u>2014</u>
Cash & Cash Equivalents	\$ 2,322,148
Investments	32,820,593
Recoverables from Excess Carriers	655,847
Recoverables Recorded Not Billed	697,286
Other Receivables	
Assessment/Endorsement to Member	3,944
Member SIR	933,059
Deductible & Co-Insurance from Members	60,754
Accrued Interest	45,721
Prepaid Expenses	<u>2,125</u>
Total Assets	<u>\$ 37,541,477</u>

LIABILITIES AND NET ASSETS

## Liabilities:

## Claims:

Case Reserves	\$ 24,257,282
IBNR Reserves	\$ 11,878,934
Claims Payable	404,665

## Expenses:

Accrued Expenses	<u>98,018</u>
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Total Liabilities	<u>36,638,899</u>
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Net Position - Unrestricted	<u>\$ 902,578</u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUNDSTATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
DECEMBER 31, 2014

	<u>2014</u>
Revenue:	
Assessments - Participating Members	\$ 27,425,461
Total Revenue	<u>27,425,461</u>
Expenditures:	
Provision for Claims and Claim	
Adjustment Expense - Net	14,885,338
Excess Insurance Premiums	6,740,965
Administrative Expenses	<u>6,942,632</u>
Total Expenditures	<u>28,568,935</u>
Operating Gain (Loss)	(1,143,474)
Non-Operating Income:	
Net Investment Income	<u>153,655</u>
Total Non-Operating Income	<u>153,655</u>
Net Gain (Loss)	(989,819)
Net Position - Beginning of Year	<u>1,892,397</u>
Net Position - End of Year	<u><u>\$ 902,578</u></u>

GARDEN STATE JOINT INSURANCE FUNDSTATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 20142014

## Cash Flows from Operating Activities:

Cash Contributions Received from Participants and Other Sources	\$ 26,880,226
Cash Payments for Goods and Services	(7,013,606)
Cash Payments for Risk Transfer Premiums	(6,740,966)
Cash Payments for Costs of Claims	<u>(10,752,219)</u>

Net Cash Provided by Operating Activities	<u>2,373,435</u>
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## Cash Flows from Investing Activities:

Redemption (Purchase) of Investments - Net	(3,142,972)
Investment Income - Net	<u>138,534</u>

Net Cash Provided (Used) by Investing Activities	<u>(3,004,438)</u>
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Net Increase (Decrease) in Cash and Cash Equivalents	<u>(631,003)</u>
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Cash and Cash Equivalents, Beginning	<u>2,953,151</u>
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Cash and Cash Equivalents, Ending	<u>\$ 2,322,148</u>
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## Reconciliation of Operating Income to Net

## Cash Provided (Used) by Operating Activities:

Operating Gain	\$ (1,143,475)
Adjustments to Reconcile Operating Income	
to Cash Provided by Operating Activities:	
Change in Assets and Liabilities:	
Receivables and Prepaid Expenses	(547,135)
Claim Reserves	4,133,119
Accrued Expenses	<u>(69,075)</u>

Net Cash Provided by Operating Activities	<u>\$ 2,373,435</u>
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See accompanying notes to financial statements.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

NOTE 1: ORGANIZATION AND DESCRIPTION OF THE FUND

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

Participating entities must remain in the Fund for the a minimum of three (3) years unless terminated by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the bylaws or other obligations. The Fund has 35 members in total.

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation, Fund Accounting

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

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

C. Accrual Basis of Accounting

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

D. Income Taxes

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

E. Assessments

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

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Unpaid Claims Liabilities

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

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

G. Recoverables from Excess Carriers

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

H. Deferred Revenue

Deferred revenue represents the unearned assessments of participating municipalities.

I. Recoverables Recorded Not Billed

During the year ended December 31, 2014, the Fund has recorded as accounts receivable recoverables due from Members for claims expenses paid by the Fund based upon levels of self-retention. The Fund will bill these receivables to the Member when the claim status is closed.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Administrative Expenses

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

K. Claims Case Reserves

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

L. Claims Incurred But Not Reported (IBNR) Reserve

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary within an acceptable range from the estimated outstanding reserve.

IBNR reserves include:

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

M. Summary of Risk Management Program

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

NOTE 3: CASH AND CASH EQUIVALENTS

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

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



NOTE 3: CASH AND CASH EQUIVALENTS

The carrying value of the Garden State Municipal Joint Insurance Fund cash and cash equivalents at December 31, 2014 was \$2,322,148 and bank balances were \$2,703,871.

As of December 31, 2013, cash and cash equivalents of the Fund consisted of the following:

Checking Accounts	<u>\$2,322,148</u>
Total	<u>\$2,322,148</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the local unit's deposits may not be returned to it. As of December 31, 2014, with respect to the Fund's bank balances, \$250,000 was covered by federal depository insurance and \$2,072,148 was covered by the collateral pool maintained by the banks as required by New Jersey statutes. The Garden State Municipal Joint Insurance Fund adheres to the requirements of the GUDPA statute.

NOTE 4: INVESTMENTS

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

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

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

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

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

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

## NOTE 4: INVESTMENTS

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

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

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

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

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

The Fund's investments at December 31, 2014 are categorized as follows:

	<u>Risk Category</u>	<u>Book Value</u>	<u>Market Value</u>
Cash Management Funds	A	\$ 126,460	\$ 126,460
U.S Treasury Securities	A	<u>32,656,098</u>	<u>32,694,133</u>
Total		<u>\$32,782,558</u>	<u>\$32,820,593</u>

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

During the year 2014, the Fund had effective mark to market unrealized investment losses in the amount of \$41,404.

NOTE 5: PERMANENT FUND TRANSFERS

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

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

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

NOTE 6: RETURN OF SURPLUS

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

NOTE 7: MINIMUM SURPLUS REQUIREMENTS

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

NOTE 8: DEFICIT FUND BALANCE

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

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

At December 31, 2014, the following fund years' unrestricted net assets were in a deficit position:

<u>Fund Year</u>	<u>2014</u>	<u>2013</u>
2014	\$ (162,325)	\$ -
2007	(277,724)	(402,681)
2006	(390,689)	(285,413)
2005	(1,069,402)	(1,125,245)
2004	(2,794,910)	(2,793,498)
2003	(376,789)	(372,678)

Management is currently monitoring each Fund year to minimize further losses and increased deficits and is conferring with the New Jersey State Department of Banking and Insurance ("DOBI") on providing for a special assessment for specific fund years.

## NOTE 9: LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2014. 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, 2014 based on an actuarial determined range of estimates.

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

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

## NOTE 9: LOSS RESERVES (CONT'D.)

In addition, the Fund has in place an aggregate stop loss program for its Employment Practices and Public Officials Liability Claims, where upon reaching an overall aggregate retention limit, the retained limit for claim thereafter is reduced. In years 2007 and 2008, the aggregate limit was \$750,000 and in year 2009 the aggregate limit was \$450,000. For the years 2010 through 2014, an "inner corridor endorsement" was put in place with a limit of \$250,000 per claim and \$600,000 in total. For the years 2012 through 2014 the "inner corridor endorsement" for workers' compensation was also put in place with a limit of \$250,000 per claim and \$250,000 in total. The Fund established an all lines of business stop loss aggregate for the years 2010 through 2014.

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, 2014, which have been estimated by the Fund's Actuary.

## NOTE 9 - LOSS RESERVES:

## NOTES TO FINANCIAL STATEMENTS

	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	Aggregate Retention	Total
2002 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ -		\$ -
Losses Incurred But Not Reported (IBNR)	-	-	-	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
2003 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 24,466		\$ 24,466
Losses Incurred But Not Reported (IBNR)	-	-	-	6,311		6,311
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,777</u>		<u>\$ 30,777</u>
2004 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 222,984		\$ 222,984
Losses Incurred But Not Reported (IBNR)	-	-	-	23,741		23,741
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,725</u>		<u>\$ 246,725</u>
2005 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 126,136		\$ 126,136
Losses Incurred But Not Reported (IBNR)	-	-	-	25,204		25,204
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,340</u>		<u>\$ 151,340</u>
2006 Fund Year:						
Case Reserves	\$ -	\$ -	\$ -	\$ 347,319		\$ 347,319
Losses Incurred But Not Reported (IBNR)	-	-	-	87,104		87,104
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,423</u>		<u>\$ 434,423</u>
2007 Fund Year:						
Case Reserves	\$ -	\$ 200,601	\$ -	\$ 439,858		\$ 640,459
Losses Incurred But Not Reported (IBNR)	-	20,292	-	133,943		154,235
	<u>\$ -</u>	<u>\$ 220,893</u>	<u>\$ -</u>	<u>\$ 573,801</u>		<u>\$ 794,694</u>
2008 Fund Year:						
Case Reserves	\$ -	\$ 49,065	\$ 169,173	\$ 497,576		\$ 715,814
Losses Incurred But Not Reported (IBNR)	-	14,379	16,976	123,782		155,137
	<u>\$ -</u>	<u>\$ 63,444</u>	<u>\$ 186,149</u>	<u>\$ 621,358</u>		<u>\$ 870,951</u>
2009 Fund Year:						
Case Reserves	\$ -	\$ 371,461	\$ 169,034	\$ 910,361		\$ 1,450,856
Losses Incurred But Not Reported (IBNR)	-	32,696	16,906	219,380		268,982
	<u>\$ -</u>	<u>\$ 404,157</u>	<u>\$ 185,940</u>	<u>\$ 1,129,741</u>		<u>\$ 1,719,838</u>
2010 Fund Year:						
Case Reserves	\$ -	\$ 877,423	\$ 470,244	\$ 1,157,019	\$ -	\$ 2,504,686
Losses Incurred But Not Reported (IBNR)	-	200,159	47,025	388,890	(519,440)	116,634
	<u>\$ -</u>	<u>\$ 1,077,582</u>	<u>\$ 517,269</u>	<u>\$ 1,545,909</u>	<u>\$ (519,440)</u>	<u>\$ 2,621,320</u>
2011 Fund Year:						
Case Reserves	\$ -	\$ 1,552,468	\$ 2,332	\$ 1,355,452	\$ -	\$ 2,910,252
Losses Incurred But Not Reported (IBNR)	-	346,208	7,262	491,381	-	844,851
	<u>\$ -</u>	<u>\$ 1,898,676</u>	<u>\$ 9,594</u>	<u>\$ 1,846,833</u>	<u>\$ -</u>	<u>\$ 3,755,103</u>
2012 Fund Year:						
Case Reserves	\$ -	\$ 1,957,723	\$ 378,858	\$ 2,872,941	\$ -	\$ 5,209,522
Losses Incurred But Not Reported (IBNR)	-	634,325	40,518	772,401	-	1,447,244
	<u>\$ -</u>	<u>\$ 2,592,048</u>	<u>\$ 419,376</u>	<u>\$ 3,645,342</u>	<u>\$ -</u>	<u>\$ 6,656,766</u>
2013 Fund Year:						
Case Reserves	\$ 2,012	\$ 2,188,405	\$ 664,406	\$ 2,275,749	\$ -	\$ 5,130,572
Losses Incurred But Not Reported (IBNR)	9,381	1,369,492	47,837	1,239,171	-	2,665,881
	<u>\$ 11,393</u>	<u>\$ 3,557,897</u>	<u>\$ 712,243</u>	<u>\$ 3,514,920</u>	<u>\$ -</u>	<u>\$ 7,796,453</u>
2014 Fund Year:						
Case Reserves	\$ 156,398	\$ 2,148,525	\$ 70,449	\$ 2,598,844	\$ -	\$ 4,974,216
Losses Incurred But Not Reported (IBNR)	233,356	1,662,973	502,316	3,328,764	356,201	6,083,610
	<u>\$ 389,754</u>	<u>\$ 3,811,498</u>	<u>\$ 572,765</u>	<u>\$ 5,927,608</u>	<u>\$ 356,201</u>	<u>\$ 11,057,826</u>

## NOTE 10: RELATED PARTIES

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

## NOTE 11: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and unrelated allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported case reserves for the Fund during 2014 and 2013 for all open Fund years net of excess insurance recoveries.

	<u>2014</u>	<u>2013</u>
Total Unpaid Claims and Claim Adjustment Expenses – All Fund Years – Beginning of Year	\$20,338,104	\$17,249,731
Incurred Claims and Claims Adjustment Expenses:		
Provision for Insured Events – Current Year	7,864,092	4,511,560
Changes in Provision for Insured Events – Prior Years	<u>6,758,674</u>	<u>7,190,307</u>
Total Incurred Claims and Claim Adjustment Expenses - All Fund Years - Subtotal	<u>14,622,766</u>	<u>11,701,867</u>
Subtotal	34,960,870	28,951,598
Payments:		
Claims and Claim Adjustment Expenses	<u>(10,703,588)</u>	<u>(8,613,494)</u>
Total Unpaid Claims and Claim Adjustment Expenses – All Fund Years – End of Year	<u>\$24,257,282</u>	<u>\$20,338,104</u>

## NOTE 12: SUBSEQUENT EVENTS

Through June 26, 2015 management is unaware of any events occurring subsequent to December 31, 2014 that would adversely impact the financial position or the continuing operations of the Garden State Municipal Joint Insurance Fund.

**REQUIRED SUPPLEMENTARY INFORMATION**



## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF DECEMBER 31, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Underwriting Income-Required Contribution	\$11,387,783	\$13,363,866	\$14,791,553	\$14,499,012	\$15,926,169	\$19,805,748	\$21,178,634	\$23,665,002	\$24,914,745	\$27,425,461
Investment Income	167,213	600,352	727,048	326,221	111,464	71,632	1,000,641	103,937	99,094	153,655
	<u>11,554,996</u>	<u>13,964,218</u>	<u>15,518,601</u>	<u>14,825,233</u>	<u>16,037,633</u>	<u>19,877,380</u>	<u>22,179,275</u>	<u>23,768,939</u>	<u>25,013,839</u>	<u>27,579,116</u>
Excess Insurance Premiums	4,594,367	3,586,174	3,441,417	3,487,963	3,583,325	3,922,628	4,047,005	5,188,128	6,173,018	6,740,965
Administrative Expenses	2,385,474	3,072,388	3,209,879	3,149,211	3,410,553	4,236,550	5,019,195	6,015,415	6,314,015	6,942,632
	<u>6,979,841</u>	<u>6,658,562</u>	<u>6,651,296</u>	<u>6,637,174</u>	<u>6,993,878</u>	<u>8,159,178</u>	<u>9,066,200</u>	<u>11,203,543</u>	<u>12,487,033</u>	<u>13,683,597</u>
Estimated Incurred Claims-End of Policy Year	<u>2,010,613</u>	<u>2,476,492</u>	<u>3,355,628</u>	<u>4,170,445</u>	<u>3,994,583</u>	<u>5,128,034</u>	<u>7,179,328</u>	<u>3,733,564</u>	<u>4,511,560</u>	<u>7,864,092</u>
Cumulative Paid Claims:										
End of Policy Year	733,453	622,579	1,145,059	2,017,676	1,331,389	1,637,274	2,226,336	1,621,622	1,684,640	2,889,876
One Year Later	1,476,838	1,806,428	3,470,122	3,104,737	2,637,872	4,030,948	4,319,480	3,683,581	3,256,600	
Two Years Later	2,296,390	3,330,145	4,542,866	3,952,312	3,973,287	5,838,352	6,064,970	5,318,580		
Three Years Later	3,637,754	5,247,332	6,576,787	5,068,853	5,188,102	7,189,958	7,720,987			
Four Years Later	4,757,917	6,420,139	6,931,123	6,015,981	6,392,182	8,344,750				
Five Years Later	4,897,053	6,715,525	7,630,946	6,321,401	7,291,140					
Six Years Later	5,602,220	6,908,876	7,835,054	6,613,524						
Seven Years Later	5,730,564	6,990,812	8,107,501							
Eight Years Later	5,687,908	7,296,549								
Nine Years Later	5,688,359									
Cumulative Incurred Claims:										
End of Policy Year	2,010,613	2,476,492	3,355,628	4,170,445	3,994,583	5,128,034	7,179,328	3,733,564	4,511,560	7,864,092
One Year Later	3,006,744	4,311,715	6,007,619	5,715,141	5,901,697	8,754,162	8,553,900	8,049,395	8,387,172	
Two Years Later	3,825,916	5,616,248	7,273,273	6,771,492	7,802,830	9,537,686	10,273,911	10,528,102		
Three Years Later	4,517,034	6,653,864	8,526,516	7,048,966	8,279,113	10,953,106	10,631,239			
Four Years Later	5,247,858	7,210,904	8,239,846	7,753,370	8,606,359	10,849,436				
Five Years Later	5,338,337	7,248,340	8,911,264	7,384,166	8,741,996					
Six Years Later	5,942,602	7,547,987	8,795,779	7,329,338						
Seven Years Later	5,887,282	7,503,434	8,747,960							
Eight Years Later	5,854,002	7,643,868								
Nine Years Later	5,814,495									
Decrease (Increase) in Cumulative Incurred Claims from End of Policy Year	<u>(\$3,803,882)</u>	<u>(\$5,167,376)</u>	<u>(\$5,392,332)</u>	<u>(\$3,158,893)</u>	<u>(\$4,747,413)</u>	<u>(\$5,721,402)</u>	<u>(\$3,451,911)</u>	<u>(\$6,794,538)</u>	<u>(\$3,875,612)</u>	<u>\$ -</u>

## **PART II**

**ADDITIONAL SUPPLEMENTARY INFORMATION**

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

ALL FUND YEARS  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	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	\$ 7,556,575	\$ 30,141,712	\$ 6,391,666	\$ 60,585,933	\$ -	\$ -	\$ 51,298,703	\$ 47,895,247	\$ 203,869,836
2. Incurred Liabilities									
Claims (Net)	11,468,039	40,223,390	7,587,520	59,508,257	(519,440)	356,201	-	-	118,623,967
Expenses	-	-	-	-	-	-	51,934,500	47,579,106	99,513,606
Total Liabilities	11,468,039	40,223,390	7,587,520	59,508,257	(519,440)	356,201	51,934,500	47,579,106	218,137,573
3. Underwriting Surplus/(Deficit)	(3,911,464)	(10,081,678)	(1,195,854)	1,077,676	519,440	(356,201)	(635,797)	316,141	(14,267,737)
4. Adjustments:									
Investment Income	-	-	-	-	-	-	-	2,649,144	2,649,144
Investment Activity (Realized/Unrealized)	-	-	-	-	-	-	-	993,946	993,946
Recoveries	3,820,955	5,865,093	795,992	1,045,185	-	-	-	-	11,527,225
Transfers	-	-	-	-	-	-	-	-	-
Total Adjustments	3,820,955	5,865,093	795,992	1,045,185	-	-	-	3,643,090	15,170,315
5. Gross Operating Surplus/(Deficit)	(90,509)	(4,216,585)	(399,862)	2,122,861	519,440	(356,201)	(635,797)	3,959,231	902,578
6. Return of Surplus	-	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (90,509)	\$ (4,216,585)	\$ (399,862)	\$ 2,122,861	\$ 519,440	\$ (356,201)	\$ (635,797)	\$ 3,959,231	\$ 902,578

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2002 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	<u>COVERAGES AND OTHER ACCOUNTS</u>						<u>TOTALS</u>
	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>EXCESS INSURANCE POLICIES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	
1. Underwriting Income: Regular Contributions	<u>\$ 58,441</u>	<u>\$ 843,337</u>	<u>\$ 260,958</u>	<u>\$ 312,390</u>	<u>\$ 1,129,093</u>	<u>\$ 791,916</u>	<u>\$ 3,396,135</u>
2. Incurred Liabilities							
Claims (Net)	60,239	202,200	36,325	707,342	-	-	1,006,106
Expenses	-	-	-	-	1,129,093	791,916	1,921,009
Total Liabilities	<u>60,239</u>	<u>202,200</u>	<u>36,325</u>	<u>707,342</u>	<u>1,129,093</u>	<u>791,916</u>	<u>2,927,115</u>
3. Underwriting Surplus/(Deficit)	<u>(1,798)</u>	<u>641,137</u>	<u>224,633</u>	<u>(394,952)</u>	<u>-</u>	<u>-</u>	<u>469,020</u>
4. Adjustments:							
Investment Income						187,606	187,606
Investment Activity (Realized/Unrealized)						29,152	29,152
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>216,758</u>	<u>389,478</u>
5. Gross Current Position/(Deficit)	<u>(1,798)</u>	<u>707,054</u>	<u>224,633</u>	<u>(288,149)</u>	<u>-</u>	<u>216,758</u>	<u>858,498</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>\$ (1,798)</u>	<u>\$ 707,054</u>	<u>\$ 224,633</u>	<u>\$ (288,149)</u>	<u>\$ -</u>	<u>\$ 216,758</u>	<u>\$ 858,498</u>
Current Year Claims (Net)	\$ 60,239	\$ 202,200	\$ 36,325	\$ 707,342	\$ -	\$ -	\$ 1,006,106
Prior Year Claims (Net)	<u>60,239</u>	<u>202,200</u>	<u>36,325</u>	<u>717,069</u>			<u>1,015,833</u>
Net Change in Claims Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,727)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,727)</u>

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2003 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:							
Regular Contributions	\$ 113,986	\$ 1,050,269	\$ 294,804	\$ 598,081	\$ 2,282,855	\$ 1,253,350	\$ 5,593,345
2. Incurred Liabilities							
Claims (Net)	208,108	952,993	78,546	1,383,894	-	-	2,623,541
Expenses	-	-	-	-	2,282,855	1,253,350	3,536,205
Total Liabilities	208,108	952,993	78,546	1,383,894	2,282,855	1,253,350	6,159,746
3. Underwriting Surplus/(Deficit)	(94,122)	97,276	216,258	(785,813)	-	-	(566,401)
4. Adjustments:							
Investment Income						141,530	141,530
Investment Activity (Realized/Unrealized)							-
Recoveries	-	48,080		-			48,080
Transfers							-
Total Adjustments	-	48,080	-	-	-	141,530	189,610
5. Gross Current Position/(Deficit)	(94,122)	145,356	216,258	(785,813)	-	141,530	(376,791)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (94,122)	\$ 145,356	\$ 216,258	\$ (785,813)	\$ -	\$ 141,530	\$ (376,791)
Current Year Claims (Net)	\$ 208,108	\$ 952,993	\$ 78,546	\$ 1,383,894	\$ -	\$ -	\$ 2,623,541
Prior Year Claims (Net)	208,108	952,993	78,546	1,379,782			2,619,429
Net Change in Claims Liabilities	\$ -	\$ -	\$ -	\$ 4,112	\$ -	\$ -	\$ 4,112

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	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
2. Incurred Liabilities							
Claims (Net)	290,414	2,690,089	278,743	2,683,666	-	-	5,942,912
Expenses	-	-	-	-	3,757,561	1,778,528	5,536,089
Total Liabilities	290,414	2,690,089	278,743	2,683,666	3,757,561	1,778,528	11,479,001
3. Underwriting Surplus/(Deficit)	(127,115)	(1,814,690)	(111,582)	(1,503,232)	-	-	(3,556,619)
4. Adjustments:							
Investment Income						120,113	120,113
Investment Activity (Realized/Unrealized)							-
Recoveries	-	259,650		381,947			641,597
Transfers							-
Total Adjustments	-	259,650	-	381,947	-	120,113	761,710
5. Gross Current Position/(Deficit)	(127,115)	(1,555,040)	(111,582)	(1,121,285)	-	120,113	(2,794,909)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (127,115)	\$ (1,555,040)	\$ (111,582)	\$ (1,121,285)	\$ -	\$ 120,113	\$ (2,794,909)
Current Year Claims (Net)	\$ 290,414	\$ 2,690,089	\$ 278,743	\$ 2,683,666	\$ -	\$ -	\$ 5,942,912
Prior Year Claims (Net)	290,414	2,702,252	278,743	2,604,454			5,875,863
Net Change in Claims Liabilities	\$ -	\$ (12,163)	\$ -	\$ 79,212	\$ -	\$ -	\$ 67,049

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2005 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	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
2. Incurred Liabilities							
Claims (Net)	508,918	2,097,826	390,467	3,506,552	-	-	6,503,763
Expenses	-	-	-	-	4,594,367	2,385,474	6,979,841
Total Liabilities	508,918	2,097,826	390,467	3,506,552	4,594,367	2,385,474	13,483,604
3. Underwriting Surplus/(Deficit)	(306,684)	(430,116)	72,007	(1,431,028)	-	-	(2,095,821)
4. Adjustments:							
Investment Income						362,337	362,337
Investment Activity (Realized/Unrealized)							-
Recoveries	-	208,910		455,154			664,064
Transfers							-
Total Adjustments	-	208,910	-	455,154	-	362,337	1,026,401
5. Gross Current Position/(Deficit)	(306,684)	(221,206)	72,007	(975,874)	-	362,337	(1,069,420)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (306,684)	\$ (221,206)	\$ 72,007	\$ (975,874)	\$ -	\$ 362,337	\$ (1,069,420)
Current Year Claims (Net)	\$ 508,918	\$ 2,097,826	\$ 390,467	\$ 3,506,552	\$ -	\$ -	\$ 6,503,763
Prior Year Claims (Net)	508,918	2,097,826	403,489	3,477,202			6,487,435
Net Change in Claims Liabilities	\$ -	\$ -	\$ (13,022)	\$ 29,350	\$ -	\$ -	\$ 16,328



## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2006 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	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
2. Incurred Liabilities							
Claims (Net)	747,023	2,189,297	545,571	4,546,510	-	-	8,028,401
Expenses	-	-	-	-	3,586,174	3,072,388	6,658,562
Total Liabilities	747,023	2,189,297	545,571	4,546,510	3,586,174	3,072,388	14,686,963
3. Underwriting Surplus/(Deficit)	(122,269)	(293,994)	(175,404)	(731,430)	-	-	(1,323,097)
4. Adjustments:							
Investment Income						634,220	634,220
Investment Activity (Realized/Unrealized)						760	760
Recoveries	-	297,429		-			297,429
Transfers							-
Total Adjustments	-	297,429	-	-	-	634,980	932,409
5. Gross Current Position/(Deficit)	(122,269)	3,435	(175,404)	(731,430)	-	634,980	(390,688)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (122,269)	\$ 3,435	\$ (175,404)	\$ (731,430)	\$ -	\$ 634,980	\$ (390,688)
Current Year Claims (Net)	\$ 747,023	\$ 2,189,297	\$ 545,571	\$ 4,546,510	\$ -	\$ -	\$ 8,028,401
Prior Year Claims (Net)	747,023	2,401,465	545,571	4,229,068			7,923,127
Net Change in Claims Liabilities	\$ -	\$ (212,168)	\$ -	\$ 317,442	\$ -	\$ -	\$ 105,274

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2007 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:							
Regular Contributions	\$ 690,881	\$ 2,113,300	\$ 394,976	\$ 4,941,100	\$ 3,441,417	\$ 3,209,879	\$ 14,791,553
2. Incurred Liabilities							
Claims (Net)	437,093	3,535,184	317,222	5,423,577	-	-	9,713,076
Expenses	-	-	-	-	3,441,417	3,209,879	6,651,296
Total Liabilities	437,093	3,535,184	317,222	5,423,577	3,441,417	3,209,879	16,364,372
3. Underwriting Surplus/(Deficit)	253,788	(1,421,884)	77,754	(482,477)	-	-	(1,572,819)
4. Adjustments:							
Investment Income						440,344	440,344
Investment Activity (Realized/Unrealized)						43,872	43,872
Recoveries	-	810,881		-			810,881
Transfers							-
Total Adjustments	-	810,881	-	-	-	484,216	1,295,097
5. Gross Current Position/(Deficit)	253,788	(611,003)	77,754	(482,477)	-	484,216	(277,722)
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 253,788	\$ (611,003)	\$ 77,754	\$ (482,477)	\$ -	\$ 484,216	\$ (277,722)
Current Year Claims (Net)	\$ 437,093	\$ 3,535,184	\$ 317,222	\$ 5,423,577	\$ -	\$ -	\$ 9,713,076
Prior Year Claims (Net)	437,093	3,299,610	317,222	5,513,055			9,566,980
Net Change in Claims Liabilities	\$ -	\$ 235,574	\$ -	\$ (89,478)	\$ -	\$ -	\$ 146,096

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS						TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income:							
Regular Contributions	\$ 613,721	\$ 2,164,031	\$ 364,329	\$ 4,608,469	\$ 3,490,113	\$ 3,258,349	\$ 14,499,012
2. Incurred Liabilities							
Claims (Net)	389,787	3,017,988	397,019	4,087,700	-	-	7,892,494
Expenses	-	-	-	-	3,487,963	3,149,211	6,637,174
Total Liabilities	389,787	3,017,988	397,019	4,087,700	3,487,963	3,149,211	14,529,668
3. Underwriting Surplus/(Deficit)	223,934	(853,957)	(32,690)	520,769	2,150	109,138	(30,656)
4. Adjustments:							
Investment Income						197,626	197,626
Investment Activity (Realized/Unrealized)						105,786	105,786
Recoveries	-	408,019		-			408,019
Transfers							-
Total Adjustments	-	408,019	-	-	-	303,412	711,431
5. Gross Current Position/(Deficit)	223,934	(445,938)	(32,690)	520,769	2,150	412,550	680,775
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 223,934	\$ (445,938)	\$ (32,690)	\$ 520,769	\$ 2,150	\$ 412,550	\$ 680,775
Current Year Claims (Net)	\$ 389,787	\$ 3,017,988	\$ 397,019	\$ 4,087,700	\$ -	\$ -	\$ 7,892,494
Prior Year Claims (Net)	389,789	2,988,431	411,029	4,274,281			8,063,530
Net Change in Claims Liabilities	\$ (2)	\$ 29,557	\$ (14,010)	\$ (186,581)	\$ -	\$ -	\$ (171,036)

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2009 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	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 (Net)	331,475	2,856,800	2,057,391	5,285,902	-	-	10,531,568
Expenses	-	-	-	-	3,583,325	3,410,553	6,993,878
Total Liabilities	331,475	2,856,800	2,057,391	5,285,902	3,583,325	3,410,553	17,525,446
3. Underwriting Surplus/(Deficit)	518,465	(609,050)	(1,611,581)	(135,973)	130,090	108,772	(1,599,277)
4. Adjustments:							
Investment Income						115,492	115,492
Investment Activity (Realized/Unrealized)						186,901	186,901
Recoveries	-	724,598	795,992	-			1,520,590
Transfers							-
Total Adjustments	-	724,598	795,992	-	-	302,393	1,822,983
5. Gross Current Position/(Deficit)	518,465	115,548	(815,589)	(135,973)	130,090	411,165	223,706
6. Return of Surplus	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 518,465	\$ 115,548	\$ (815,589)	\$ (135,973)	\$ 130,090	\$ 411,165	\$ 223,706
Current Year Claims (Net)	\$ 331,475	\$ 2,856,800	\$ 2,057,391	\$ 5,285,902	\$ -	\$ -	\$ 10,531,568
Prior Year Claims (Net)	331,475	2,888,605	1,891,259	5,339,681			10,451,020
Net Change in Claims Liabilities	\$ -	\$ (31,805)	\$ 166,132	\$ (53,779)	\$ -	\$ -	\$ 80,548

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS								TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 1,277,445	\$ 3,025,920	\$ 866,948	\$ 6,699,184	\$ -	\$ -	\$ 3,807,296	\$ 4,128,955	\$ 19,805,748
2. Incurred Liabilities									
Claims (Net)	625,135	3,991,349	971,299	6,502,886	(519,440)	-	-	-	11,571,229
Expenses	-	-	-	-	-	-	3,922,628	4,236,550	8,159,178
Total Liabilities	625,135	3,991,349	971,299	6,502,886	(519,440)	-	3,922,628	4,236,550	19,730,407
3. Underwriting Surplus/(Deficit)	652,310	(965,429)	(104,351)	196,298	519,440	-	(115,332)	(107,595)	75,341
4. Adjustments:									
Investment Income								140,886	140,886
Investment Activity (Realized/Unrealized)								290,549	290,549
Recoveries	7,541	597,618	-	-	-	-	-	-	605,159
Transfers	-	-	-	-	-	-	-	-	-
Total Adjustments	7,541	597,618	-	-	-	-	-	431,435	1,036,594
5. Gross Current Position/(Deficit)	659,851	(367,811)	(104,351)	196,298	519,440	-	(115,332)	323,840	1,111,935
6. Return of Surplus	-	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 659,851	\$ (367,811)	\$ (104,351)	\$ 196,298	\$ 519,440	\$ -	\$ (115,332)	\$ 323,840	\$ 1,111,935
Current Year Claims (Net)	\$ 625,135	\$ 3,991,349	\$ 971,299	\$ 6,502,886	\$ (519,440)	\$ -	\$ -	\$ -	\$ 11,571,229
Prior Year Claims (Net)	626,243	4,673,629	576,534	6,929,130	(1,323,908)	43,255	-	-	11,524,883
Net Change in Claims Liabilities	\$ (1,108)	\$ (682,280)	\$ 394,765	\$ (426,244)	\$ 804,468	\$ (43,255)	\$ -	\$ -	\$ 46,346

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2011 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS								
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	AGGREGATE RETENTION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	TOTALS
1. Underwriting Income:									
Regular Contributions	\$ 608,615	\$ 3,189,775	\$ 688,775	\$ 7,914,047	\$ -	\$ -	\$ 3,771,401	\$ 4,980,624	\$ 21,153,237
2. Incurred Liabilities									
Claims (Net)	878,222	4,669,405	389,468	6,498,383	-	-	-	-	12,435,478
Expenses	-	-	-	-	-	-	4,047,005	5,019,195	9,066,200
Total Liabilities	878,222	4,669,405	389,468	6,498,383	-	-	4,047,005	5,019,195	21,501,678
3. Underwriting Surplus/(Deficit)	(269,607)	(1,479,630)	299,307	1,415,664	-	-	(275,604)	(38,571)	(348,441)
4. Adjustments:									
Investment Income								118,070	118,070
Investment Activity (Realized/Unrealized)								295,896	295,896
Recoveries	373,409	484,698		101,281					959,388
Transfers									-
Total Adjustments	373,409	484,698	-	101,281	-	-	-	413,966	1,373,354
5. Gross Current Position/(Deficit)	103,802	(994,932)	299,307	1,516,945	-	-	(275,604)	375,395	1,024,913
6. Return of Surplus	-	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ 103,802	\$ (994,932)	\$ 299,307	\$ 1,516,945	\$ -	\$ -	\$ (275,604)	\$ 375,395	\$ 1,024,913
Current Year Claims (Net)	\$ 878,222	\$ 4,669,405	\$ 389,468	\$ 6,498,383	\$ -	\$ -	\$ -	\$ -	\$ 12,435,478
Prior Year Claims (Net)	878,222	4,292,204	497,468	7,084,999	(188,871)	41,405			12,605,427
Net Change in Claims Liabilities	\$ -	\$ 377,201	\$ (108,000)	\$ (586,616)	\$ 188,871	\$ (41,405)	\$ -	\$ -	\$ (169,949)

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2012 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 600,385	\$ 3,519,853	\$ 669,568	\$ 7,634,344	\$ -	\$ 5,146,362	\$ 6,119,887	\$ 23,690,399
2. Incurred Liabilities								
Claims (Net)	4,513,671	5,717,351	514,309	6,210,150	-	-	-	16,955,481
Expenses	-	-	-	-	-	5,188,128	6,015,415	11,203,543
Total Liabilities	4,513,671	5,717,351	514,309	6,210,150	-	5,188,128	6,015,415	28,159,024
3. Underwriting Surplus/(Deficit)	(3,913,286)	(2,197,498)	155,259	1,424,194	-	(41,766)	104,472	(4,468,625)
4. Adjustments:								
Investment Income							77,848	77,848
Investment Activity (Realized/Unrealized)							43,114	43,114
Recoveries	3,411,051	1,569,084		-	-			4,980,135
Transfers								-
Total Adjustments	3,411,051	1,569,084	-	-	-	-	120,962	5,101,097
5. Gross Current Position/(Deficit)	(502,235)	(628,414)	155,259	1,424,194	-	(41,766)	225,434	632,472
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (502,235)	\$ (628,414)	\$ 155,259	\$ 1,424,194	\$ -	\$ (41,766)	\$ 225,434	\$ 632,472
Current Year Claims (Net)	\$ 4,513,671	\$ 5,717,351	\$ 514,309	\$ 6,210,150	\$ -	\$ -	\$ -	\$ 16,955,481
Prior Year Claims (Net)	4,198,514	3,675,396	394,491	6,080,898	148,819			14,498,118
Net Change in Claims Liabilities	\$ 315,157	\$ 2,041,955	\$ 119,818	\$ 129,252	\$ (148,819)	\$ -	\$ -	\$ 2,457,363

## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2013 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS							TOTALS
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	
1. Underwriting Income: Regular Contributions	\$ 799,117	\$ 3,552,266	\$ 640,110	\$ 7,377,026	\$ -	\$ 6,161,131	\$ 6,385,095	\$ 24,914,745
2. Incurred Liabilities								
Claims (Net)	879,418	4,322,764	863,732	5,293,646	-	-	-	11,359,560
Expenses	-	-	-	-	-	6,173,018	6,314,015	12,487,033
Total Liabilities	879,418	4,322,764	863,732	5,293,646	-	6,173,018	6,314,015	23,846,593
3. Underwriting Surplus/(Deficit)	(80,301)	(770,498)	(223,622)	2,083,380	-	(11,887)	71,080	1,068,152
4. Adjustments:								
Investment Income							68,604	68,604
Investment Activity (Realized/Unrealized)							(1,130)	(1,130)
Recoveries	18,418	288,089		-	-			306,507
Transfers								-
Total Adjustments	18,418	288,089	-	-	-	-	67,474	373,981
5. Gross Current Position/(Deficit)	(61,883)	(482,409)	(223,622)	2,083,380	-	(11,887)	138,554	1,442,133
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (61,883)	\$ (482,409)	\$ (223,622)	\$ 2,083,380	\$ -	\$ (11,887)	\$ 138,554	\$ 1,442,133
Current Year Claims (Net)	\$ 879,418	\$ 4,322,764	\$ 863,732	\$ 5,293,646	\$ -	\$ -	\$ -	\$ 11,359,560
Prior Year Claims (Net)	1,127,000	3,133,436	544,458	5,896,910	-	-	-	10,701,804
Net Change in Claims Liabilities	\$ (247,582)	\$ 1,189,328	\$ 319,274	\$ (603,264)	\$ -	\$ -	\$ -	\$ 657,756



## GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2014 FUND YEAR  
CUMULATIVE OPERATING RESULTS ANALYSIS  
DECEMBER 31, 2014

	COVERAGES AND OTHER ACCOUNTS							
	PROPERTY	GENERAL LIABILITY	AUTOMOTIVE	WORKERS' COMPENSATION	CORRIDOR LOSSES	EXCESS INSURANCE POLICIES	GENERAL AND ADMINISTRATIVE	TOTALS
1. Underwriting Income: Regular Contributions	\$ 953,757	\$ 3,996,799	\$ 765,586	\$ 8,280,324	\$ -	\$ 6,417,518	\$ 7,011,477	\$ 27,425,461
2. Incurred Liabilities								
Claims (Net)	1,598,536	3,980,144	747,428	7,378,049	356,201	-	-	14,060,358
Expenses	-	-	-	-	-	6,740,966	6,942,632	13,683,598
Total Liabilities	1,598,536	3,980,144	747,428	7,378,049	356,201	6,740,966	6,942,632	27,743,956
3. Underwriting Surplus/(Deficit)	(644,779)	16,655	18,158	902,275	(356,201)	(323,448)	68,845	(318,495)
4. Adjustments:								
Investment Income							44,468	44,468
Investment Activity (Realized/Unrealized)							(954)	(954)
Recoveries	10,536	102,120	-	-	-			112,656
Transfers								-
Total Adjustments	10,536	102,120	-	-	-	-	43,514	156,170
5. Gross Current Position/(Deficit)	(634,243)	118,775	18,158	902,275	(356,201)	(323,448)	112,359	(162,325)
6. Return of Surplus	-	-	-	-	-	-	-	-
7. Net Current Position/(Deficit)	\$ (634,243)	\$ 118,775	\$ 18,158	\$ 902,275	\$ (356,201)	\$ (323,448)	\$ 112,359	\$ (162,325)
Current Year Claims (Net)	\$ 1,598,536	\$ 3,980,144	\$ 747,428	\$ 7,378,049	\$ 356,201	\$ -	\$ -	\$ 14,060,358
Prior Year Claims (Net)	-	-	-	-	-	-	-	-
Net Change in Claims Liabilities	\$ 1,598,536	\$ 3,980,144	\$ 747,428	\$ 7,378,049	\$ 356,201	\$ -	\$ -	\$ 14,060,358

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
ALL FUND YEARS  
DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>AGGREGATE RETENTION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 11,066,892	\$ 26,597,195	\$ 4,984,184	\$ 39,839,480	\$ -	\$ -	\$ 82,487,751
Case Reserves	158,410	9,345,671	1,924,496	12,828,705	-	-	24,257,282
IBNR Reserves	<u>242,737</u>	<u>4,280,524</u>	<u>678,840</u>	<u>6,840,072</u>	<u>(519,440)</u>	<u>356,201</u>	<u>11,878,934</u>
Subtotal	<u>11,468,039</u>	<u>40,223,390</u>	<u>7,587,520</u>	<u>59,508,257</u>	<u>(519,440)</u>	<u>356,201</u>	<u>118,623,967</u>
Less:							
Recoveries	<u>3,820,955</u>	<u>5,865,093</u>	<u>795,992</u>	<u>1,045,185</u>	<u>-</u>	<u>-</u>	<u>11,527,225</u>
Subtotal	<u>3,820,955</u>	<u>5,865,093</u>	<u>795,992</u>	<u>1,045,185</u>	<u>-</u>	<u>-</u>	<u>11,527,225</u>
Claims Expense (Net)	<u>\$ 7,647,084</u>	<u>\$ 34,358,297</u>	<u>\$ 6,791,528</u>	<u>\$ 58,463,072</u>	<u>\$ (519,440)</u>	<u>\$ 356,201</u>	<u>\$ 107,096,742</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
 FUND YEAR - 2002  
DECEMBER 31, 2014

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

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2003

DECEMBER 31, 2014

	<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	\$ 1,353,117	\$ 2,592,764
Case Reserves	-	-	-	24,466	24,466
IBNR Reserves	-	-	-	6,311	6,311
Subtotal	<u>208,108</u>	<u>952,993</u>	<u>78,546</u>	<u>1,383,894</u>	<u>2,623,541</u>
Less:					
Recoveries		<u>48,080</u>			<u>48,080</u>
Subtotal	<u>-</u>	<u>48,080</u>	<u>-</u>	<u>-</u>	<u>48,080</u>
Claims Expense (Net)	<u>\$ 208,108</u>	<u>\$ 904,913</u>	<u>\$ 78,546</u>	<u>\$ 1,383,894</u>	<u>\$ 2,575,461</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2004

DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 290,414	\$ 2,690,089	\$ 278,743	\$ 2,436,941	\$ 5,696,187
Case Reserves	-	-	-	222,984	222,984
IBNR Reserves	-	-	-	23,741	23,741
Subtotal	<u>290,414</u>	<u>2,690,089</u>	<u>278,743</u>	<u>2,683,666</u>	<u>5,942,912</u>
Less:					
Recoveries	-	259,650		381,947	641,597
Subtotal	<u>-</u>	<u>259,650</u>	<u>-</u>	<u>381,947</u>	<u>641,597</u>
Claims Expense (Net)	<u>\$ 290,414</u>	<u>\$ 2,430,439</u>	<u>\$ 278,743</u>	<u>\$ 2,301,719</u>	<u>\$ 5,301,315</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
 FUND YEAR - 2005  
DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 508,918	\$ 2,097,826	\$ 390,467	\$ 3,355,212	\$ 6,352,423
Case Reserves	-	-	-	126,136	126,136
IBNR Reserves	-	-	-	25,204	25,204
Subtotal	<u>508,918</u>	<u>2,097,826</u>	<u>390,467</u>	<u>3,506,552</u>	<u>6,503,763</u>
Less:					
Recoveries		<u>208,910</u>		<u>455,154</u>	<u>664,064</u>
Subtotal	<u>-</u>	<u>208,910</u>	<u>-</u>	<u>455,154</u>	<u>664,064</u>
Claims Expense (Net)	<u>\$ 508,918</u>	<u>\$ 1,888,916</u>	<u>\$ 390,467</u>	<u>\$ 3,051,398</u>	<u>\$ 5,839,699</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
 FUND YEAR - 2006  
DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 747,023	\$ 2,189,297	\$ 545,571	\$ 4,112,087	\$ 7,593,978
Case Reserves	-	-	-	347,319	347,319
IBNR Reserves	-	-	-	87,104	87,104
Subtotal	<u>747,023</u>	<u>2,189,297</u>	<u>545,571</u>	<u>4,546,510</u>	<u>8,028,401</u>
Less:					
Recoveries		<u>297,429</u>			<u>297,429</u>
Subtotal	<u>-</u>	<u>297,429</u>	<u>-</u>	<u>-</u>	<u>297,429</u>
Claims Expense (Net)	<u>\$ 747,023</u>	<u>\$ 1,891,868</u>	<u>\$ 545,571</u>	<u>\$ 4,546,510</u>	<u>\$ 7,730,972</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2007

DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 437,093	\$ 3,314,291	\$ 317,222	\$ 4,849,776	\$ 8,918,382
Case Reserves	-	200,601	-	439,858	640,459
IBNR Reserves	-	20,292	-	133,943	154,235
Subtotal	<u>437,093</u>	<u>3,535,184</u>	<u>317,222</u>	<u>5,423,577</u>	<u>9,713,076</u>
Less:					
Recoveries	-	810,881	-	-	810,881
Subtotal	<u>-</u>	<u>810,881</u>	<u>-</u>	<u>-</u>	<u>810,881</u>
Claims Expense (Net)	<u>\$ 437,093</u>	<u>\$ 2,724,303</u>	<u>\$ 317,222</u>	<u>\$ 5,423,577</u>	<u>\$ 8,902,195</u>



GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
 FUND YEAR - 2008  
DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 389,787	\$ 2,954,544	\$ 210,870	\$ 3,466,342	\$ 7,021,543
Case Reserves	-	49,065	169,173	497,576	715,814
IBNR Reserves	-	14,379	16,976	123,782	155,137
Subtotal	<u>389,787</u>	<u>3,017,988</u>	<u>397,019</u>	<u>4,087,700</u>	<u>7,892,494</u>
Less:					
Recoveries		<u>408,019</u>			<u>408,019</u>
Subtotal	<u>-</u>	<u>408,019</u>	<u>-</u>	<u>-</u>	<u>408,019</u>
Claims Expense (Net)	<u>\$ 389,787</u>	<u>\$ 2,609,969</u>	<u>\$ 397,019</u>	<u>\$ 4,087,700</u>	<u>\$ 7,484,475</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2009

DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 331,475	\$ 2,452,643	\$ 1,871,451	\$ 4,156,161	\$ 8,811,730
Case Reserves	-	371,461	169,034	910,361	1,450,856
IBNR Reserves	-	32,696	16,906	219,380	268,982
Subtotal	<u>331,475</u>	<u>2,856,800</u>	<u>2,057,391</u>	<u>5,285,902</u>	<u>10,531,568</u>
Less:					
Recoveries		<u>724,598</u>	<u>795,992</u>		<u>1,520,590</u>
Subtotal	<u>-</u>	<u>724,598</u>	<u>795,992</u>	<u>-</u>	<u>1,520,590</u>
Claims Expense (Net)	<u>\$ 331,475</u>	<u>\$ 2,132,202</u>	<u>\$ 1,261,399</u>	<u>\$ 5,285,902</u>	<u>\$ 9,010,978</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
 FUND YEAR - 2010  
DECEMBER 31, 2014

	<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	\$ 2,913,767	\$ 454,030	\$ 4,956,977	\$ -	\$ 8,949,909
Case Reserves	-	877,423	470,244	1,157,019	-	2,504,686
IBNR Reserves	-	200,159	47,025	388,890	(519,440)	116,634
Subtotal	<u>625,135</u>	<u>3,991,349</u>	<u>971,299</u>	<u>6,502,886</u>	<u>(519,440)</u>	<u>11,571,229</u>
Less:						
Recoveries	<u>7,541</u>	<u>597,618</u>				<u>605,159</u>
Subtotal	<u>7,541</u>	<u>597,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,159</u>
Claims Expense (Net)	<u>\$ 617,594</u>	<u>\$ 3,393,731</u>	<u>\$ 971,299</u>	<u>\$ 6,502,886</u>	<u>\$ (519,440)</u>	<u>\$ 10,966,070</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2011

DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 878,222	\$ 2,770,729	\$ 379,874	\$ 4,651,550	\$ 8,680,375
Case Reserves	-	1,552,468	2,332	1,355,452	2,910,252
IBNR Reserves	-	346,208	7,262	491,381	844,851
Subtotal	<u>878,222</u>	<u>4,669,405</u>	<u>389,468</u>	<u>6,498,383</u>	<u>12,435,478</u>
Less:					
Recoveries	<u>373,409</u>	<u>484,698</u>		<u>101,281</u>	<u>959,388</u>
Subtotal	<u>373,409</u>	<u>484,698</u>	<u>-</u>	<u>101,281</u>	<u>959,388</u>
Claims Expense (Net)	<u>\$ 504,813</u>	<u>\$ 4,184,707</u>	<u>\$ 389,468</u>	<u>\$ 6,397,102</u>	<u>\$ 11,476,090</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
 FUND YEAR - 2012  
DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 4,513,671	\$ 3,125,303	\$ 94,933	\$ 2,564,808	\$ 10,298,715
Case Reserves	-	1,957,723	378,858	2,872,941	5,209,522
IBNR Reserves	-	634,325	40,518	772,401	1,447,244
Subtotal	<u>4,513,671</u>	<u>5,717,351</u>	<u>514,309</u>	<u>6,210,150</u>	<u>16,955,481</u>
Less:					
Recoveries	<u>3,411,051</u>	<u>1,569,084</u>			<u>4,980,135</u>
Subtotal	<u>3,411,051</u>	<u>1,569,084</u>	<u>-</u>	<u>-</u>	<u>4,980,135</u>
Claims Expense (Net)	<u>\$ 1,102,620</u>	<u>\$ 4,148,267</u>	<u>\$ 514,309</u>	<u>\$ 6,210,150</u>	<u>\$ 11,975,346</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

## FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2013

DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTALS</u>
Claims Incurred	\$ 868,025	\$ 764,867	\$ 151,489	\$ 1,778,726	\$ 3,563,107
Case Reserves	2,012	2,188,405	664,406	2,275,749	5,130,572
IBNR Reserves	<u>9,381</u>	<u>1,369,492</u>	<u>47,837</u>	<u>1,239,171</u>	<u>2,665,881</u>
Subtotal	<u>879,418</u>	<u>4,322,764</u>	<u>863,732</u>	<u>5,293,646</u>	<u>11,359,560</u>
Less:					
Recoveries	<u>18,418</u>	<u>288,089</u>			<u>306,507</u>
Subtotal	<u>18,418</u>	<u>288,089</u>	<u>-</u>	<u>-</u>	<u>306,507</u>
Claims Expense (Net)	<u>\$ 861,000</u>	<u>\$ 4,034,675</u>	<u>\$ 863,732</u>	<u>\$ 5,293,646</u>	<u>\$ 11,053,053</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS  
 FUND YEAR - 2014  
DECEMBER 31, 2014

	<u>PROPERTY</u>	<u>GENERAL LIABILITY</u>	<u>AUTOMOTIVE</u>	<u>WORKERS' COMPENSATION</u>	<u>CORRIDOR LOSSES</u>	<u>TOTALS</u>
Claims Incurred	\$ 1,208,782	\$ 168,646	\$ 174,663	\$ 1,450,441	\$ -	\$ 3,002,532
Case Reserves	156,398	2,148,525	70,449	2,598,844		4,974,216
IBNR Reserves	<u>233,356</u>	<u>1,662,973</u>	<u>502,316</u>	<u>3,328,764</u>	<u>356,201</u>	<u>6,083,610</u>
Subtotal	<u>1,598,536</u>	<u>3,980,144</u>	<u>747,428</u>	<u>7,378,049</u>	<u>356,201</u>	<u>14,060,358</u>
Less:						
Recoveries	<u>10,536</u>	<u>102,120</u>				<u>112,656</u>
Subtotal	<u>10,536</u>	<u>102,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,656</u>
Claims Expense (Net)	<u>\$ 1,588,000</u>	<u>\$ 3,878,024</u>	<u>\$ 747,428</u>	<u>\$ 7,378,049</u>	<u>\$ 356,201</u>	<u>\$ 13,947,702</u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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

REPORT YEAR 2014

## Reinsurance:

Excess Liability Premiums	\$ 1,129,093
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Subtotal Reinsurance Expenses	<u>1,129,093</u>
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## Administrative Expenses:

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

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

REPORT YEAR 2014

## Reinsurance:

Excess Liability Premiums	\$ 2,282,855
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Subtotal Reinsurance Expenses	2,282,855
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## Administrative Expenses:

Claims Servicing Organization	364,956
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Administrative Consultants	314,635
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Legal - General Counsel	16,780
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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	335,137
---------------	---------

Subtotal Administrative Expenses	1,253,350
----------------------------------	-----------

Total Expenses	\$ 3,536,205
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2004 FUND YEAR  
 CUMULATIVE EXPENSE ANALYSIS  
AS OF DECEMBER 31, 2004

REPORT YEAR 2014

## Reinsurance:

Excess Liability Premiums	\$ 3,757,561
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Subtotal Reinsurance Expenses	3,757,561
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## Administrative Expenses:

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

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

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

REPORT YEAR 2014

## Reinsurance:

Excess Liability Premiums	\$ 4,594,367
---------------------------	--------------

Subtotal Reinsurance Expenses	4,594,367
-------------------------------	-----------

## 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	613,642

Subtotal Administrative Expenses	2,385,474
----------------------------------	-----------

Total Expenses	\$ 6,979,841
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2006 FUND YEAR  
CUMULATIVE EXPENSE ANALYSIS  
AS OF DECEMBER 31, 2006REPORT YEAR 2014

## Excess Insurance:

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

Legal	17,360
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Treasurer	13,750
-----------	--------

## Other:

Auditor	12,500
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Administrative Consultant	807,037
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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>
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Subtotal Administrative Expenses	<u>3,072,388</u>
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Total Expenses	<u><u>\$ 6,658,562</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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

REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 3,441,417
---------------------------	--------------

Subtotal Excess Insurance	3,441,417
---------------------------	-----------

## Administrative Expenses:

Legal	16,412
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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	60,007
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Subtotal Administrative Expenses	3,209,879
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Total Expenses	\$ 6,651,296
----------------	--------------

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2008 FUND YEAR  
CUMULATIVE EXPENSE ANALYSIS  
AS OF DECEMBER 31, 2008

REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 3,487,961
---------------------------	--------------

Subtotal Excess Insurance	<u>3,487,961</u>
---------------------------	------------------

## Administrative Expenses:

Legal	12,889
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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>
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Subtotal Administrative Expenses	<u>3,149,211</u>
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Total Expenses	<u><u>\$ 6,637,172</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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

REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 3,583,325
---------------------------	--------------

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>
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Subtotal Administrative Expenses	<u>3,410,553</u>
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Total Expenses	<u><u>\$ 6,993,878</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2010 FUND YEAR  
 CUMULATIVE EXPENSE ANALYSIS  
AS OF DECEMBER 31, 2010

REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 3,922,628
---------------------------	--------------

Subtotal Excess Insurance	<u>3,922,628</u>
---------------------------	------------------

## Administrative Expenses:

Legal	16,055
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Treasurer	22,000
-----------	--------

## Other:

Auditor	15,000
---------	--------

Administrative Consultant	1,122,285
---------------------------	-----------

Litigation Management	64,425
-----------------------	--------

Safety Director	413,962
-----------------	---------

Underwriting Manager	375,495
----------------------	---------

Non-Contract Professional Services	69,563
------------------------------------	--------

Claims Administration	934,250
-----------------------	---------

Actuary	46,750
---------	--------

Risk Management	<u>1,156,764</u>
-----------------	------------------

Subtotal Administrative Expenses	<u>4,236,549</u>
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Total Expenses	<u><u>\$ 8,159,177</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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

REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 4,047,005
---------------------------	--------------

Subtotal Excess Insurance	4,047,005
---------------------------	-----------

## Administrative Expenses:

Legal	24,413
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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	1,271,932
-----------------	-----------

Subtotal Administrative Expenses	5,019,195
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Total Expenses	\$ 9,066,200
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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

REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 5,188,128
---------------------------	--------------

Subtotal Excess Insurance	5,188,128
---------------------------	-----------

## Administrative Expenses:

Legal	31,685
-------	--------

Treasurer	22,000
-----------	--------

## Other:

Auditor	15,000
---------	--------

Administrative Consultant	1,330,431
---------------------------	-----------

Litigation Management	55,735
-----------------------	--------

Safety Director	69,722
-----------------	--------

Underwriting Manager	462,348
----------------------	---------

Non-Contract Professional Services	88,216
------------------------------------	--------

Claims Administration	1,802,348
-----------------------	-----------

Actuary	67,000
---------	--------

Risk Management	2,070,929
-----------------	-----------

Subtotal Administrative Expenses	6,015,415
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Total Expenses	\$ 11,203,543
----------------	---------------

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

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

REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 6,173,018
---------------------------	--------------

Subtotal Excess Insurance	<u>6,173,018</u>
---------------------------	------------------

## Administrative Expenses:

Legal	9,520
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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>
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Subtotal Administrative Expenses	<u>6,314,015</u>
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Total Expenses	<u><u>\$ 12,487,033</u></u>
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND2014 FUND YEAR  
CUMULATIVE EXPENSE ANALYSIS  
AS OF DECEMBER 31, 2014REPORT YEAR 2014

## Excess Insurance:

Excess Insurance Premiums	\$ 6,740,966
---------------------------	--------------

Subtotal Excess Insurance	6,740,966
---------------------------	-----------

## Administrative Expenses:

Legal	11,511
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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
-----------------	-----------

Subtotal Administrative Expenses	6,942,632
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Total Expenses	\$ 13,683,598
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GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

COMBINED CUMULATIVE OPERATING RESULTS ANALYSIS  
 FOR FUND YEARS 2002 THROUGH 2014  
DECEMBER 31, 2014

Underwriting Income:	
Regular Contributions	<u>\$ 203,869,836</u>
Expenses:	
Claims:	
Paid	70,960,526
Case Reserves	24,257,282
IBNR Reserves	<u>11,878,934</u>
Claims - Net	<u>107,096,742</u>
Excess Insurance Premiums	51,934,500
Administrative	<u>47,579,106</u>
Total Expenses	<u>99,513,606</u>
Operating (Loss)	(2,740,513)
Non-Operating Income:	
Investment Income	2,649,144
Realized/Unrealized Gain	<u>993,946</u>
Total Non-Operating Income	<u>3,643,090</u>
Net Income	<u>\$ 902,578</u>
Cumulative Net Position - December 31, 2014	<u><u>\$ 902,578</u></u>

GARDEN STATE MUNICIPAL JOINT INSURANCE FUNDPROGRAM SUMMARYFUND YEAR 2014DECEMBER 31, 2014COVERAGES

	<u>Property</u>	<u>Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Employment Practices Liability</u>
<u>Limits</u>	\$ 600,000,000	\$ 15,000,000 per occurrence	\$ 15,000,000 per occurrence	Statutory	\$ 15,000,000
<u>Fund Retention</u>					
Specific Aggregate:					
Property	\$ 50,000	\$ 250,000	\$ 250,000	\$ 500,000	\$ 150,000
Auto Property	100,000				
All Lines of Business					
Stop Loss Aggregate	\$ 16,550,000				
<u>Excess Insurers</u>	\$ 600,000,000	The Travelers Insurance Co. provides excess property, auto physical damage and equipment breakdown coverages up to a \$600,000,000 limit in excess of the GSMJIF retention levels above. Brit Global Specialty USA provides excess general, employment practices, public officials, law enforcement, automobile and employers liability coverage up to a \$10 million limit per occurrence. Catlin Specialty Insurance Co. provides \$5 million excess of the \$10 million Brit insurance limit. Brit Global Specialty USA provides \$500,000 in excess of the workers compensation GSMJIF retention level above and Safety National Insurance Co. provides Statutory limits above \$1 million. The Travelers Insurance Co. provides Crime Insurance up to a \$1 million limit, subject to a \$10,000 deductible to members/GSMJIF.			
<u>Numbers of Participants</u>	35	35	35	35	35