



**GARDEN STATE MUNICIPAL
JOINT INSURANCE FUND**

2018

POLICIES & PROCEDURES MANUAL

www.gsmjif.com

Private

The information contained herein should not be disclosed to unauthorized personnel. It is meant solely for use by authorized Garden State Municipal Joint Insurance Fund representatives.

I. INTRODUCTION

In 1984 the legislature of the State of New Jersey enacted a revision to Title 40A permitting communities to form joint self-insurance funds. Title 40A was subsequently revised in 1990 to include any contracting unit as defined in Section 2 of P.L. 1971, C.198 (C.40A:11-12). The enactment of this legislation was extremely timely because in the mid 1980's public entities found themselves in the midst of a crisis of insurability wherein coverage was either not available in the commercial market place or was unavailable because the cost was prohibitive.

AUTHORITY

A Fund finds its authority for existence in the following regulations:

- **N.J.S.A. 40A:10-36 et seq.**
- **N.J.A.C. 11:15-2**

In addition, a Fund comes under state regulatory divisions of:

- **Department of Banking and Insurance**
- **Department of Community Affairs**

Under Title 40A:10-36 Joint Insurance Funds are not insurance companies; instead they are construed to be public entities. Therefore, a Joint Insurance Fund shall be subject to and operate in compliance with the provisions of the:

- **Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**
- **Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.)**
- **Open Public Meetings Act (N.J.S.A. 10:4-6 et seq.)**
- **Various Statutes authorizing the investment of public funds, including but not limited to, N.J.S.A. 40a:10-10(b), 17:12(b)-241 and 17:9-4.1**
- **Affirmative Action Requirements**
- **Local Government Ethics Act**

The Fund has various sources of official communications; specifically:

- | | | | |
|---|--------------------------------|---|---------------------------------------|
| ■ | Bylaws | ■ | Meeting Minutes |
| ■ | Plan of Risk Management | ■ | Policies and Procedures Manual |
| ■ | Coverage Documents | ■ | and any combination thereof |

PURPOSE

While all lines of coverage provided by the Joint Insurance Fund (GSMJIF) are specifically addressed in the coverage documents issued to all members and their Risk Management Consultants, there remain certain criteria, procedures, and policies that fall to the discretion of the Fund.

The policies presented herein are of that nature. Therefore, this Policies & Procedures Manual covers a wide spectrum of topics and concerns and is designed to serve as a companion to all other Fund references since inception. While the Policies & Procedures Manual can be used independently, it is intended to be most effective when used in conjunction with the Fund Bylaws, Risk Management Plan, Safety Manual, Meeting Minutes, and Coverage Document(s).

The Policies and Procedures established by the GSMJIF are expected to be adhered to by its member local units, appointed officials and the Fund Commissioners. The manual is also a "living" guideline, and, as such, is subject to additions or deletions as they become appropriate and approved by the Fund Commissioners. These changes will be issued as bulletins during the course of the year and should be filed in the Member's Manual, in Section 2.

II. INFORMATIONAL DIRECTORY

Organization

The Garden State Municipal Joint Insurance Fund commenced operations on February 1, 2002 with charter members. The Fund presently has the following members:

<u>Member</u>	<u>Date Joined</u>
Berkeley Township	2/1/02
Hamilton Township	2/1/02
Union Township	2/1/02
Borough of North Plainfield	5/1/02
Ewing Township	1/1/03
Howell Township	1/1/03
Borough of Kenilworth	1/1/03
City of Rahway	7/1/03
West Orange Township	11/1/03
City of Englewood	1/1/04
Livingston Township	7/1/04
City of Hoboken	7/1/04
Eastampton Township	7/1/04
Montclair Township	1/1/05
Town of Harrison	2/18/06
Borough of Highland Park	1/1/07
Borough of Caldwell	1/1/08
Township of Warren	1/1/09
Borough of Fanwood	1/1/09

Township of Morris	1/1/10
Borough of New Providence	1/1/10
Borough of Fair Haven	1/1/11
Town of Morristown	1/1/11
Township of North Brunswick	1/1/11
Borough of Haddon Heights	1/1/12
Bloomfield Township	1/1/12
Parsippany-Troy Hills Township	1/1/12
Lawrence Township	1/1/13
City of Linden	1/1/13
Township of Berkeley Heights	1/1/13
Borough of Totowa	1/1/14
Town of Kearny	1/1/14
Town of Guttenberg	1/1/14
Cinnaminson Township	1/1/14
Freehold Borough	1/1/15
Township of South Orange Village	1/1/16
Township of North Bergen	1/1/16
Neptune Township	1/1/17
Borough of Roselle Park	1/1/18
Township of Roxbury	1/1/18

Fund Commissioners

Each participating member appoints one commissioner to the Fund who shall be either a member of its governing body or one of its employees. In addition, each member may elect to appoint one alternate to attend either regular or special meetings on behalf of the municipality in the absence of the Fund Commissioner who exercises the full power and authority of the Fund Commissioner in his/her absence.

The Fund Commissioners' responsibilities include:

- **Authorized and empowered to operate the Fund in accordance with its Bylaws, State Laws and Regulations**
- **Cast one vote**

Meetings

The Fund has an organizational meeting usually in January to elect two officers, Chairperson and Secretary and an Executive Board.

The officers and the Fund Commissioners conduct **monthly meetings on the fourth Wednesday of each month at the APA Hotel Woodbridge, Iselin, NJ. The Fund Commissioners may decide to arrange alternate meeting sites.**

Officials

The Fund also has the following four appointed officials:

- **Executive Director/Administrator**
- **Treasurer**
- **Auditor**
- **Attorney**

In addition, the Fund also contracts for the following services:

- **Actuary**
- **Claims Servicing Companies**
- **Governmental Affairs Consultant**
- **Investment Advisor**
- **Litigation Invoice Review**
- **Litigation Manager**
- **Underwriting Manager**
- **Managed Care Organization**
- **Safety Director**

All appointed officials and contractors are retained pursuant to the "Local Public Contracts Law."

Additionally, as a condition of its membership, members must retain the services of a New Jersey-licensed Risk Management Professional / Consultant. The Risk Management Consultant advises its members on matters relating to the Fund's operation and coverage provided.

On the following pages, you will find:

- **List of names and addresses of various Fund professionals.**
- **Listing of current members' appointed commissioners, addresses, and phone numbers.**

Note: Please refer to Articles II and III in the Fund Bylaws located in Section VIII of the Members' Manual for the duties and responsibilities of Chairperson, Secretary, Executive Committee and officials.

Professional Services

<u>Function</u>	<u>Contact/Company</u>	<u>Address</u>	<u>Phone #</u>
Administrator	Jonathan Hall NIP Management Services	900 Route 9 North Suite 503 Woodbridge, NJ 07095	(732) 362-9980
Claims TPA – WC	Alice Lihou Qual-Lynx, Inc.	100 Decadon Drive Egg Harbor Township, NJ 08234	(609) 653-8400
Claims TPA – All Other Lines	Conrad Cyriax, Esq. NIP Management Services	900 Route 9 North Suite 503 Woodbridge, NJ 07095	(732) 362-9980
Fund Actuary	Mujtaba Dattoo, ACAS, MAAA FCA Aon Risk Solutions	100 Bayview Circle Newport Beach, CA 92660	(949) 470-4342
Fund Attorney	Michael O’Connell, Esq. or Paul Anzano, Esq. Pringle Quinn Anzano, PC	202 W. State St Trenton, NJ 08608	(609) 393-8944
Fund Auditor	Digesh Patel, CPA Mercadien, P.C.	P.O. Box 7648 Princeton, NJ 08543	(609) 689-9700
Government Affairs Consultant	David Smith or Dale Florio Princeton Public Affairs Group	160 West State Street Trenton, NJ 08608	(609) 396-8838
Investment Advisor	Prime Advisors	100 Northfield Drive Windsor, CT 06095	(860) 331-3000
Legal Bill Auditor	Bottomline Technologies	325 Corporate Drive Portsmouth, NH 03801	(603) 436-0700
Litigation Manager - Liability	Jeremy Solomon, Esq. Bob Smith & Assocs.	216 Stelton Rd. Piscataway, NJ 08854	(732) 752-3100
Litigation Manager - WC	John Geaney, Esq. Capehart, Scatchard	Laurel Corporate Center 8000 Midlantic Drive Suite 300 Mt. Laurel, NJ 08054	(856) 234-6800
Medical Provider Network	Ann Noble QualCare, Inc.	30 Knightsbridge Rd. Piscataway, NJ 08854	(908) 222-7500
Safety Director	Ken Child PMA Management Corp	330 Fellowship Rd Suite 200 Mount Laurel, NJ 08054	(609) 273-9883
Treasurer	Patrick DeBlasio	20 Cooke Avenue Carteret, NJ 07008	(732) 541-3820
Underwriting Manager/ Insurance Broker	Business & Governmental Insurance Agency	900 Route 9 North Suite 503	(732) 634-8400

Woodbridge, NJ 07095

Risk Managers

<u>Company</u>	<u>Contact</u>	<u>Address</u>	<u>Phone #</u>
Acrisure	Amy Pieroni	1460 Route 9 N, Suite 310 Woodbridge, NJ 07095	(732) 602-0010
Advent Insurance Services	Richard Allocca	8 Woodhollow Rd. Parsippany, NJ 07054	(973) 884-4400 x214
Alamo Insurance Group	Luis Alamo	55 Flanagan Way Secaucus, NJ 07094	(201) 295-9044
AssuredPartners	George Gravenstine	1317 Route 73, Suite 101 Mt. Laurel, NJ 08054	(856) 795-4020
Balken Risk Management	David Balken	143 Washington St. Morristown, NJ 07960	(973) 526-7007
Beckerman & Co.	Louis Beckerman	430 Lake Avenue Colonia, NJ 07067-1131	(732) 499-9200 x118
Borden, Perlman, Salisbury & Kelly	Doug Borden	PO Box 6710 Lawrenceville, NJ 08648	(609) 896-3434 x107
Brown & Brown Benefit Advisors	Ted Wardell	1129 Broad Street, Suite 204 Shrewsbury, NJ 07702	(732) 389-1425
Brown & Brown Metro	Dominick Cinelli	56 Livingston Ave Roseland, NJ 07068	(973) 549-1900
Business & Governmental Insurance Agency	Steven Edwards	900 Route 9 N, Suite 503 Woodbridge, NJ 07095	(732) 634-8400
Conner, Strong & Buckelew	Michael Avalone	231 Main Street P.O. Box 2017 Toms River, NJ 08754	(732) 736-5200
Dittmar Agency	George Dittmar	78 Court Street Freehold, NJ 07728	(732) 462-2343
Fairview Insurance Agency Associates	John Graham	25 Fairview Ave Verona, NJ 07044	(973) 857-0870
Fairways Insurance	John Hanuscin	101 Route 130 South, Suite 200 Cinnaminson, NJ 08077	(856) 786-9100
Hardenbergh Insurance Group	Danielle Colaianne	8000 Sagemore Drive Marlton, NJ 08053	(856) 489-9100
Richland Knowles Agency	Michael Sabbagh	803 Springfield Ave Suite 2 Summit, NJ 07901	(908) 273-7100
Strategic Insurance Partners	Sanders Reynoso	492 Franklin Ave. Nutley, NJ 07110	(800) 524-1422

Executive Committee

Initially all members will serve on the Executive Committee. Officers of the Executive Committee will be elected at the first meeting of the members.

Executive Committee Members:

Chairman	Douglas Marvin	Borough of New Providence
Secretary	Karen Caulfield	Union Township
Member	Louis Guarino	Hamilton Township
Member	Russell Jones	Township of Livingston
Member	Mark Krane	Township of Warren
Member	Frank Ruggiero	City of Rahway
Member	Matthew Watkins	Bloomfield Township
Alternate	Timothy Stafford, Esq.	Montclair Township

Standing Committee Appointments

All committees will be appointed at the first members meeting.

Safety Committee*:

Chairperson	Betty Ann Stinchcomb	Borough of New Providence
Members	All GSMJIF Members	

Claims Committee*:

Chairperson	Douglas Marvin	Borough of New Providence
Member	Louis Guarino	Hamilton Township
Member	Louis Palazzo	Howell Township
Member	Robert Smith	Town of Kearny
Non-Voting	Jonathan Hall	Executive Director
Non-Voting	Conrad Cyriax	NIP – SVP, Claims
Non-Voting	Robert Persico	NIP – AVP, WC Claims
Non-Voting	James Renner	NIP – AVP, PAL Claims
Non-Voting	Steven Daveggia	NIP – Litigation Specialist
Non-Voting	Anthony Ven Graitis	NIP – VP of Risk Control
Non-Voting	Robert Smith	NIP – Director of Underwriting
Non-Voting	Brian Erlandsen	Underwriting Manager
Non-Voting	Renee Nelms	Qual-Lynx
Non-Voting	Susan Hammer	D&H Alternative Risk Solutions
Non-Voting	Susan Polifrone	PMA Management Group
Non-Voting	Jeremy Solomon, Esq.	Liability Litigation Consultant
Non-Voting	John Geaney, Esq.	WC Liability Consultant

Finance & Budget Committee*

Chairperson	Mark Krane	Township of Warren
Member	Theresa Casagrande	Borough of Fair Haven
Member	Douglas Marvin	Borough of New Providence
Member	Louis Palazzo	Howell Township
Non-Voting	Jonathan Hall	Executive Director
Non-Voting	Patrick DeBlasio	Fund Treasurer

EPL Committee*

Member	Matthew Watkins
Member	Louis Guarino
Member	Timothy Quinn
Member	Stephen Daveggia
Member	Robert Smith
Member	Anthony Ven Graitis
Member	Edwin Vath

Wellness Committee*

Member	Anthony Ven Graitis	NIP
Member	Patrick Wherry	City of Hoboken
Member	Ken Child	PMA
Member	Zach Edelman	Fairview
Member	Lou Ann Benson	North Brunswick Township
Member	Karen Caulfield	Union Township
Member	Dana Biggs	Borough of North Plainfield
Member	Kathy Boffa	Township of Livingston
Member	Megan Marchetti	Wellness Coaches USA
Member	Debra Patetta	Wellness Coaches USA

Police Subcommittee

Members	All Members
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Fire Subcommittee

Members	All Members
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DPW Subcommittee

Members	All Members
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*Fund Chairperson is ex officio member of all committees.

III. COMMUNICATIONS POLICY

Each member will receive on a monthly basis a monthly agenda booklet that contains:

- **Minutes**
- **Executive Director's reports**
- **Pro Forma reports**
 - **Financial Fast Track**
 - **Investment Report**
 - **Claim Activity Report**

Closed Session minutes are distributed at the time of the meeting, approved in Open Session and then collected in order to maintain confidentiality.

The pro forma reports, which should be filed in the members' manual, provide its members with a snapshot picture of the Fund's:

- **Financial position**
- **Accident severity by line of coverage**
- **Accident frequency by participant**

Also, on a monthly basis the Fund participants receive a claims register from the claims service company outlining individual losses by participant.

Members will be sent copies of survey reports by the Fund's Safety Director. These reports should be filed in the members' manual.

The Fund members receive coverage documents annually. These documents are located in Section IX of the members' manual.

On an "as needed" basis, Fund participants will be forwarded:

- **Coverage Bulletins**
- **Safety Bulletins**
- **Policies and Procedures Bulletins**

IV. COVERAGE

The Joint Insurance Fund offers the following lines of coverage to its members:

- **Workers' Compensation**
- **General Liability**
- **Law Enforcement Liability**
- **Auto Liability**
- **Public Officials/Employment Practices Liability Coverage**
- **Property**
- **Boiler & Machinery**
- **Auto Physical Damage**
- **Crime, with Position Bonds**
- **Disaster Management Services**
- **Non-owned Aircraft Liability**
- **Unmanned Aircraft Systems Liability and Physical Damage**
- **Cyber Liability**
- **Marina Operators Liability**
- **Hull and Protection & Indemnity**
- **Pollution Liability**

NOTE: The actual terms and conditions and all issues related to coverage shall be decided based on the coverage documents.

UNDERWRITING/OPERATIONS

New Municipalities

Any municipality seeking membership into the Fund shall submit an application for membership along with the necessary resolution and copies of current policies, five year historical claim information, latest budget and the latest auditor's report. Candidates should meet the following criteria:

- (a) Be located in New Jersey.
- (b) Be homogeneous in size and operation to existing members of the Fund.
- (c) Show a favorable loss history for at least five years.
- (d) Has shown a proven dedication to loss prevention/control.
- (e) Show a willingness to participate in Fund activities and development.
- (f) Agree to comply with the state regulations that govern the Fund, the Fund Bylaws, and Policies promulgated by the Fund.
- (g) Not to exceed a population of 100,000.

The Executive Director/Administrator reviews applications for completeness, accuracy and compliance with established underwriting guidelines. The Executive Director/Administrator then forwards the necessary underwriting information to the Fund's actuary, who will develop annualized loss projections by line of coverage based on the applicant's loss experience and exposures. In addition, the Executive Director/Administrator simultaneously requests the Fund's safety director to undertake a comprehensive physical inspection of the applicant's locations.

Once the process is completed, the Executive Director/Administrator presents the new applicants to the Fund Commissioners for approval consideration. The Commissioners will review such items as:

- **New member data summary**
- **Compatibility studies**
- **Loss information**
- **Safety Inspection Reports**
- **Proposed Annual Assessments**

Fire Districts

Revisions made to N.J.S.A. 40A:10-36 allow fire districts to join a joint insurance fund. The Fund has adopted the following membership criteria for fire districts:

- (a.) Sponsorship: Only fire districts sponsored by a member municipality will be considered.
- (b.) Financial Responsibility: The sponsoring member municipality must accept all financial responsibility arising from participation of the fire district including assessments, supplemental contributions, additional assessments and return dividends.
- (c.) Billing & Vouchering: The Executive Director/Administrator will bill each fire district separately from that of the member municipality.
- (d.) Representation: The fire district will be represented solely by the Fund Commissioner of the sponsoring member municipality.
- (e.) Risk Management Consultant: The fire district will be served by the risk management consultant of the sponsoring member municipality.
- (f.) Underwriting Guidelines: Fire districts will be underwritten as if they were applying as a new member. This process includes completion of a full application, actuarial review and safety inspection.
- (g.) Acceptance of a Fire District: Fire districts may only be admitted by a majority vote of the Fund Commissioners following membership review. The criteria for admission will be the compatibility of the fire district to other fire service exposure currently insured by the Fund.
- (h.) Termination of Coverage: A fire district may be terminated by the Fund Commissioner from coverage for failure to follow safety and loss control guidelines set forth by the safety director. Termination of a fire district will not affect membership of sponsoring member municipality. However, the fire district's membership will be concurrently terminated if the sponsoring member municipality terminates its membership for any reason.
- (i.) Legal Requirement: As a condition to membership by the fire district, a resolution must be received from the sponsoring member municipality evidencing its agreement with the Fund as respects its financial responsibility for the fire district. Likewise, a resolution by the fire district must be executed evidencing representation by the sponsoring member municipality and compliance with safety directives.

Renewal Process

N.J.A.C. 11:15-2:15(c) requires that the Fund certify each member's annual assessment no later than December 1 of the coming fiscal year. Therefore, the Fund begins its renewal process in June.

Guidelines for Assessing Members

The Fund seeks to equitably distribute to its members a proportionate share of the overall annual cost of the Fund. Accordingly, the following guidelines are offered for consideration.

The Fund will uniformly measure exposure units of all members. This includes:

- (a.)
 - i. Payroll by classification
 - ii. Property values by class
 - iii. Vehicles by classification
 - iv. Other – as may be required by excess insurers/ reinsurers
- (b.) Using uniform rates associated with the exposure units, a manual premium will be developed for each member.
- (c.) Based upon the last five years of losses excluding the current year, and limited to the first \$250,000 of loss for General, Auto and Law Enforcement Liability; the first \$50,000 of loss for Property; the first \$100,000 of loss for Auto Physical Damage; the first \$150,000 of loss for Employment Practices and Public Officials Liability and the first \$500,000 of loss for Worker's Compensation, each member will receive an experience modification factor. The formula for this calculation will be promulgated by the Fund Actuary.
- (d.) Based upon the loss experience as recorded by the GSMJIF, all members will receive an experience modification factor.
- (e.) The manual premium for each member will be modified by the applicable experience rating factor to develop a modified manual premium.

Schedule(s) of Values

(a.) Real and Business Personal Property

All known locations must be declared in advance. A Statement of Values with location Construction and Protection characteristics must be prepared at 100% of replacement value. EDP equipment will be included under Personal Property.

(b.) Other Equipment

All known portable equipment must be scheduled in advance. This would include but not be limited to, items such as mobile equipment, contractors' equipment, communications equipment, data processing equipment, etc. Small items under \$5,000 may be grouped into single value amount.

(c.) **Special Items**

All owned & non-owned fine arts, antiques and collectibles must be listed on the Property Schedule. Evidence of value for individual items valued in excess of \$5,000 must be supported by an independent professional appraisal.

For displayed art work, antiques and other collectibles that are the property of others, coverage on individual items over \$1,000 and up to \$5,000 requires a professional appraisal to be filed with the Municipal Clerk or some other authorized and responsible party.

Traffic & Street Lights; Traffic & Street Signals; Parking Meters - must be scheduled (as a group) on the Member's Statement of Values, to be covered under the Fund's excess property insurance. There is a maximum sub-limit of \$500,000 any one occurrence for all members.

(d.) **Automobiles**

All owned and leased vehicles must be scheduled.

"Fire Truck or Emergency Vehicle" – Physical Damage Coverage:

Fire Trucks or Emergency Vehicles are covered on a Replacement Value basis, subject to the schedule reflecting the cost to replace at present-day values. Vehicles may be subject to other eligibility requirements in place for the GSMJIF program.

(e.) **Employee Payroll/by Department**

The actual annual payroll reported should be the most current year's certified payroll based on the following classifications.

<u>Code</u>	<u>Classification</u>
0106	Tree Pruning etc
5509	Street Maintenance
6306	Sewer Construction
7380	Drivers NOC
7520	Waterworks (Department)
7539	Electric Department
7580	Sewage Disposal Plant
7590	Garbage Works (drivers-use 9403)
7710	Firemen - Paid

7711 Firemen – Volunteer
7714 First Aid Rescue Squad - Paid
7715 First Aid Rescue Squad - Volunteer
7720 Police
8392 Auto Storage Garage/ Parking Lot
8397 Auto Garage/ Repair Shop (Mechanics)
8601 Architect/Engineer/Surveyor
8810 Clerical Office
8810B Police Dispatch (clerical)
8820 Attorney
8831 Hospital – Vet (Animal Control)
8832 Physician & Clerical – Office (incl. Nurse)
8835 Healthcare – Employees Other Than RN's/ NP's Licensed etc.
8838 Library – Professional Employees
8868 School – Professional Employees*
9015 Buildings, NOC
9102 Parks NOC (Recreation)
9106A School/ Library – Non-Professional Employees**
9106B Library/Museums – Non-Professional Employees**
9182 Athletic Sports or Park (Councilors)
9402 Street/ Sewer Cleaning
9403 Garbage Collection
9410 Municipal Employees NOC
9410B Inspectors – Building, Electric, Health
9726 Animal Shelter

* incl. Crossing Guards & Senior Citizen Center employees

** maintenance, cafeteria, or driver employees

NOC = Not Otherwise Classified

Firemen and **First Aid Volunteer** payrolls are derived by taking the number of volunteers x \$1,300 subject to a maximum based on pieces of apparatus. In addition, each member is required to calculate the number of full time and part time employees based on these payroll classifications.

(f.) **Appropriations**

The total general appropriations (both in and out of the "CAP") must be declared for the subsequent reporting period. The appropriations should be adjusted net of the following deductions:

- **Debt service**
- **Capital improvement**
- **Judgments**
- **Contracted services such as garbage removal**

(g.) **Watercraft**

All owned watercraft must be declared on Member's Equipment Schedule for coverage. Liability coverage is limited to 50' length overall, except for watercraft commandeered by a member town for emergency purposes. Each member should provide a schedule that includes:

- **Year, make, model**
- **Serial Number**
- **Insurable Value (if Physical Damage coverage desired)**

(h) **Police Officers**

The Fund requires the following information, which should be declared in advance:

- **Number of officers who are armed and have arrest powers**
- **Number of officers without arrest powers (i.e school crossing guards, meter maids, etc.)**
- **Number of personnel who are not officers (dispatch; clerical)**
- **Number of auxiliary police or reserve**

Special Exposures

Additional underwriting information may be required for the following exposures:

- Day Care Centers
- Waterfront Exposures
- Dams, levees or dikes
- Landfill, dump, refuse site
- Fire Districts
- Parking Authority
- Waterfront Exposures
- Garagekeepers Liability Exposure
- Other Exposures – as may be deemed necessary by Pool Underwriter

Reporting Exposures

All known exposures must be declared prior to the beginning of the Fund year. Unless otherwise indicated, properties not included on the Statement of Values will not be included for coverage. The Fund's Executive Director/Administrator may increase the values shown on the Statement of Values for premium computation purposes.. **This does not alleviate the responsibility of the Member or their designated Risk Management Consultant to report proper values.**

Exposure/Change Instruction

Changes in exposures should be reported in advance to the member's Risk Management Consultant. To assist members in reporting changes, an 'addition/deletion' exposure form can be found in the GSMJIF Policy and Procedures, and on the GSMJIF website (www.gsmjif.com).

In reporting changes, members should follow these guidelines:

(a.) Newly Acquired Locations:

The reporting requirements for newly acquired locations are as follows:

- i) Newly acquired locations must be reported within 120 days of acquisition. However, it is preferable that this exposure be reported prior to acquisition.
- ii) Inspection is not required.
- iv) The GSMJIF reserves the right to charge an additional premium or return premium for the addition or deletion of unusually large exposures which are in excess of \$1 million in total value.
- v) The completed GSMJIF 'New Location' questionnaire is required.

(b.) Builders Risk & Rehabilitation:

Builders Risk is defined as an addition to an existing building or major changes to the outer structure of the building.

Rehabilitation is defined as major building work performed involving the changing of load-bearing structures, moving beams and gutting the majority of the interior structure. This does not include renovation projects, which are considered minor or cosmetic changes.

The reporting requirements for builders risk and/or rehabilitation projects are as follows:

- i) There is a time restriction of 120 days for reporting projects. However, it is requested that these projects be reported prior to start up.
- ii) Inspection is not required.
- iii) There may be an additional assessment charge by the Joint Insurance Fund,
- iv) The completed GSMJIF 'Builders Risk' questionnaire is required.

The Fund Administrator must be advised when construction has been completed, including the intended occupancy and the insurable value of any premises contents.

(c.) **To add any new item purchased that may be categorized under "Contractor/ Mobile Equipment:**

- Date of acquisition;
- Year, make and model
- Serial number;
- Purchase price;
- Department or location assigned;
- Description and use; and
- Loss payee/additional interest, if any.

(e.) **To add a new Vehicle:**

- Date of acquisition;
- Year, make and model
- VIN number;
- Purchase price;
- Class Code
- Gross vehicle weight (trucks);
- Department or location assigned;
- Description and use; and
- Loss payee/additional interest, if any.

Note: The above additions/ changes/ deletions are made to the GSMJIF website schedule, via the Member's designated Risk Management Consultant.

Additional Assessments for New Exposures

A joint insurance fund's costs are the sum of claims, professional expenses and reinsurance/excess premiums. Each member pays its pro-rata share of this cost based on its exposure and historical claims experience. Therefore, if a member adds an exposure, the only impact to the Fund during that year is the increased claims expectancy. A participating member will ultimately pay for this increased claim expectancy through increased assessments in future years through the experience modification system. Therefore it is not necessary to charge a participant for an additional assessment unless one of the following criteria is met:

- (a.) Additional assessments should not be charged for vehicles valued less than \$100,000 unless the vehicles enter the fleet as a part of the acquisition of a new operation.
- (b.) Additional assessments for all other vehicles should be charged if the additional assessment is at least \$1,000 and the new vehicle(s) represent a material expansion of operations.
- (c.) Additional assessments for all other exposures should be charged if the new exposure generates an additional property, general liability and/or workers' compensation assessment of \$1,000 or greater.

Note: Builders Risk/ Rehabilitation will always generate an additional assessment.

Excluded Exposures:

The Fund excludes the following exposures from its program:

- **Airports**
- **Amusement Parks**
- **Blasting operations**
- **Dams over 15 acres (under 15 acres must be reported)**
- **Gas Utilities**
- **Housing Authorities**
- **Hospitals & Clinics***
- **Marina Operator's Legal Liability**
- **Mechanical Amusements Devices/Carnivals***
- **Nursing Homes & Aids Treatment Centers**
- **Penal Institutions/Jails***
- **Racetracks**
- **Schools and Colleges**
- **Ski Facilities**
- **Zoos**

* **Notes:** Normal Department of Health operations including incidental malpractice are covered by the Fund.

Jails - coverage for holding cells is provided.

Street Fairs: the Fund's liability coverage includes member sponsorship of street fairs and similar activities. However, the Fund does not extend coverage to participants, vendors, contractors, etc.

Fire Works Displays/Amusement Ride Requirements

The following information must be on file with the Underwriting Manager as soon as possible prior to the event:

- 1) Copy of contract between the fireworks/amusement ride contractor and the municipality.
- 2) Certificate of insurance to include the following information:
 - General liability limits of \$1,000,000 per occurrence, combined single limit for bodily injury and property damage with at least \$2,000,000 general aggregate. Contractual liability must be included.
 - Automobile limits of \$1,000,000 per occurrence, combined single limit for bodily injury and property damage with no aggregate.
 - Statutory workers compensation limits including employers liability limits of \$500,000.
 - Umbrella liability limits of \$1,000,000 to \$2,000,000 are also preferred.
 - The municipality and any associations, recreations or committees formed by the municipality to organize the “event” must be named as additional insureds on all liability policies.
 - Rain date must also be shown.
- 3) An executed hold harmless agreement in favor of the municipality must be signed by the fireworks/amusement ride contractor. Enclosed is suggested hold harmless agreement wording. The Fund will not accept a "Null and Void" clause in favor of the contractor as part of the hold harmless agreement.

FIREWORKS DISPLAY
HOLD HARMLESS AGREEMENT

Between the Borough/Township/City of _____
and _____ (Contractor).

WITNESSETH:

1. _____ (Contractor) agrees to release, indemnify and hold harmless the Borough/Township/City of _____ from and against any loss, damage or liability, including attorneys' fees and expenses incurred by the latter entities and their respective employees, agents, volunteers or other representatives arising out of or in any manner relating to the manufacture, installation, firing or disassembly of any pyrotechnic equipment or device and/or the supervision and presentation thereof.

2. The applicant has furnished the Certificate of Insurance with limits of liability described below:

Workers Compensation/Employers Liability: _____

General Liability: _____

Automobile Liability: _____

Umbrella Liability: _____

A true copy of the Certificate of Insurance is attached indicating the municipality and applicable associations, recreations or committees formed by the municipality to organize the "event" must be named as additional insured on all liability policies.

3. The facilities will be used for the following purpose and no other:

Event: _____ Date: _____ Rain Date: _____

Dated: _____ Signed: _____
(Contractor)

Witness: _____

AMUSEMENT RIDES
HOLD HARMLESS AGREEMENT

Between the Borough/Township/City of _____
and _____ (Contractor).

WITNESSETH:

1. _____ (Contractor) agrees to release, indemnify and hold harmless the Borough/Township/City of _____ from and against any loss, damage or liability, including attorneys' fees and expenses incurred by the latter entities and their respective employees, agents, volunteers or other representatives arising out of or in any manner relating to the manufacture, installation, assembly, disassembly and operation of any amusement rides, equipment or device and/or the supervision and presentation thereof.

2. The applicant has furnished the Certificate of Insurance with limits of liability described below:

Workers Compensation/Employers Liability: _____

General Liability: _____

Automobile Liability: _____

Umbrella Liability: _____

A true copy of the Certificate of Insurance is attached indicating the municipality and applicable associations, recreations or committees formed by the municipality to organize the "event" must be named as additional insured on all liability policies.

3. The facilities will be used for the following purpose and no other:

Event: _____ Date: _____ Rain Date: _____

Dated: _____ Signed: _____

(Contractor)

Witness: _____

FIREWORKS DISPLAYS

The following Fireworks Display Guidelines have been established. These guidelines are in addition to the NFPA Standard 1123.

RESPONSIBILITIES OF FIREWORKS VENDORS AND SPONSORS AND/OR MUNICIPALITIES

- The operator of a pyrotechnic program must be at least 21 years of age.
- The vendor must show the sponsor evidence of insurance. It is the sponsor's responsibility to obtain approval from underwriting managers before entering into a contract with the vendor.
- The vendor must certify that its technicians have been trained in accordance with the NFPA Standard 1123.
- The vendor must provide a 24-hour emergency telephone number or contact who is available in the event of an emergency.
- A meeting of the fireworks vendor, fire official, fireworks committee, and police department must be held prior to the event to identify areas of responsibility. This is required for all new vendors, for a change in the display or program, or for any modification at the display site.
- It is the responsibility of the vendor to provide storage and security of fireworks while on site. The fireworks shall not be left unattended from the time of delivery until the time of discharge. If overnight storage is required at the site, it is the vendor's responsibility to provide security.
- No municipal employees shall assist in the setup, firing, or disassembly of any fireworks displays unless they are employed by and work directly for the fireworks vendor. Documentation of said employment must be provided.
- Only pyrotechnicians are permitted in the discharge area once the fireworks are ready for loading.

PYROTECHNIC DISPLAY REQUIREMENTS

- All racks with mortar tubes of cardboard construction shall be permitted for reloads of single break shells up to and including a five inch (5") diameter. Shells greater than a five inch (5") diameter are permitted to be fired from cardboard construction mortars, provided the shell is fired electronically or by other remote means (time fuse, safety fuse, etc.).
- All mortar tubes for single break shells of six inch (6") diameter or larger are permitted if the mortar tubes are of high-density polyethylene, steel tube with a minimal wall thickness of .125 inches, or of greater or equal construction.
- All tubes firing multiple break shells in excess of three inch (3") diameter must be buried 3/4's of their length with a 2" x 4" or greater material placed under the mortar for support.
- All racks shall be limited to only one break shell. The exception is that double break shells are permitted up to a three inch (3") diameter.
- The number of tubes permitted per rack is as follows:
 - a. Three inch (3") diameter - a maximum of 15 tubes per rack.
 - b. Four inch (4") diameter - a maximum of 12 tubes per rack.
 - c. Five inch (5") or six inch (6") diameter - a maximum of 10 tubes per rack.

CONSTRUCTION/BRACING OF RACKS

- All bracing of racks shall be of not less than 1" x 3" construction material secured with two nails or screws at both the top and bottom of the rack.
- The rack construction must be as follows:
 - a. The bottom plate and side plates should be a minimum of 1-1/2" thick with a width equal to the outside diameter of the mortar tube.
 - b. The top band must be a minimum of 1" x 3" construction material.
- The bracing must ensure stability of the racks, either by "A" frame construction or joint bracing of 1" x 3" construction material, or if ground conditions permit, staked into the ground.
- All racks must be adequately braced and supported to prevent tip-over.
- If there are any concerns by the fire official regarding the integrity of the rack, then the rack must be corrected or the distance from the rack to the spectators doubled.

CROWD CONTROL AND DISTANCE

- A minimum of 70 feet shall be maintained between the spectators and the display rack for every one inch (1") diameter of shell.
- Crowd control shall be the responsibility of the sponsor and/or municipality.
- It is the responsibility of the sponsor to position monitors throughout the site area to secure the safety zone and enforce crowd control.

EMERGENCY PERSONNEL

- The discharge area shall be roped off and secured following a fireworks event until daylight hours, when a foot search of the entire area with ¼ mile of the discharge site for unexploded shells can be performed by the sponsor and/or emergency personnel. If an unexploded shell is found, the area shall be protected, the vendor company must be notified immediately through their emergency telephone number, and the local emergency response unit must be notified.
- A permit shall be issued by the authority having jurisdiction identifying the largest diameter shell to be discharged.
- The fire official must make an inspection, prior to the event, to determine that the vendor is not discharging any shell larger than that allowed by the permit.
- The authority having jurisdiction shall be the fire official or his or her representative.
- The fire official, Chief Fire Officer, or vendor shall be authorized to shut down the display should wind or any other adverse conditions present a hazard to the spectators.
- Adequate police, fire, and EMS personnel shall be provided on the scene to supervise spectators and respond to any medical or fire emergency caused by a fireworks display.
- Fire department, police, and other emergency personnel must adhere to the same distance requirements as specified for spectators, except in the event of an emergency.
- The fire official must be familiar with NFPA Standard 1123.
- The fire department must be on location one hour prior to display and until the crowd is dispersed and the display area considered safe.
- A triage area shall be established and identified by EMS personnel to all responders on the scene. This will centralize treatment of victims and permit adequate documentation and transportation of victims.

We believe that the establishment of the above minimum standards will provide a safer firework display, minimize the potential for injuries to spectators and employees, and minimize the liability exposure to the sponsor and/or municipality.

Certificates of Insurance

All Insurance Certificate requests must be submitted by the Member to the Member's authorized Risk Management Consultant for initial review. The GSMJIF Certificate Request Form (as shown on the following page) must be used for all certificate requests. Upon satisfactory review, the Risk Management Consultant will submit to the GSMJIF Underwriting Manager e-mailbox for approval and processing. The Risk Management Consultant will receive the completed Certificate via e-mail, for distribution at the direction of the Member as needed. Certificates issued as "Evidence Only" may be obtained directly by the Risk Management Consultant using the InScope facility.

Certificates with requests for the Certificate Holder as an 'additional interest' All requests for 'additional insured' / loss payee / mortgagee' must include a copy of the 'written contract or agreement' which shows a requirement for additional insured status and the purpose. Only the section(s) showing the 'additional interest' requirements is needed for GSMJIF files.

The Fund will require the following information on the form:

- a) Certificate holder's name and address.
- b) Coverage being requested.
- c) Description of the event (if applicable), dates and locations.
- d) Additional Interests – a clear description of the relationship between the party and the Member (examples: Premises Owner; Grantor; Lessor; Loss Payee, etc.). The member's Risk Management Consultant will assist the member with wording if needed.

NOTE: The GSMJIF program does not "name" additional insureds; the phrase "included as additional insured" is used. The GSMJIF program is designed for 'blanket' additional insured status provided that there is a prior written agreement requiring such status, and the JIF receives/accepts the agreement. The standard for turnaround time on normal requests is 2 business days from receipt of our receiving a complete certificate request. Incomplete request forms or missing supporting documents (agreement/ contract) will delay processing.

CERTIFICATE REQUEST FORM
GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

Certificate Holder:

Date of Request: _____

Requested By : _____

@ RMC: _____

E-mail: _____

Facsimile #: _____

Telephone #: _____

Entity (GSMJIF MEMBER) Name:

Attention: _____

Address: _____

COVERAGES AND LIMITS REQUESTED:

RENEW C.H. ANNUALLY? ☐ Yes ☐ No

COVERAGES: (indicate by X)

LIMITS:

_____ General Liability	_____
_____ Auto Liability **	_____
_____ Auto Physical Damage **	_____
_____ Excess Liability	_____
_____ Property	_____
_____ Workers' Compensation	_____
_____ Public Officials Liability	_____
_____ Crime/Fidelity Bond	_____

DESCRIPTION: *must provide the Purpose of certificate; additional insured or loss payee must include written agreement wording; Start/ Finish date for any specific Event, etc.*

**** If this is for a new Vehicle, has the Fund Administrator been notified to add this vehicle to their Schedule –**
Indicate: Yes _____ or No _____

ANY ADDITIONAL INFORMATION NECESSARY TO ISSUE THIS CERTIFICATE SHOULD BE ATTACHED TO THIS FORM.

Old/Vacant Unoccupied Buildings

The Fund will not provide Replacement Cost coverage on any vacant or unoccupied building. All structures not qualifying for Replacement Cost Coverage will be covered for Actual Cash Value.

Any building used for seasonal purposes will not be considered vacant or unoccupied.

Buildings vacant for more than 60 consecutive days are not covered.

Replacement on contents will be paid only if the building is on a Replacement Cost basis. If not replaced with like quality, then coverage will revert back to Actual Cash Value.

Vacant buildings can be defined as a building containing nothing; being without contents or occupants. Unoccupied means currently not in use. The revised reporting requirements for vacant buildings are as follows:

- The Excess Property Insurance Carrier needs to be notified no more than sixty (60) days from the time of acquisition of a vacant building. During this time the member town will have automatic coverage. This applies to all future acquisitions of vacant property and existing property which becomes vacant.
- Upon notification, The Excess Property Insurance Carrier reserves the right to inspect the property, preferably prior to acquisition.
- If an inspection uncovers major deficiencies, the member town may be asked to correct this in order for coverage to continue.
- There will be no additional premium to cover vacant buildings unless it is a newly acquired vacant building in excess of \$10 million in value.
- Unoccupied buildings and any buildings used for seasonal purposes must be reported as well.
- Vacant buildings must be reported annually on the member's annual GSMJIF Renewal Application for continuation of coverage. Statement of Intent and Inspection are required for consideration of coverage. This is a GSMJIF requirement.
- **The evaluation is on actual cash value** basis for vacant buildings.

Locations as defined above will be valued at "actual cash value" at the time of a loss.

An exception may be considered and approved by the Vice President, Underwriting subject to an inspection prior to a loss.

The following information is required:

- i) Location
- ii) Address
- iii) Type of Building
- v) Building Construction
- vi) Building Protection
- vii) Building Security
- vii) What was the building occupancy before vacancy?
- viii) Future plans for the building and time frame.
- ix) Date of acquisition.

NOTE: All existing vacant properties must be reported to the GSMJIF's Underwriting Manager. If these are not reported, coverage will cease.

Employee Drug Testing Reimbursement

The Fund will reimburse Members the cost of employee pre-employment, post-accident, random, and reasonable suspicion drug testing, limited to employees holding Commercial Driver's Licenses (CDL) as a condition of their employment.

Coverage Inquiries

Members should submit all coverage inquiries to their Risk Management Consultant for response. If the Risk Management Consultant is unable to answer, he/she will forward inquiry in writing to Executive Director/Administrator for review and response by JIF Underwriting Manager if deemed appropriate by the Executive Director/Administrator. Written replies go directly to member with copy to the Risk Manager.

Binding Authority

Executive Director/Administrator authorized to bind if:

- **Request for coverage is in writing.**
- **If, in his judgment, the request is within the policies and/or guidelines.**
- **Receipt of same is acknowledged and a written binder issued.**

Additional assessment is subject to certification by the Fund's Commissioners.

Quasi-Municipal and Athletic Groups

The Fund's participant's insurance program includes all of the member's entities that are under the member's control (either directly or indirectly through the appointment of the board members) and are a part of the member's budget.

The Fund does extend coverage to athletic and quasi-municipal groups if it complies with **one** of the following conditions:

- (a.) The organization is a sub-agency of the municipality subject to the provisions of the Local Public Contracts Law; or
- (b.) The agency was created by an act of the governing body of the member municipality; or
- (c.) The organization is subject to the provisions of the Local Budget Law, Local Fiscal Affairs Law and any full time paid employees of the agency are eligible for membership in the Public Employees Retirement system.

If the group does not meet one of the above criteria, the Fund has established a separate underwriting review process for consideration of coverage with coverage restrictions. The municipality must pass a resolution designating the group as one it wishes covered as an additional insured. Any request to add an athletic or quasi municipal group requires approval by the Fund Commissioners.

In order for coverage to be considered, these entities must provide the following information:

- i) A completed Joint Insurance Fund General Application, including necessary attachments (Class III – Fire Districts and IV – Sports Organizations).
- ii) A resolution from the governing body of the applicable member town adding the entity as an "additional named insured" to its coverage document (Class III and Class IV). Please note that this does not constitute acceptance of coverage for that entity.
- iii) Proof that an accidental medical insurance program is in place for sport participants (Class IV only).

The GSMJIF will review each application against standards for admission applicable to the insured activity. The GSMJIF's Executive Board will be the sole decision maker on admission or rejection. If admitted for coverage, there will be an additional minimum assessment of \$500 for Class III and Class IV. The JIF's loss control program will also extend to the quasies on an as needed basis. For example, any large festival affairs of a bicentennial committee would be reviewed by the JIF's Safety Consultant prior to the event.

If rejected, the entity must purchase coverage elsewhere.

The original completed applications, resolution and statement on accidental medical insurance, if applicable, should be mailed to the GSMJIF's Vice President, Underwriting, with a copy to the Executive Director.

A copy of this information should also be mailed to the GSMJIF's Underwriting Manager.

Please note that Class I (Public Safety Associations & Auxiliaries) and Class II (Volunteer Ambulance Corps and Fire Districts) quasi entities are not subject to the coverage restrictions or the underwriting review process. Class I and II quasies will continue for coverage up to the limits purchased by the respective member town.

Annual Audit Certification

The Division of Local Government Services has indicated that Joint Insurance Funds must adhere to the requirements of N.J.A.C. 5:30-6.5. This regulation requires that the Executive Committee pass a resolution certifying to the State of New Jersey Local Finance Board that all members of the Executive Committee have reviewed, at a minimum, the sections of the annual audit entitled "General Comments and Recommendations". In addition, the Executive Committee must also execute a group affidavit indicating that they have done so.

Boiler & Machinery Inspection Certificates

This will serve as a clarification for boiler inspections on objects that require inspection per New Jersey State Law.

New Jersey State Law requires a number of heating and cooling objects to be inspected and given a certificate of safe operation by a representative of the State of New Jersey. Some of the common objects you may find in facilities include Low and High Pressure Boilers, Storage Water heaters (fired and electric), Steam Cookers and Refrigeration Systems of 36 Tons in capacity or more.

Specifically, the law requires all steam or hot water boilers below to be inspected and certified:

1. Having 10 or more square feet of heating surface.
2. Having a heat input of 10 kilowatts or more; or
3. Having a heat input of 40,000 BTUs per hour or more.

The State will issue fines for all objects that do not have the certificate up to date. N.J.S.A. 234:7-26 Penalties; Recovery states that the first offense can carry a penalty of \$500.00 to \$1,000.00 per object. The second offense can carry a penalty as much as \$2,500.00 per object. The fines will come directly from the State of New Jersey. The law requires the inspection to be internal and external as construction and conditions permit. In order for the Boiler to be ready for an inspection, New Jersey code 12:90-4.10(f) requires the boiler to be "open, clean, cool and ready for the inspector". The GSMJIF provides boiler inspection services through Travelers Insurance Company. Call 1-800-425-4119. You will need the following information when you call:

- The GSMJIF and the name of your municipality are the “insureds.”
- Policy # BAJ-BME1-892X7739-TIL-18
- The location of the equipment to be inspected.
- Person to contact and phone # to arrange the inspection.
- Type of equipment
- Certificate inspection date and number.

VI. INSURANCE REQUIREMENTS

Use of Member's Facility by Outside Organization

Outside organizations which include those groups, committees, associations, clubs, individuals or organizations whose functions or activities are **NOT** sponsored, controlled or regulated by the Borough/Town are **NOT** covered by the municipality's insurance and each municipality should take the following procedures when an outside organization requests use of the member's facilities as per the following guidelines:

☐ **Governmental units that are a part of the town.**

Definition: Entities subject to the Public Contracts Law, which are under the town's control.

Requirements: None. These entities are considered part of the town's insurance program.

☐ **Governmental units that are affiliated with the town but are autonomous.**

Definition: Entities subject to the Public Contracts Law, but are independent of the town's control - (for example, an independent authority or a "fire district").

Requirements: The town may apply to the Fund to include these entities in the town's insurance program. Otherwise, these entities are treated as unaffiliated non-profit organizations for purposes of indemnification and insurance requirements.

☐ **Governmental units that are not affiliated with the town.**

Definition: Entities subject to the Public Contracts Law, but are not affiliated with the town (for example, another municipality or the county).

Requirements: These entities are treated as unaffiliated, non-profit organizations provided, however, that a member town shall not require another member town to provide an insurance certificate.

☐ **Non-Profit Entities (Quasi Municipal)**

Definition: Entities which (a) are not subject to the Public Contracts Law, but perform functions which otherwise could be performed by the municipality **and** (b) have been included in the town's insurance program.

Requirements: To be included in the town's insurance program, the town must adopt a resolution requesting coverage from the Fund, which will be considered by the Fund's Executive Committee in accordance with the policy described earlier. Otherwise, these organizations will be treated as unaffiliated, non-profit entities for purposes of indemnification and insurance requirements.

☐ **Non-Profit Entities (Unaffiliated)**

Definition: Entities which (a) are not subject to the Public Contracts Law **and** (b) have not been included in the town's insurance program pursuant to the attached quasi municipal procedure.

Requirements: \$1 million coverage, and full indemnification and hold harmless.

Non- Profit Entities (Unaffiliated Individuals)

Definitions: An individual who is holding a function at a municipal or quasi-municipal facility and such function is not sponsored for the benefit of an organization including governmental units, non-profit entities or for profit entities.

Requirement: \$300,000 in liability coverage, and full indemnification and hold harmless.

Exceptions: The governing body of a member municipality may exempt a non-profit organization from these requirements or may reduce the requirements upon a finding that the organization is small enough that it would not normally carry insurance, provided, however that the governing body may not grant such exceptions if:

1. The organization is charging a fee to perform a service that is regularly supplied by for-profit organizations. For example, a day care center must have insurance and cannot be granted an exception.
2. The organization is conducting a regular ongoing sports program. For example, a little league program could not be granted an exception.
3. The organization is charging a fee for a function that includes alcohol. For example, a dinner where alcohol is being served cannot be granted an exception. However, an exception could be granted for a small organization holding an open house where a small amount of wine or beer is available.

☐ **For Profit**

Definition: Any organization other than a governmental entity or a non-profit as defined above.

Requirements: \$1 million coverage and full indemnification and hold harmless.

- (a.) A Certificate of Insurance must show minimum limits of \$1,000,000 per loss for general liability. This certificate should include the member as an additional insured and must be received prior to granting use of the facilities. Please note, for any event where liquor will be served, you should obtain a hold harmless agreement and a certificate of insurance including the fund as an additional insured with minimum limits of \$3 million from an insurance company rated no lower than "A-". If you have any question, please contact the Fund's Underwriting Manager. In addition, at the very

least, local citizen community groups such as garden clubs, etc., must provide the Fund with a Hold Harmless Agreement.

- (b.) "Hold Harmless" Agreement must be signed which protects the municipality from any liability which may occur during the time the facilities are being used.

Fund approved hold harmless agreements can be found following this section for use in those situations specified previously. Also, the Fund encourages that these agreements be memorialized by resolution at your council meeting.

Groups to whom the municipality grants formal approval under a Special Events permit (*See Note Below) are required to sign a Hold Harmless Agreement, holding harmless the municipality from any and all liability which may occur during the time they are using the facility. In addition, they are required to provide a minimum of \$1 million per loss liability insurance, naming the town as additional insured.

The Fund may require coverage limits excess of the minimum amount shown above if, in its judgment, the special event warrants higher coverage.

Organizations that lease or otherwise use a fire house facility for social use must complete a hold harmless agreement indemnifying the municipality and submit proof of insurance in an amount equal to a minimum of \$1,000,000 or \$3,000,000 if alcoholic beverages are served with a company rated no less than "A-" or AM Best.

Sample Hold Harmless Agreement

1. "I/we me/my" shall mean one of the following:

AN INDIVIDUAL: Name: _____

or

ORGANIZATION: Name: _____

or

AN INDIVIDUAL: Name: _____

2. "You/Your" shall mean the municipal corporation known as the Borough/Town/Township of _____, its agents, servants, employees, or contractors.

3. GENERAL INFORMATION

Date _____, _____

Site _____

HOURS SITE IS NEEDED _____ a.m./p.m. to _____ a.m./p.m.

ACTIVITY TO BE HELD (describe in detail)

4. I sign this Hold - Harmless as my voluntary act and by this act agree to hold you harmless and indemnify you from any claims, suits, or other actions arising from, caused by, or which are the alleged result of any act or omission of any organization, corporation, guest, invitee, licensee, visitor or other person **present on the premises listed above in order to participate in, organize, assist, enjoy, supervise or in any other way further the activity to be held (as described above) on the dates listed above.**

5. I state that the activity listed above will not include the consumption of alcoholic beverages but should any person described in paragraph 4 consume alcohol or allow or permit others to consume alcohol then I agree to be bound by the terms of paragraph 6 below.

6. I state that the activity listed above will include the consumption of alcoholic beverages and that because of such consumption I have the following additional duties to You related to the use of the site listed above:

a) that I am solely responsible for the dispensing and consumption of alcohol, including the prudent and responsible dispensing and consumption of alcohol by all persons involved in the activity described above, including but not limited to those persons described in paragraph 4 above;

b) to acknowledge by the signing of this Hold-Harmless that You have no authority, control, or participation in the dispensation or consumption of alcohol on the site and date listed above and that I Will take no step, action, or measure to convey the idea that You in any way have promoted, assisted, or participated in the dispensing and consumption of alcoholic beverages on the site and date listed above;

c) that I will not allow persons under the age of 21 to dispense or consume alcohol at the site during the activity to be held on Your property;

d) to comply with all municipal Ordinances relating to the consumption of alcoholic beverages, including but not limited to obtaining any necessary permits.

7. I also agree that where the municipal officer signing this Hold - Harmless on your behalf feels I should provide to You a "Certificate of Insurance" and proof of "Special Events Insurance" that I shall provide same to that municipal officer as soon as practicable and not less than five (5) business days before the date of the planned activity. The appropriate municipal officer will check below if this paragraph is applicable to the activity listed above. Said Insurance shall be written with a company maintaining a rating of at least "A-", according to A.M. Best. Said policy shall be in an amount of not less than one million dollars (\$1,000,000) per occurrence. It is understood You will be listed as an additional insured on the policy and Certificate of Insurance.

Applicable _____ Not Applicable _____

In the event said certificate of insurance is not provided as set forth above, I recognize the event must be canceled and not be held as scheduled.

8. (Applicable to Corporations Only) I also agree that I am obligated to reimburse You for all reasonable attorney's fees incurred by You to enforce the terms of this Hold-Harmless or to defend Yourself against any claim, suit, demand for subrogation, or other action which a court of competent jurisdiction later determines by final order or judgment should have been defended by Me at My sole cost and expense pursuant to this Hold-Harmless.

9. **LEGAL SIGNATURE**

(a) Individual _____

or

(b) Individual _____ on behalf

Of _____

(organization)

or

(c) Individual _____ Title _____

On behalf of _____ (Corporation)

Address of Individual, Organization or Corporation:

Home phone: _____ - Work Phone _____

And

Signature of Person on behalf of the Municipality:

(signature)

(title)

Sample Hold-Harmless Agreement

FOR USE WITH CORPORATIONS ONLY

CORPORATE ACKNOWLEDGMENT

STATE OF NEW JERSEY, COUNTY OF _____ SS.:

I CERTIFY that on _____, 20____
personally came before me and this person acknowledged under oath, to my satisfaction, that:

a) this person is the _____ of

_____ the corporation named
in the attached document;

- b) this person is the attesting witness to the signing of this document by the proper corporate officer who is _____, the _____ of the corporation;
- c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;
- d) this person knows the proper seal of the corporation which was affixed to this document; and
- e) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me
on _____, 20____

***Note:** Outside organizations include:

- i. Profit-making organizations
- ii. Non-profit organizations of such size or structure as would normally carry its own insurance, or any organization that does, in fact, carry its own insurance.
- iii. Events which present a special exposure (fireworks display, concerts, etc.-\$1 million coverage and Hold Harmless Agreement).

‘USE OF RECREATION FACILITY’ CHECKLIST

- 1) Hold harmless signed and dated in favor of the member town.
- 2) Evidence of general liability insurance (certificate of insurance).
- 3) The certificate of insurance should be checked for the following items:
 - The "Insured" should read the same as the "Applicant".
 - The "Insurance Company" should be shown in the “*Company* Affording Coverage” section.
 - Under the "General Liability” section of the certificate the following items should be checked (X):
 - Comprehensive Form or Premises/Operations
 - Contractual Liability
 - Host Liquor Liability (if liquor is being served)
 - The general liability policy number should be shown on the certificate.
 - The policy "effective" and "expiration" dates should be shown.

The “event” date must fall within the policy "effective" and "expiration” dates; otherwise, the insurance will expire before the event.
 - The minimum limits of liability to be shown on the certificate is \$500,000 combined single limit for bodily injury and property damage per occurrence and in the aggregate.

-For profit making organizations and larger non-profit corporations/associations the preferred limit is \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 in the aggregate.
 - For individuals, evidence of insurance is preferred but not required.
 - In the "Description of Operations" section, the GSMJIF Member should be included as "Additional Insured" as respects to use of the GSMJIF Member’s facility.
 - The "Certificate Holder" section should show the full name and address of the GSMJIF Member .

The certificate must be signed by an "authorized representative” from the renter/user's insurance company.

Contractors

Prior to beginning the work assignment --

When the municipality lets work to a contractor, it is expected and required that the contractor provide the municipality with the following minimum amounts of insurance.

- General Liability, including Products/Completed Operations - Limit \$1,000,000 CSL. Municipality to be listed as additional insured.
- Auto Liability: Limit - \$1,000,000 CSL
Coverage to include "Non-Owned and Hired Automobiles"
- Workers' Compensation Insurance - statutory limits

Note: No work shall be allowed to begin without proper Insurance Certificates on file with the member municipality and approved by the Insurance Producer. Also, refer back to Item #10 in the underwriting section of the Policies & Procedures Manual for insurance requirements for pyrotechnic contractors.

Recreational Bus Usage

Use of recreational and municipally owned buses should be limited to within a fifty (50) mile radius of the municipality. For trips which are more than 50 miles, an outside transportation company should be hired, such as New Jersey Transit or a private bus company. The outside transportation company should provide the municipality with a certificate of insurance showing evidence of the following coverages and limits:

Minimum Requirements

Workers Compensation:	Statutory
General Liability	\$1,000,000
Automobile Liability	\$1,000,000
Umbrella Liability	\$1,000,000

Preferred

Umbrella Liability	\$5,000,000
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The municipality should designate a municipal employee to ensure the transportation company provides the proper certificate(s) prior to the trip. All certificates should be reviewed by the Insurance Producer.

Police and Outside Activities

Outside Employer hiring police officer must sign agreement, provided by the Fund, to Hold Harmless and Indemnify the municipality. Agreement also outlines coverage requirements to be provided by outside employer. See the following page for a sample agreement.

Police Officers must have written authority from their Department to provide services.

By and Between:

Township/Borough/Town of _____,
a municipal corporation,
with offices located at

(hereinafter referred to as the "Municipality")

and

(NAME AND ADDRESS OF EMPLOYER)

(hereinafter referred to as "Employer"),

WHEREAS, THE Employer herein named desires to hire and retain police officers during their off duty hours, which officers are regularly employed by the Municipality; and

WHEREAS, the **Municipality agrees to permit the utilization of these police officers during their off duty hours.**

NOW, THEREFORE, it is mutually agreed by and between the parties hereto for One Dollar (\$1.00) and other good and valuable consideration as follows:

1. The Employer shall pay to the Municipality the sum of \$_____per hour for police officers assigned to the Employer by the Municipality for such services, such as crowd control, etc., but only for such services as approved by the Chief of Police.
2. The Employer shall hold the Municipality harmless from any and all claims that may arise as the result of activities or actions of the police officers hired by the Employer, which arise during the course of employment. The Employer shall provide the Municipality, prior to utilization of the Municipality's police officer, with a Certificate of Insurance from an Insurance Company acceptable to the Municipality evidencing not less than a minimum of \$1 million in Commercial General

Liability (including personal injury with exclusion of A & C deleted), but not less than the employer covers, and \$300,000 in property damage, as well as a "Hold Harmless" agreement inuring to the benefit of the Municipality and shall maintain said coverage at all times that a police officer of the Municipality is employed by the Employer.

3. Signed and Sealed this ____ day of _____ by the corporate officers of the Municipality and the Employer.

ATTEST:

BY: _____

BY: _____

VII. CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The Garden State Municipal Joint Insurance Fund (hereinafter referred to as the FUND) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements, and dividends.
- d.) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the FUND's economic surplus.

2.) Permissible Investments

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- c.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- d.) 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.
- e.) 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 the 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.

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

No investment or deposit shall have a maturity longer than ten (10) years from date of purchase.

3.) Authorized Depositories

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA).

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) Authority for Investment Management

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) Preservation of Capital

Securities shall be purchased with the ability to hold until maturity.

6.) Safekeeping

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) Selection of Asset Managers, Custodial Banks and Operating Banks

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) Reporting

Asset managers will submit written statements describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) Audit

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) Cash Flow Projections

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) Cash Management

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banding fees and compensating balances shall be documented to the Executive Committee at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer,

with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

VIII. FINANCIAL SEGREGATION OF DUTIES & ROLE DIFFERENTIATION

It is Fund policy that financial administrative duties shall be segregated in order to provide for internal control. Following is an outline of financial roles and duties of various Fund officials and contractors. This outline is subject to change depending upon recommendations from auditors, changes in roles that develop as a result of a continuing effort to identify efficiencies and improve internal control, and as a result of directives or recommendations from regulators or other parties of interest.

Investments

Treasurer

- 1.) Authorize transfer of funds into claims imprest account from investment accounts.
- 2.) Participate on the GSMJIF Investment Committee if so requested.
- 3.) Advise Executive Committee on investment options available to the Fund.
- 4.) Purchase and/or monitor and report on investments in a manner consistent with the cash and investment management plan.

Asset Manager or Custodial Bank

- 1.) Maintain custody of instruments in a manner consistent with the cash and investment management plan.
- 2.) Make or advise on investments in a manner consistent with the cash and investment management plan.
- 3.) Provide monthly report on all investments under the control or custody of the bank.

Executive Director

- 1.) Prepare cash flow projections based upon payout patterns provided by the Fund actuaries.
- 2.) Compare investment performance to standard indices.
- 3.) Assure coordination of system components and assist Treasurer in advising Executive Committee on investment options.
- 4.) Oversee contractual relations.

Revenue Activities

Executive Director

- 1.) Receive and deposit assessments.
- 2.) Receive and deposit other receipts.
- 3.) Maintain cash receipt journal.
- 4.) Report on cash receipts in standardized treasurer's report.

Executive Director

- 1.) Calculate assessments based upon budgetary approval from Executive Committee.
- 2.) Prepare and mail assessment notices.
- 3.) Post receipts and revenues to the general ledger from standardized Treasurer's report.

Expense Payment Activities

Treasurer

- 1.) Approve vouchers after processing and prior to submittal to Executive Board.
- 2.) Sign and distribute expense checks.
- 3.) Reconcile checking accounts monthly.

Executive Director

- 1.) Process vouchers and control to contracts subject to approval by treasurer and Executive Committee.
- 2.) Maintain vendor file and print 1099 forms.
- 3.) Certify receipts of goods or services.
- 4.) Print checks.
- 5.) Post expense payment transactions to the general ledger.

Claim Payment and Reserve Activities

Treasurer

- 1.) Authorize transfer to funds to claims imprest accounts.
- 2.) Post claims transfer journal, allocating transfers to Fund year and line.
- 3.) Calculate, justify and eliminate possible imprest account reconciliation amounts monthly.
- 4.) Reconcile imprest checking accounts monthly.

Executive Director

- 1.) Post imprest transfers to the general ledger monthly.
- 2.) Post case reserve and other claims data to the general ledger monthly.
- 3.) Post imprest reconciliation balances to the general ledger prior to the six-month and year-end audits.
- 4.) Estimate monthly IBNR amounts and post to the general ledger for purposes of timely reporting.
- 5.) Adjust to certified actuarial IBNR amounts on a quarterly basis and post these adjustments to the general ledger.

Reporting

Treasurer

- 1.) Print report of cash transactions on standardized treasurer's report monthly.
- 2.) Report on location reconciled cash and investment balances monthly.
- 3.) Review trial balance of centralized journal ledger system monthly, with particular emphasis on validation of cash transactions.
- 4.) Provide checking and investment account reconciliations to the Executive Director monthly, and provide copies of account statements as requested.

Executive Director

- 1.) Provide Executive Committee with financial fast track reports and other financial statements on as needed basis.
- 2.) Provide auditor, treasurer, and other entities with financial statements, general ledger detail reports, general ledger journals, and trial balances on an as needed basis.
- 3.) Provide summarized financial statements and/or trial balances to Fund Treasurer on a monthly basis.

Other

Treasurer

- 1.) Certify availability of funds.
- 2.) Participate as needed in the budgetary process.
- 3.) Perform other official duties as outlined in contracts, bylaws, regulations, risk management plan and statutes.

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND

2018 RISK MANAGEMENT PLAN

RESOLUTION NO. 06-18

GARDEN STATE MUNICIPAL JOINT INSURANCE FUND
(Hereinafter referred to as the "Fund" or the "GSMJIF")

ESTABLISHING THE 2018 PLAN OF RISK MANAGEMENT

BE IT RESOLVED by the FUND's Board of Commissioners that the 2018 Plan of Risk Management shall be:

2018 RISK MANAGEMENT PLAN

1) The perils or liability to be insured against.

The following coverages are provided to the Fund's members.

- ☐ **Excess Workers' Compensation**
- ☐ **Excess General Liability**
- ☐ **Excess Auto Liability**
- ☐ **Excess Public Officials Liability (including Errors & Omissions, Employment Practices, Sexual Harassment and Sexual Abuse)**
- ☐ **Excess Law Enforcement Activities Liability**
- ☐ **Excess Employee Benefits Liability**
- ☐ **Property (including Auto Physical Damage)**
- ☐ **Boiler & Machinery**
- ☐ **Crime (with Statutory Position Bonds)**
- ☐ **Non-Owned Aircraft Liability**
- ☐ **Cyber Liability**
- ☐ **Disaster Management Services**
- ☐ **Pollution & Tank Liability (on an optional basis)**
- ☐ **Marina Operators Package (on an optional basis)**

☐ **Annual Aggregate Protection**

2) The limits of coverage.

a) Workers' Compensation

The GSMJIF covers excess claims to the following limits:

- ☐ Workers' Compensation - Statutory inclusive of Member deductible/SIR (Per SIR Exhibit on file with the Administrator's office). The minimum Fund retention is \$750,000 inclusive of Member deductible/SIR.
- ☐ Employer's Liability - \$13,000,000 inclusive of Member deductible/SIR (as on file with the Administrator's office). The minimum Fund retention is \$750,000 inclusive of Member deductible/SIR.
- ☐ USL&H – included in Workers' Compensation (for damages arising out of NJ State Law).
- ☐ Merchant Marine Act /Jones Act - included in Employer's Liability.

b) General Liability

The GSM JIF covers excess liability claims as follows:

- ☐ General Liability - \$15,000,000 per occurrence, or in the aggregate per Member per Fund year, inclusive of Member deductible/SIR (Per SIR Exhibit as on file with the Administrator's office).
- ☐ The minimum Fund retention for all General Liability & related coverages is \$250,000 inclusive of Member deductible/SIR (Per SIR Exhibit on file with the Administrator's office).

c) Automobile Liability

The GSMJIF covers Automobile Liability claims as follows:

- ☐ Automobile Liability - \$15,000,000 any one occurrence, inclusive of Member deductible/SIR (Per SIR Exhibit on file with the Administrator's office), subject to the following sublimits:
 - Automobile Medical Payments: \$5,000 ground up any one person, \$50,000 ground up any one occurrence.
 - Uninsured Motorists/ Underinsured Motorists: \$15,000 ground up any one person, \$30,000 ground up any one occurrence.
 - No Fault Insurance (PIP): NJ minimum statutory limits.

- ☐ The minimum Fund retention for all Automobile Liability coverage is \$250,000, inclusive of Member deductible/SIR.

d) Public Officials Liability (POL)

- ☐ The GSMJIF covers \$15,000,000 per occurrence and in the aggregate on a claims-made basis per Member for each Fund year, subject to a Fund-wide annual aggregate limit of \$30,000,000 for all POL losses, inclusive of Member deductible/SIR and coinsurance payments (per SIR Exhibit on file with the Administrator's office).
- ☐ Public Officials Liability coverage includes:
 - a. Errors & Omissions**
 - b. Employment Practices Liability**
 - c. Sexual Harassment Liability**
 - d. Sexual Abuse Liability**
- ☐ The minimum Fund retention for POL is \$350,000, inclusive of Member deductible / SIR / coinsurance.

e) Employee Benefits Liability

The GSM JIF covers Employee Benefits Liability claims as follows:

- ☐ Employee Benefits Liability - \$15,000,000 per claim, or in the aggregate per Member per Fund year.
- ☐ The minimum Fund retention is 150,000, inclusive of Member deductible/SIR / coinsurance. Member's deductible/SIR is the same as the General Liability deductible /SIR (Per SIR Exhibit on file with the Administrator's office).

g) Law Enforcement Activities Liability

- ☐ The GSMJIF covers \$15,000,000 per occurrence, and in the aggregate per Member for each Fund year, inclusive of Member deductible/SIR (per SIR Exhibit on file with the Administrator's office).
- ☐ The minimum Fund retention for all Law Enforcement Activities Liability claims is \$350,000, inclusive of Member deductible/SIR.

h) Property

- ☐ The GSMJIF has purchased Property insurance with total limits of \$600,000,000
 - A sublimit of \$50,000,000 (annual aggregate) for the peril of Flood, except as follows:
 - \$25,000,000 as respects Zones B, X(shaded) and X-500
 - \$5,000,000 as respects Zone A locations
 - Flood Zone V is excluded
 - Other sublimits are per the excess policy form.
- ☐ The Fund retention is \$50,000, except as follows:
 - Named Windstorm in ‘high hazard’ counties– 1% of total insurable values per unit affected, subject to a minimum of \$100,000 per location affected
 - FEMA maximum limits (or \$250,000 per location for FEMA non-eligible properties) in Flood Zone A.
- ☐ Limits, sublimits and deductibles are inclusive of Member deductible/SIR (per SIR Exhibit on file with the Administrator’s office).
- ☐ Automobile Physical Damage: Included in property limit, subject to \$5,000,000 sublimit. The Fund retention is the first \$50,000 of any automobile physical damage loss inclusive of Member deductible/SIR (per SIR Exhibit on file with the Administrator’s office).
- ☐ Vehicles manufactured 10 or more years prior to current membership year, with an original cost new of less than \$50,000, are not covered for physical damage. This exclusion may be waived on a Member-by-Member basis, subject to Underwriting.

i) Boiler & Machinery

- ☐ The GSMJIF has purchased Boiler & Machinery insurance with coverage at limits of \$100,000,000, inclusive of Member deductible/SIR (per SIR Exhibit on file with the Administrator’s office).
- ☐ The Fund retention is \$25,000 inclusive of Member deductible/SIR (per SIR Exhibit on file with the Administrator’s office).

j) Crime (with Statutory Position Bonds)

- ☐ The GSMJIF has purchased Crime insurance with limits of \$1,000,000 for Employee Dishonesty & related perils
- ☐ The Fund retention is \$10,000, including the Member deductible of \$1,000.
- ☐ The GSMJIF has extended its Crime insurance to include Statutory Position Bonds on file with the Insurer, with limits of \$1,000,000. There is no Fund retention or deductible for this extension. Higher limits are provided where required, subject to underwriting acceptance by the insurer.

k) Non-Owned Aircraft Liability

- ☐ The GSMJIF has purchased Non-Owned Aircraft Liability insurance with limits of \$5,000,000/ Occurrence & Policy Aggregate. The Fund retention is -0-, and there is no Member deductible.

l) Cyber Liability

- ☐ The GSMJIF has purchased Cyber Liability insurance with an annual aggregate limit of \$1,000,000 per Member and Fund-wide annual aggregate limit of \$2,500,000.
- ☐ Coverage includes Information Security, Privacy Notification Costs, Regulatory Defense and Penalties, Website Media Content Liability, PCI Fines and Costs (\$500,000 sublimit), and First Party Coverages (Cyber Extortion, Security Breach, Business Interruption)
- ☐ The Fund retention and Member deductible is \$25,000 per claim.

m) Disaster Management Services Insurance

- ☐ The GSMJIF has purchased Disaster Management Services Insurance with limits of \$10,000,000 per occurrence subject to an annual aggregate limit (Fund-wide) of \$20,000,000.
- ☐ The cost of the services is insured; no Fund retention or Member deductible.

n) Site Pollution Liability

- ☐ The GSMJIF has made available separate optional Pollution Liability insurance outside of the Fund budget for participating Members, with limits of \$1,000,000/ Pollution Incident, \$3,000,000 Per Member Aggregate Limit and \$25,000,000 Policy Aggregate Limit, subject to a Member deductible of \$25,000/Incident. There is no Fund retention.

o) Underground Storage Tank Liability

- ☐ The GSMJIF has made available separate optional Underground Storage Tank Liability insurance outside of the Fund budget for participating Members, with limits of \$1,000,000/ Incident and an Aggregate Limit that varies by policy, subject to a \$1,000,000 Legal Defenses Aggregate Limit, inclusive of Member deductible/SIR (per SIR Exhibit on file with the Administrator's office). The Fund is not party to this insurance and there is no Fund retention.

p) Marina Operators Package

- ☐ The GSMJIF has purchased, outside of the Fund budget, Marina Operators Liability Package insurance for participating members, with \$5,000,000 Limits for Liability/ Protection & Indemnity, and Hull limits per a Schedule of Vessels, subject to the Member deductible (per SIR Exhibit on file with the Administrator's office). There is no Fund retention.

q) Annual Aggregate Protection

- ☐ The GSMJIF has purchased Excess Insurance with a limit of \$5,000,000 more than \$23,596,000 Fund-retained loss in the aggregate for the 2018 Fund Year, as respects all lines covered under the Specific Excess sections of the Brit policy, PLUS Fund – retained Property and Automobile Physical Damage Losses under the Travelers' Property policy. Fund-retained Loss Corridors applicable under Specific Excess coverages are included in the losses subject to aggregate excess protection.

3) The amount of unpaid claims to be established.

- a) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Fund expects the claims servicing company to set reserves at 85% accuracy. The Fund also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the Fund has adequate reserves to pay all claims and allocated loss adjustment expense liability.
- b) Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Actuary, Attorney, Executive Committee and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Fund.

4) The method of assessing contributions to be paid by each member of the Fund.

- a) By November 15th of each year, the actuary computes the probable net cost for the upcoming Fund year by line of coverage and for each prior Fund year. The actuary includes all budget items in these computations. The annual assessment of each participating municipality is its pro rata share of the probable net cost of the upcoming Fund year for each line of coverage as computed by the actuary.
- b) The calculation of pro rata shares is based on each municipality's experience-modified manual premium for that line of coverage. The total amount of each member's annual assessment is certified by majority vote of the Fund's Executive Committee or Board of Commissioners at least one (1) month prior to the beginning of the next fiscal year (usually at the GSMJIF's budget hearing).

- c) The treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust fund account by Fund year for each type of coverage in which the member participates.
- d) If a local unit becomes a member of the Fund or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
- e) The Fund's Executive Committee may by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. All supplemental assessments are charged to the participating municipalities by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.
- f) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the chairman or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Fund's Executive Committee or Board of Commissioners.

5) Procedures governing loss adjustment and legal expenses.

- a) The Fund engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the GSMJIF's attorney's office, as well as the claims department of the GSMJIF's three major insurers/reinsurers. Every three years, the GSMJIF's internal auditors also conduct an audit.
- b) Each member local unit is provided with a claims reporting procedure and appropriate forms.
- c) To provide for quality defense and control costs, the Fund has established an approved defense attorney panel with firms that specialize in Title 59 matters. Any member that carries a self-insured retention may appoint an approved defense attorney of its choice to the panel for purposes of defense of claims within that self-insured retention. The performance of the defense attorneys is overseen by the Fund Litigation Managers, as well as the various firms that audit the claims adjusters.

6) Coverage to be purchased from a commercial insurer, if any.

- a) Excess Workers' Compensation - The GSMJIF has purchased an excess specific Workers' Compensation policy from Safety National Casualty Insurance Co. and Lloyd's of London (Brit Syndicate 2987) at limits of:
 - i) Workers' Compensation – Statutory including \$750,000 Fund retention.
 - ii) Employer's Liability - \$13,000,000 including \$750,000 Fund retention.
 - iii) USL&H - included in Workers' Compensation (for damages arising out of NJ state law).
 - iv) Merchant Marine Act / Jones Act- Included in Employer's Liability.

- b) Excess Liability - The GSMJIF has purchased excess General Liability, Automobile Liability, Law Enforcement Liability, Public Official's Liability and Employee Benefits Liability insurance, and Aggregate Excess Protection, from Lloyd's of London (Brit Syndicate 2987) at limits of:
 - i) Excess General Liability - \$15,000,000 including \$250,000 retention.
 - ii) Excess Automobile Liability- \$15,000,000 CSL including \$250,000 retention.
 - iii) Excess POL (Claims-Made) - \$15,000,000 including \$350,000 retention
Excess POL coverage is subject to a Fund-wide annual aggregate limit of \$30,000,000.
 - iv) Excess Law Enforcement Activities Liability - \$15,000,000 including \$350,000 retention
 - v) Excess Employee Benefits Liability (Claims Made) - \$15,000,000 including \$150,000 retention
 - vi) Annual Aggregate Protection - \$5,000,000 in excess of \$23,596,000 Fund-retained loss in the aggregate for the 2018 Fund Year, as respects all lines covered under the Specific Excess sections of the Brit policy, PLUS Fund – retained Property and Automobile Physical Damage Losses under the Travelers' Property policy. Fund-retained Loss Corridors applicable under Specific Excess coverages are included in the losses subject to aggregate excess protection.
- c) Property - The GSMJIF has purchased Property insurance (including Auto Physical Damage) from Travelers Insurance Company, at a limit of \$600,000,000, exceeding the probable maximum loss exposure of the Fund members.
- d) Boiler & Machinery - The GSMJIF has purchased Boiler & Machinery insurance from Travelers Insurance Company, at a limit of \$100,000,000, exceeding the probable maximum loss exposure of the Fund members.
- e) Crime/ Statutory Position Bond - The GSMJIF has purchased Crime/ Statutory Position Bond insurance from Fidelity & Deposit Insurance Company, at a limit of \$1,000,000.
- f) Non-Owned Aircraft Liability - The GSMJIF has purchased Non-Owned Aircraft Liability insurance from Global Aerospace, Inc. at a limit of \$5,000,000.
- g) Cyber Liability - The GSMJIF has purchased Cyber Liability insurance from Beazley Insurance Company at an annual aggregate limit of \$2,500,000, subject to a per Member aggregate sublimit of \$1,000,000.
- h) Disaster Management Services - The GSMJIF has purchased Disaster Management Services Insurance with limits of \$10,000,000 per occurrence subject to an annual aggregate limit (Fund-wide) of \$20,000,000. The insurance is provided by XLC Syndicate 2003 (Lloyd's of London).
- i) Site Pollution Liability - The GSMJIF has made available optional Site Pollution Liability insurance outside the GSMJIF budget for participating Members from the ACE American Insurance Company, at limits of \$1,000,000 per Pollution Incident, \$3,000,000 per Member Aggregate Limit, and a Fund-wide Aggregate Limit of \$25,000,000.
- j) Underground Storage Tank Liability - The GSMJIF has made available optional Underground Storage Tank Liability insurance outside the GSMJIF budget for participating Members from the ACE

American Insurance Company, for participating Members, with limits of \$1,000,000/ Incident and an Aggregate Limit that varies by policy, subject to a \$1,000,000 Legal Defenses Aggregate Limit, inclusive of Member deductible/SIR (per SIR Exhibit on file with the Administrator's office).

- k) Marina Operators Package – The GSMJIF has purchased outside the GSMJIF budget, optional Marina Operators Package insurance for participating members from the Atlantic Specialty Insurance Company at limits of \$5,000,000 Limits for Liability/ Protection & Indemnity, and Hull limits per a Schedule of Vessels

Please Note: The GSMJIF follows the policy forms of its excess insurers in determining coverage for its retained layers (SIRs) noted in Section 2. In the event that the excess insurer determines that no coverage exists for all or part of a claim made against or by a Member of the GSMJIF, the Member shall be responsible for all or a portion of any uncovered claims expense, indemnity settlement or other costs associated with such claim. Please also note that the coverage descriptions herein, in all particulars, are superseded by the applicable policy wordings including all limits, terms, conditions, exclusions and endorsements. This document is not intended to be all-inclusive, and does not alter, amend or change the Fund's coverage. Please refer to specific policies for limits, terms, conditions and exclusions.

7) Procedures for the closure of Fund years, including the maintenance of all relevant accounting records.

- a) The Fund adopts a resolution closing the year and transfers all remaining assets to the closed Fund year account. This amount is allocated by member local units using the same procedure as is used to calculate a dividend. Each month, interest is credited to the closed Fund year account by member.
- b) Each year, the Fund's Executive Committee will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of Insurance as appropriate. Further, in the event an open Fund year incurs a deficit, the Fund's Executive Committee will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member by member basis.
- c) A member may apply to the Fund's Executive Committee for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Fund's Executive Committee will decide on the former member's request after evaluating the likelihood of any additional assessments.
- d) The Fund will retain all records in accordance with the Fund's record retention program.

8) Assumptions and Methodology used for the calculation of appropriate reserve requirements to be established and administered in accordance with sound actuarial principles.

- a) The general approach in estimating the loss reserves of the Fund is to project ultimate losses for each Fund year using paid and incurred loss data. At least two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "selected" estimate of ultimate

losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or funding requirement.

- b) The following is an overview of the two actuarial methods used to project the ultimate losses.

Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.

Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

9) **The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.**

- a) \$10,000, but up to \$25,000 with verbal or written approval from the affected municipality commissioner or alternate commissioner.
- b) \$25,000 Emergency Court House Authority upon the joint authorization of the Fund Attorney and Executive Director, but up to \$50,000 with verbal or written approval of a majority of the Executive Committee.
- c) Any and all actions must be ratified by the entire Board of Fund Commissioners at the meeting immediately following the authorization.

10) **Member Deductible Drop Down and Close Out Program**

- a) The GSMJIF offers Members with self-insured retentions the option of eliminating (“Drop Down”) a self-insured retention (“SIR”) in the ensuing policy year with a deferred assessment payment feature and/or transferring future payments on prior accident years outstanding claims liabilities to the Fund (“Close Out”) in exchange for a fixed assessment payable equally over 10 budget years, including 10% adverse claims development coverage.
- b) **Drop Down** – The Fund will calculate the loss fund differential between the Member SIR and the first dollar equivalent and divide that amount into four equal annual installments payable by the Member in the ensuing Fund year in conjunction with the standard assessment. Should the Member

leave the Fund or fail to pay any installment during the life of the Drop Down plan, all remaining future installments become immediately due and payable.

- c) **Close Out** - The Fund's actuary calculates the Ultimate Claims Liabilities (UCL) within the Member's SIR plan for each prior year of fund membership at a high confidence level as of 12/31. The total amount of paid losses as of 12/31 is deducted from the total UCL to arrive at the expected outstanding claims result (EOCR). To this result is added a 5% risk charge, a 3% Administration fee and a 2% Risk Manager fee. The result is divided into 10 equal installments, which the Member will pay in each successive year as part of the standard annual assessment (two annual installments).
- d) Should the Member leave the Fund or fail to pay any installment during the 10-year period, any remaining unpaid installments in the subject year become immediately due and payable and all future claim liabilities become the Member's responsibility. Concurrently, if the claims paid under the Close Out plan exceed the Member paid installments, the member will be obligated to immediately pay a final assessment equal to the difference.
- e) If the claims paid under the Close Out agreement exceed the 10% corridor of protection at any time, future claims payments become the Member's responsibility.
- f) If the 10-year Treasury bill yield exceeds 6% during the life of the plan, the Fund reserves the right to adjust the amount of future installments to compensate for the cost of the Close-Out program.

11) The following Retrospective Rating Endorsement is hereby included in the Plan of Risk Management:

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND
900 ROUTE 9 NORTH, SUITE 503
WOODBIDGE, NJ 07095
PROPERTY/CASUALTY POLICIES**

POLICY ENDORSEMENT - RETROSPECTIVE RATING PLAN

MEMBER: _____

This ENDORSEMENT modifies such insurance as is afforded by the provisions of the Policies for the **2018** fund year relating to the following:

WORKERS' COMPENSATION
COMPREHENSIVE GENERAL, LAW ENFORCEMENT AND AUTO LIABILITY
PROPERTY AND BOILER AND MACHINERY
COMPREHENSIVE CRIME
PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY

RETROSPECTIVE RATING PLAN ASSESSMENT STANDARD ELEMENTS

For the purposes of this ENDORSEMENT, the standard elements are explained here:

- A. STANDARD ASSESSMENT shall be the assessment we would charge during the rating plan period if you had not chosen a retrospective rating plan
- B. BASIC ASSESSMENT shall be less than STANDARD ASSESSMENT. It shall be STANDARD ASSESSMENT multiplied by the BASIC ASSESSMENT FACTOR. The BASIC ASSESSMENT FACTOR shall be the ratio of the following items to the STANDARD ASSESSMENT:
 - 1. Excess Insurance Costs
 - 2. General Expenses
 - 3. Risk Management Expenses
 - 4. Underwriting Expenses
 - 5. Administrative Fees

The actual BASIC ASSESSMENT FACTOR will be determined after the STANDARD ASSESSMENT is determined.

- C. LIMITED PAID LOSSES RETAINED BY THE FUND shall mean the FUND'S financial responsibility for claims paid by the member after due credit for any excess insurance or subrogation receivable. Specifically, it shall include 1) losses paid and reserved, plus 2) allocated loss adjustment expense (ALAE), and 3) this total then limited to the FUND's retention.

RETROSPECTIVE RATING PLAN ASSESSMENT FORMULA

- A. RETROSPECTIVE RATING PLAN ASSESSMENT is the sum of BASIC ASSESSMENT and LIMITED PAID LOSSES RETAINED BY THE FUND.
- B. The retrospective rating plan assessment shall not be more than the MAXIMUM ASSESSMENT. The maximum assessment is determined by applying the maximum retrospective rating plan assessment factor, shown in the Schedule, to the STANDARD ASSESSMENT.

PROVISIONS

The provisions of the coverage form or policy to which this ENDORSEMENT is attached apply, unless modified by this ENDORSEMENT.

- A. In the fashion provided for in the Fund's by-laws, plan of risk management, cash management plan and policies and procedures, the MEMBER shall pay the FUND the STANDARD ASSESSMENT.
- B. As of a valuation date of Eighteen (18) months after the inception of the fund year, and every Twelve (12) months thereafter, the FUND shall compute the RETROSPECTIVE RATING PLAN ASSESSMENT, subject to the MAXIMUM ASSESSMENT.
- C. The final computation of the RETROSPECTIVE RATING PLAN ASSESSMENT shall be as of the valuation date when the FUND closes the fund year to which this ENDORSEMENT applies.

- D. Notwithstanding any subsection above, the MEMBER shall remain subject to FUND-wide dividends and additional assessments in accordance with the FUND's bylaws. These additional assessment or dividends, if any, shall be computed based on the MEMBER'S RETROSPECTIVE RATING PLAN ASSESSMENT, subject to the MAXIMUM ASSESSMENT.
- E. Upon computation of any RETROSPECTIVE RATING PLAN ASSESSMENT, the MEMBER shall owe the FUND or the FUND shall owe the MEMBER as the case may be, the difference between amount paid by the MEMBER to date and the MEMBER'S RETROSPECTIVE RATING PLAN ASSESSMENT, subject to the MAXIMUM ASSESSMENT.
- F. If the MEMBER owes the FUND an additional assessment under this ENDORSEMENT, this amount shall be payable to the FUND within 180 days after the FUND bills the MEMBER, or upon the MEMBER withdrawing from the FUND, whichever is earlier.
- G. If the FUND owes the MEMBER a return assessment under this ENDORSEMENT, this amount shall be payable to the MEMBER 180 days after the next meeting of the FUND's Board of Fund Commissioners, or Executive Committee thereof.
- H. This endorsement shall only be effective if approved by resolution of the MEMBER'S Governing Body.

SCHEDULE

- A. Other policies subject to this Retrospective Rating Plan Endorsement

WORKERS' COMPENSATION
COMPREHENSIVE GENERAL AND AUTO LIABILITY
EXCESS LIABILITY
PROPERTY AND BOILER AND MACHINERY
COMPREHENSIVE CRIME
PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES

- B. Maximum Retrospective Rating Plan Assessment Factor: _____

- C. The standard maximum assessment is based on estimates of standard assessment. The actual maximum assessment will be calculated based on the actual standard assessment and the factor, shown in the Schedule, Item B:

The coverage provided under this ENDORSEMENT is subject to all of the terms and CONDITIONS of this policy. All other terms and CONDITIONS of this Policy remain unchanged.

Effective Date:

- 12) **Special Assessments** - NJSA 11:15-2.16 provides for additional assessments "...to supplement the fund's claim or loss retention or administrative accounts to ensure payment of the fund's obligations..." Should the Fund levy a special assessment in accordance with such provision, each affected member shall have the option to pay the additional amount due in up to ten (10) equal annual installments, subject to adjustment each year based on actual incurred losses for the special assessment years. Should any member subject to such special assessment discontinue its membership in the GSMJIF, the full balance of any remaining unpaid installments shall become immediately due and payable to the GSMJIF.

Adopted: *this day by the Board of Fund Commissioners*

Chairman

Date

Secretary

Date

Claims Management and Procedures

Introduction

Joint Insurance Funds have established claim reporting requirements. This section provides the user with a quick point of reference on various aspects related to claims.

It is divided into the following sections and appendixes:

Section One: Examples of types of claims by line of coverage and special requirements related to these claims. Also in Section One you will find:

Exhibit One: Sample Resolution Adopting Notice of Claim Form
Sample Transmittal Letter to Fund Attorney and Claims Administrator
Sample of Notice of Tort Claims Form Transmittal Letter to Claimant
Notice of Tort Claims Form

Section Two: Miscellaneous claims procedures

It should be noted that it is the Joint Insurance Fund's philosophy to pay only those claims for which the members are legally obligated. Claims will be paid by the Fund as promptly as possible after adequate investigation by the Fund's contracted claims administrator and/or excess carrier(s).

Disclaimer: The information presented in this manual is only an overview. All claims shall be decided based upon the actual terms and conditions as set forth in the coverage documents.

I Examples of Various Types of Claims and Special Reporting Requirements

Property, excluding Boiler and Machinery

Types of Property Claims

- Damage to your building or its contents
- Damage to equipment you own or lease and are required to cover
- Damage to any auto you own or lease
- Damage to valuable papers
- An interruption of services on revenue producing property
- Damage to fine arts owned and non-owned
- Damage to a building owned by you and under construction

Special Requirements

The claims administrators maintain a 24 hour number to report serious claims. Claims can be reported either via the telephone or fax. Please contact your claims administrator \or risk manager for reporting forms.

You must complete any materials as required by the Fund's Safety Director, PMA Management Corp.

Do not speak to any other carrier without contacting your claims administrator first. This includes any forms sent to your from other carriers.

Note: The Travelers Insurance Group provides excess property coverage over a statewide per occurrence retention of \$50,000. The insurer may elect to assign their own claims administrator if it appears the claim(s) will exceed the GSMJIF's retention.

Boiler and Machinery

Types of Claims:

Any object such as Air Conditioning Systems, Boilers, Electrical Lines and Connections, or Machinery such as Deep Well Pumps, Transformers, and Production Equipment, that result in an accident that causes mechanical breakdown, electrical damage or steam explosion.

For Example: Lightning strikes transformer causing damage, motor used in air conditioning system shorted out damaging system, foreign matter seized the impeller of a submersible pump.

Special Requirements:

The claims administrators maintain a 24-hour number to report serious claims. Claims can be reported either via the telephone or fax. Please contact your claims administrator \or risk manager for reporting forms.

You must complete any materials as required by the Fund's Safety Director, PMA Management Corp.

Do not speak to any other carrier without contacting your claims administrator first. This includes any forms sent to your from other carriers.

Note: The Travelers Insurance Company provides boiler and machinery coverage. Representatives from their company(s) may adjust the loss.

General Liability, Police Professional, and Auto Liability Claims

Types of Claims

(Damages Must be Sustained by Outside Third Party)

Sewer back up
Improper design
Trips and falls on your property
Your vehicle struck another party
Allegations of false arrest, false imprisonment, wrongful detention or malicious prosecution
Pot holes
Failure to inspect or supervise

Note: Please see following page for reporting claims involving employment related issues or matters seeking demands other than monetary damages for bodily injury or property damages.

Special Requirements

Contact your designated claims administrator and local risk management consultant immediately on all losses.

Do not admit to being responsible for the loss.

Do not agree to pay anything.

Important: Any notice of intent to file a claim or summons and complaint must be forwarded within 24 hours of receipt to Qual-Lynx Corp., the GSMJIF Claims Administrator. Also, you must advise the injured party that the Fund has a policy that requires an official tort notice form to be completed by any individual seeking to assert a claim. **(Please refer to Exhibit I for specific instructions in this area as well as a sample resolution, transmittal letters and notice of claim form.)**

Workers' Compensation

Types of Claims

Injuries to employees that arise out of and during the course of employment

Special Requirements

The Fund has a designated managed care vendor and if an employee is injured, you must report via Scibal's online claims reporting system or call the toll free number to report the incident. For serious injuries, a nurse case manager will begin managing the file, which will include instructions as to where the employee should be referred for medical treatment. However, you must still file the appropriate forms with your local claims administrator, which includes the "Employer's First Report of Accidental Injury." **You will find a flow chart to assist you in reporting Workers' Compensation claims.**

All injuries must be reported to the GSMJIF claims administrator. If the injury was minor and no medical treatment was rendered, label the claim as "incident only" when reporting to the claims administrator.

Remember, never accuse an employee of malingering or faking, notify family in serious injuries, and preserve the evidence.

Also, complete any required material as distributed by the Safety Director, PMA Management Corp.

Do not speak to any other carriers without contacting your claims administrator first.

Public Officials and Employment Practices

Types of Claims

- **Public Officials** - Claims arising out of the wrongful act of a public official. Many of these claims arise out of issues involving planning and zoning boards, ordinances, and violation of civil rights.
- **Employment Practices** - Claims arising out of a wrongful act in connection with such items as wrongful dismissal, work place harassment, failure to promote, etc. **The GSMJIF has specific underwriting guidelines in this area. These must be met before coverage can become effective. Please contact your risk management consultant for specifics.**

Special Requirements

- Contact PMA and local risk management consultant immediately on all losses.
- Do not admit to being responsible or at fault for the loss.
- Do not agree to pay anything.
- **Important:** Any notice of intent to file a claim or summons and complaint must be forwarded within 24 hours of receipt to Qual-Lynx, Litigation Manager (Jeremy Solomon, Esq., Bob Smith & Assocs., 216 Stelton Rd., Suite B1, Piscataway, NJ 08854), ***and*** (optionally) your local risk management consultant. Also, you must advise the injured party that the Fund has a policy that requires an official tort notice form to be completed by any individual seeking to assert a claim. **(Please refer to Exhibit I for specific instructions in this area as well as a sample resolution, transmittal letters and notice of claim form.)**

Exhibit I - Notice of Claim Form

Instructions, Transmittal Letter, and Claim Form

Joint Insurance Funds throughout the state have established certain uniform procedures for the members to handle claims filed against them. The purpose of this uniform procedure is to ensure that each member takes appropriate action to preserve any defenses that may be available.

Therefore, the purpose of this exhibit is to review the procedures applicable to liability claims (as distinguished from workers' compensation claims), so that all claims are handled promptly and efficiently.

There currently exist defenses available to the member because of the failure of claimants to comply with a properly established procedure in accordance with the New Jersey Tort Claims Act. In those instances, public entities must be able to prove that the claimants were given notice of the procedure.

It is the Fund's recommendation that your governing body or commission adopt a "Notice of Claim" form by Resolution, so that there will be a record that the form has been adopted as the official Notice of Claim Form for your public entity. The authority for the adoption of the form is found in the New Jersey Tort Claims Act, N.J.S.A. 59:8-6. **If there is no record of a formal adoption of the Notice of Tort Claim form, then a plaintiff's attorney might argue that the public entity did not adopt the form and that the failure to complete it was not fatal to the assertion of the claim.**

Under the law, public entities are entitled to require the disclosure of information related to the claim, including information that will enable the Fund to evaluate both liability and damages. The failure of a claimant to provide the requested information in a timely manner can protect the member against the claim by resulting in the dismissal of the claim.

It is not suggested that the use of the official form will win every case, but it will give members an additional basis for defending litigation if the claimants have not filed the claim properly, and if they have not provided the information required by the official form once they have been notified about the form.

It is suggested that the following instructions be followed:

- 1) Whenever a Notice of Tort Claim or a letter asserting a claim against the member or against a members' employee is received by the member, it should be date stamped to show the date on which it was received.
- 2) A copy of that notice should be sent to the Fund's designated Claims Administrator for the GSMJIF (**see Section II of the Claims Manual**).
- 3) At the same time, provide each of them with whatever information you may have on the incident giving rise to the claim, i.e., police reports, copies of documents, etc., as that will enable them to get a handle on the claim quickly.
- 4) In most instances, the first contact that you will have will be a letter from an attorney asserting a claim against the member, or against a member's employee(s). That initial contact rarely will provide sufficient

information on the nature of the claim and rarely will it be provided on the "official" claim form adopted by each member.

- 5) When the initial contact is received, the member should notify the claimant or the attorney for the claimant, **by certified mail, return receipt requested**, that the claim must be filed on a specific form adopted by the member for that purpose. A format for a responsive letter is attached for your use. A copy of the officially adopted Tort Claim Form should be enclosed with the response letter.

It is strongly recommended that there be no exceptions to the procedure. Just because you may believe that there is no basis for the claim, because it happened on school property, or because it happened on a State highway, or for any other reason, does not mean that the procedure should not be followed. The member may still be named in the resulting litigation filed by the claimant and it is then too late to:

- ☐ Gather the necessary information that might have protected the member early in the claim process; or
- ☐ Raise defenses based on the failure of the claimant to comply with the New Jersey Tort Claims Act.

A sample Notice of Claim Form and a sample cover letter than can be used to respond to the initial contact are attached for your use.

The Notice of Claim Form should be officially adopted by Resolution of your Governing Body. A certified copy of that Resolution should be provided to:

- ☐ The Executive Director and Administrator for the GSMJIF.
- ☐ The Fund Attorney for the GSMJIF.
- ☐ The Claims Administration Company for the GSMJIF.

Once the return receipt is returned, you should retain it in your records, in case it is needed at some future time to prove that the claimant was given notice.

Additionally, whenever there is a difference of more than a few days between the postmark on the envelope conveying the initial notice or the official notice to you, and the date that is shown on the Notice or the cover letter, it would be useful to keep the envelope and to provide the GSMJIF Attorney with a photocopy of it. It has been found useful on several occasions where a Notice is dated on one date, and received several weeks later. In that instance, it is very useful to have the envelope showing the date mailed, so that a claimant cannot backdate a Notice to imply compliance with statutory deadlines.

When the completed Notice of Tort Claim has been returned, it should be date stamped to show the date that it was received, and copies should be sent to Claims Administrator, so that their information will be as complete as possible regarding the claim.

When a Summons and Complaint is received or when a Notice of Motion is received, or any document that appears to involve a court proceeding, most likely in the New Jersey Superior Court, or the United States District Court, that document should be transmitted **immediately** to the Claims Administrator as it may require immediate action and the assignment of defense counsel. The receipt of court documents certainly justifies the use of TeleFax to get those items to the claims administrator.

When a Summons and Complaint is received, that is **not** the time to send out the form letter on the Notice of Claim procedures. A Summons and Complaint requires a response in Court, and sending out the form letter only communicates to the attorney for the Plaintiff that you may not know what you are doing.

It is important that as soon as a claim is received, that members make an effort to determine just what happened, and that the Fund professionals can collect the reports that may have been made by member's employees, including police reports, on the incident giving rise to the claim.

For your convenience, a form letter has been prepared to serve as a "check off" in sending claim documents to the Claims Administrator and Litigation Manager. Simply check off that you are sending the information to either party and complete the form. Then photocopy the form and send the copies and the information out.

You may certainly use some other format, but you should be certain that the documents are sent out and are sent both to the Claims Administrator and Litigation Manager at the same time.

Once litigation has begun, whether in the New Jersey Superior Court or in the United States District Court, a defense attorney will be assigned to the case. The Litigation Manager is responsible for the assignment. You should cooperate fully with that attorney.

You should not respond to requests for information from the Plaintiff's attorney without first checking with the assigned defense attorney, or with GSMJIF Attorney, or with your Municipal Attorney, where litigation has not yet commenced and no defense attorney has been assigned. Please make certain that your various departments (police, public works, code enforcement, sewer, etc.) are aware of the litigation, and that they should not respond to information requests on a routine basis.

There may be occasions when the Fund has found it necessary to assign more than one defense attorney to the case, where there is a real conflict between the position of the member, and the defense of an individual public entity employee. In that instance, you will be advised to discuss the case only with the attorney who is defending the municipality.

Regarding punitive damages, these claims arise from allegation that a member's employee intentionally or willfully caused the injury to the claimant. ***The coverage through the GSMJIF does not cover awards of punitive damages*** because such coverage is prohibited by New Jersey law. The defense of the case, including the punitive damage claims, will in most cases be handled by the assigned defense attorney.

If an employee, who is alleged to have caused injuries sufficient to justify a punitive damage award, wishes to consult with a private attorney with respect to their individual exposure, they have every right to do so. They also have a right to have private counsel represent them with respect to the punitive damage claims. That consultation and any representation, however, is on their own determination, and at their own expense. The defense of the claims will be handled by the attorney or attorneys assigned by the GSMJIF.

Sample Resolution to Adopt Notice of Tort Claim Form

A RESOLUTION OF THE _____ OF THE _____ ADOPTING A FORM REQUIRED TO BE USED FOR THE FILING OF NOTICES OF TORT CLAIMS AGAINST THE _____ IN ACCORDANCE THE PROVISIONS OF THE NEW JERSEY TORT CLAIMS ACT, N.J.S.A. 59:8-6.

WHEREAS, the New Jersey Tort Claims Act, N.J.S.A.. 59:8-6, provides that a public entity may adopt a form to be completed by claimants seeking to file a Notice of Tort Claim against the public entity; and

WHEREAS, the _____ is a public entity covered by the provisions of the New Jersey Tort Claims Act; and,

WHEREAS, the _____ deems it advisable, necessary and in the public interests to adopt a Notice of Tort Claim form in the form attached hereto and made a part hereof.

NOW THEREFORE BE IT RESOLVED, by the _____ of the _____ assembled in public session the _____ day of _____, 201X, that the attached Notice of Tort Claim form be and hereby is adopted as the official Notice of Tort Claim form for the _____; and,

BE IT FURTHER RESOLVED, that all persons making claims against the _____, pursuant to the New Jersey Tort Claims Act, N.J.S.A. 59:8-1, et. seq., be required to complete the form herein adopted as a condition of compliance with the notice requirement of the New Jersey Tort Claims Act.

Sample Transmittal Letter to Fund Attorney and Claims Administrator

Date:

To: <Insert Name of Your Claims Administrator>
 <Insert Fund Attorney>

Re: **Notice of Claim of** _____

Enclosed you will find the following:

- ☐ Initial Notice of Tort Claim received <enter date received>.
- ☐ Copy of Response sent on <enter date> by certified mail, return receipt request, with the official Notice of Tort Claim Form.
- ☐ Reports by employees on the incident given rise to the claim.
- ☐ Official Notice of Tort Claim form received on <enter date>.
- ☐ Summons and Complaint received on <enter date>.
- ☐ Other <List, if any>

Very truly yours,

cc: Risk Management Consultant

Sample Notice of Tort Claim Form Transmittal Letter to Claimant

Dear Claimant:

Your claim will not be considered as filed and cannot be evaluated until you return the completed form and provide the information required.

You should be aware of the fact that the New Jersey Tort Claims Act included limitations on claims against public bodies and established time limits for the filing of those claims.

Notice of the claim against the public body generally must be filed within 90 days after the incident giving rise to the claim. No Notice of Tort Claim may be filed after the 90 day period unless there is an Order from the New Jersey Superior Court allowing the late filing of the Notice of Tort Claim. Such an Order can be granted only within one year from the date of the incident and only where the Court determined that good cause exists to permit the late filing.

Your recent communication in which you indicated an intention to assert a claim against _____ or against an official, employee or Department of the _____ has been received.

In accordance with the provisions of the New Jersey Tort Claims Act, the _____ has adopted an official form to be completed by any individual seeking to assert a claim against the _____ or against any official, employee or Department of the _____.

A copy of the Claim Form is enclosed and includes a form authorizing us to obtain reports with respect to your injury.

Very truly yours:

Sample Notice of Tort Claims Form

BOROUGH/CITY/TOWNSHIP OF <Enter Your Address>

CLAIMANT INFORMATION

Name: _____ Telephone: _____

Address: _____ Date of Birth: _____

Social Security#: _____

ATTORNEY INFORMATION (If Applicable)

Name: _____ Telephone: _____

Address: _____ Fax: _____

File No.: _____

Send Notices to: ☐ Claimant ☐ Attorney

GENERAL INSTRUCTIONS: Pursuant to the provisions of the New Jersey Tort Claims Act, this Notice of Tort Claim form has been adopted as the official form for the filing of claims against the Township of _____.

The questions are to be answered to the extent of all information available to the Claimant or to his or her attorneys, agents, servants, and employees, under oath. The fully completed Claim Form and the documents requested shall be returned to the:

Administrator
Borough/City/Township of _____
(your address)

NOTE CAREFULLY: Your claim will not be considered filed as required under the New Jersey Tort Claims Act until this completed form has been filed with the Township/City/Borough of _____. Failure to provide the information requested, including such responses as “To Be Provided” or “Under Investigation” will result in the claim being treated as not being properly filed.

Timely Notices of Claim must be filed within 90 days after the incident giving rise to the claim.

This form is designed as a general form for use with respect to all claims. Some of the questions may not be applicable to your particular claim. For example, if your claim does not arise out of an automobile accident, questions regarding road conditions might not be applicable. In that event, please indicate “Not Applicable.”

If you are unable to answer any questions because of a lack of information available to you, specify the reason the information is not available to you. If a question asks that you identify a document, it will be sufficient to furnish true and legible copies. Where a question asks that you “identify all persons,” provide the name, address and telephone number of the person.

Please be aware that all sources of primary insurance coverage must be exhausted before the Township/City/Borough of _____ is obligated to consider your claim.

If you need more space to provide a full answer, attach supplementary pages, identifying the continuation of the answer with the number of the applicable question.

DEFINITIONS:

“**Claimant**” shall refer to the person or persons on whose behalf the Notice of Claim has been filed with the Township.

“**Documents**” shall refer to any written, photographic, or electronic representation, and any copy thereof, including, but not limited to, computer tapes and/or disks, videotapes and other material relating to the subject matter of the claim.

“Person” shall include in its meaning a partnership, joint venture, corporation, association, trust or any other kind of entity, as well as a natural person.

“Public Entity” shall refer to the Township of _____ along with any agent, official, or employee of the Township of _____ against whom a claim is asserted by the Claimant.

NOTE: That the questions are divided into sections relating to the claimant, the claim, property damage, personal injury and the basis for the claim against the public entity or public employee.

If the claim involves only property damage, the portion on personal injuries need not be answered. If the claim involves no property damage, then the portion on property damage need not be answered.

INFORMATION ON THE CLAIMANT

1. Provide the following information with respect to the Claimant:

- ☐ Any other name by which the claimant is known.
- ☐ Address at the time of the incident giving rise to the claim.
- ☐ Marital Status (at the time of the incident and current).
- ☐ Identify each person residing with the claimant and the relationship, if any, of the person to the Claimant.

2. Provide all addresses of the Claimant for the last 10 years, the dates of the residence, the persons residing at the addresses at the same time as the Claimant resided at the address and the relation, of any of the persons to the Claimant.

INFORMATION ON ALL CLAIMS

3. Provide the exact date, time and place of the incident forming the basis of the claim and the weather conditions prevailing at the time.
4. Provide the Claimant's complete version of the events that form the basis of the claim.
5. List any and all individuals who were witnesses to or who have knowledge of the facts of the incident which gave rise to the claim. Provide the full name and address of each individual.
6. State the name of all police officers and police departments who investigated the accident.
7. Identify all public entities or public employees (by name and position) alleged to have caused the injury or property damage and specify as to each public entity or employee the exact nature of the act or omission alleged to have caused the injury or property damage.
8. If you claim that the injury or property damage was caused by a dangerous condition of property under the control of the public entity, specify the nature of the alleged dangerous condition, and the manner in which you claim the condition caused the injury.

9. If you allege a dangerous condition of public property, state the specific basis on which you claim that the public entity was responsible for the condition and the specific basis and date on which you claim that the public entity was given notice of the alleged dangerous condition. **Statements such as “should have known” and “common knowledge” are insufficient.**
10. If you or any other party or witness consumed any alcoholic beverages, drugs or medications within twelve hours before the incident forming the basis of the Claim, identify the person consuming the same and for each person (a) what was consumed, (b) the quantity thereof, (c) where consumed, (d) the names and addresses of all persons present.
11. If you have received any money or thing of value for your injuries or damages from any person, firm or corporation, state the amounts received, the dates, names and addresses of the payers. Specifically list any policies of insurance, including policy number and claim number, from which benefits have been paid to you or to any person of your behalf, including doctors, hospitals or any person repairing damage to property.
12. If any photographs, sketches, charts, or maps were made with respect to anything which is the subject matter of the Claim, state the date thereof, the names and addresses of the persons making the maps and of the persons who have present possession thereof. Attach copies of any photographs, sketches, charts or maps.
13. If you or any of the parties to this action or any of the witnesses made any statements or admissions, set forth what was said; by whom said; the date and place where said; and in whose presence, giving names and addresses of any persons having knowledge thereof.

14. State the total amount of your claim and the basis on which you calculated the amount claimed as of the date of presentation.
15. State the amount claimed as of the date of the claim; include the estimated amount of any prospective injury, damage, or loss and the basis for computation of the amount claimed.
16. Provide copies of all documents, memoranda, correspondence, reports (including police reports), etc. which discuss, mention or pertain to the subject matter of this claim.
17. Provide the names and addresses of all persons or entities against which claims have been made for injuries or damages arising out of the incident forming the basis of this claim and give the basis for the claim against each. Are any of the losses or expenses claimed herein covered by any policy of insurance?
() No () Yes For each policy, state the name and address of the insurance company, policy number and benefits paid or payable.

PROPERTY DAMAGE CLAIM

Note: If your claim is for property damage only, complete Items 18-20 and proceed directly to the certification section on page 11 of this form.

18. If your claim is for property damage, attach a description of the property and an estimate of the cost of repair. If your claim does not involve any claim for property damage, enter "None."
 - a) Describe the property damage

 - b) The present location and the time when the property may be inspected

 - c) Date property acquired _____

d) Cost of property \$_____

e) Value of property at time of accident \$_____

f) Description of damage

g) Has the damage been repaired? () No () Yes If so, by whom, when and cost of repairs.

h) Attach each estimate of repair costs to this form.

i) Set forth, in detail, the loss claimed by you for property damage.

19. Set forth, in detail, all other items of loss or damages claimed by you and the method by which you made the calculation.

20. The amount of the total claim.

PERSONAL INJURY CLAIMS

21. Was any complaint made to the public entity or to any official or employee of the public entity? State the time and place of the complaint and the person or persons to whom the complaint was made.

22. Describe in detail the nature, extent and duration of any and all injuries.
23. Describe in detail any injury or condition claimed to be permanent.
24. If confined to any hospital, state name and address of each and the dates of admissions and discharge. Include all hospital admissions prior to and subsequent to the alleged injury and give the reason for each admission.
25. If x-rays were taken, state (a) the address of the place where each was taken, (b) the name and address of the person who took them, (c) the date when each was taken, (d) what each disclosed, (e) where and in whose possession they now are. Include all x-rays, whether prior to or subsequent to the alleged injury forming the basis of the claim.
26. If treated by doctors, including psychiatrist or psychologist, state (a) the name and present address of each doctor, (b) the dates and places where treatments were treatments are continuing, the schedule of continuing treatments. Provide true copies of all written reports rendered to you or about you by any doctor whom you propose to have testify on your behalf.
27. If you have any physical impairment which you allege is caused by the injury forming the basis of your claim and which is affecting your ordinary movement, hearing or sight, state in detail, the nature and extent of the impairment and what corrective appliances, support or device you use to overcome or alleviate the impairment.
28. If you claim that a previous injury has been aggravated or exacerbated, describe the injury and give the name and present address of each doctor who treated you for the condition, the period during which treatment was received and the cause of the previous injury. Specifically list any impairment, including use of eyeglasses, hearing aid or similar device, which existed at the time of the injury forming the basis of the claim.

29. If any treatments, operations, or other form of surgery in the future has been recommended to alleviate any injury or condition resulting from the incident which forms the basis of the claim, state in detail (a) the nature and extent of the treatment, operation, or surgery, (b) the purpose thereof and the results anticipated or expected, (c) the name and address of the doctor who recommended the treatments operations or surgery, (d) the name and address of the doctor who will administer or perform the same, (e) the estimated medical expenses to be incurred, (f) the estimated length of time of treatments, operation or surgery, period of hospitalization and period of convalescence, (g) all other losses or expenditure anticipated as a result of the treatment, operations or surgery, (h) further if it is your intention to undergo the treatments, operation or surgery, please give an approximate date.
30. Itemize any and all expense incurred for hospital, doctors, nurses, x-rays, medicines, care and appliances and indicate which expenses were paid by any insurance coverage.
31. If employed at the time of the alleged injury forming the basis of the claim state (a) the name and address of the employer, (b) position held and the nature of the work performed, (c) average weekly wages for the year prior to the injury, (d) period of time lost from employment, giving dates, (e) amount of wages lost, if any. List any sources of income continuation or replacement, including, but not limited to, workers' compensation, disability income, social security and income continuation insurance.
32. If other loss of income, profit or earnings is claimed, state (a) total amount of loss, (b) give a complete detailed computation of the loss, (c) the nature and dates of the loss.
33. If you are claiming lost wages state (a) the date that the employment began, (b) the name and address of the employer, (c) the position held and the nature of the work performed, (d) the average weekly wages. Attach copies of pay stubs or other complete payroll record for all wages received during the year.
34. Have you received, or agreed to receive, any money from anyone for the damage claimed herein? () No
() Yes If so, set forth the details of such agreement.

35. Please specify, if known, whether the claim arises out of any of the following activities of:
1) Any Construction project _____

- 2) Any Demolition project _____
- 3) Any road or bridge project _____
- 4) Other _____

DOCUMENT REQUEST: Provide all documents identified in your answers to the above questions.

1. Copies of itemized bills for each medical expense and other losses and expenses claimed.
2. Full copies of all appraisals and estimates of property damage claimed by you.
3. Copies of all written reports of all expert witnesses and treating physicians.
4. A letter from your employer verifying your lost wages. If self-employed, a statement showing the calculation of your claimed lost income.

Title 59

The Legislature recognizes the inherently unfair and inequitable results which occur in the strict application of the traditional doctrine of sovereign immunity. On the other hand the Legislature recognizes that while a private entrepreneur may readily be held liable for negligence within the chosen ambit of his activity, the area within which government has the power to act for the public good is almost without limit and therefore government should not have the duty to do everything that might be done. Consequently, it is hereby declared to be the public policy of this State that public entities shall only be liable for their negligence within the limitations of this act and in accordance with the fair and uniform principles established herein. All of the provisions of this act should be construed with a view to carry out the above legislative declaration.

L.1972, c. 45, s. 59:1-2.

CERTIFICATION: I hereby certify that the information provided is the truth and is the full and complete response to the questions, to the best of my knowledge. I am aware that if any statement made is willfully false, that I am subject to punishment provided by law.

Signature of Claimant: _____ Date: _____

To Whom It May Concern:

I hereby authorize any and all doctors, hospitals or other medical service facility to release to the:

or its representatives, any and all records, reports and other information concerning the treatment of the claimant named herein.

I, (YOUR NAME), hereby authorize the use and disclosure of my individually identifiable health information and other medical and insurance records. I understand that once disclosed, the information I authorize to be disclosed by said person/facility may be disclosed to others and will no longer be protected by state and federal regulations. This release authority applies to any information governed by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), 42 U.S.C. 1320d and 45 C.F.R. 160-164.

Signature of Claimant _____ Date: _____

(This form must be signed by claimant or the parents of the claimants who are minors.)

II Miscellaneous Claim Information and Procedures

Catastrophic Claims

You must immediately contact your claims administrator via telephone to report any catastrophic claims. In the event an accident occurs after normal business hours, please advise the answering service that this is an emergency and they will reach the appropriate adjuster, who will be instructed to contact you immediately. During normal business hours, you may contact the Control Desk to report the claim. Please advise these individuals that it is a catastrophic claim so that claims administrator can commence investigation immediately.

All claims which involve the following injuries must be reported within twenty-four (24) hours:

- Paraplegia
- Quadriplegia
- Brain Damage
- Severe Burns
- Fatalities
- Amputation of a major extremity
- Death
- Sensory Loss (sight, smell, hearing)
- Serious Injuries to two or more employees resulting from one accident
- Property Damage to your property in excess of \$25,000

Claim Payments

Claim payments in most cases will be made by the claims administrator. Payments in excess of \$10,000 require approval of the Fund Commissioners prior to issuance. The Claims Administrator will present these claims on a payment authorization request form at a regularly scheduled meeting of the Fund.

Coverage Disputes

Any member who disputes the findings of the Fund's Claims Administrator Company is urged to write to the Executive Director. All disputes will be presented to the Fund's Executive Committee/ Commissioners for further review.

Third Party Claims Administrator Subrogation Procedures

The Fund's Claims Administrator will handle all third party subrogation recoveries for covered losses in excess of a member's deductible. In pursuing a third party recovery, the claims administrator will:

- 1) Pay loss less individual member's deductible.
- 2) Send proofs and request reimbursement
- 3) Receive third party check
- 4) Issue deductible reimbursement checks to insured (same percentage as percentage of recovery).
- 5) Issue deductible reimbursement check to Fund Treasurer indicating the Fund year and line of coverage to be credited.
- 6) Input recovery amount to reduce the member's total experience.

Conflict of Interest

In the event the Claims Administrator receives notice of a loss involving two or more insured communities with dissimilar interests, a conflict exists. It is, therefore, inappropriate that the Claims Administrator handle more than one insured's interest. It will be necessary to have another branch office or claims administrator handle the companion loss with the understanding that no information be exchanged between the branches, or an independent adjusting company be hired to handle the companion claims.

This same policy will be instituted in cases where the Claims Administrator handles losses for two separate clients who may become joint tortfeasors, i.e., a County Government and Municipal Government.

It shall be the responsibility of the Claims Administrator to bring such situations to the immediate attention of the Fund's Executive Director and Fund Attorney.

Structured Settlements

It is the policy of the Funds to encourage the utilization of Structured Settlements wherever economically advantageous. This would include general liability, auto liability, police professional and workers' compensation lines of coverage.

Only financially sound carriers, licensed to do business in the State of New Jersey, are to be used for placement of the annuity. The same holds true for any assignee used to guarantee the payment of the annuity.

It is also understood that ultimate financial responsibility rests with the Fund. Therefore, archival records must be maintained by the Fund's Executive Director/Administrator, and all cases settled by the claims administrator by way of a Structured Settlement should, upon closure, be sent to the Fund's Executive Director/Administrator for archiving. Records of all such transactions will be reported to the Fund's Actuary by the Fund's Executive Director/Administrator.

LOSS CONTROL PROGRAM

SAFETY POLICY

It is the policy of the GARDEN STATE MUNICIPAL JOINT INSURANCE FUND (GSMJIF) to achieve the best and most practical degree of freedom from accidents and/or injuries. We also endeavor to insure that all of our employees are provided with a safe and healthy work environment free from any recognized hazard. We have established a Loss Control Program which, with your help, should succeed in providing a safe, healthful and pleasant working environment. All of you stand to benefit by this program. We expect full cooperation from all our employees within .

(MUNICIPALITY)

The results of a Loss Control Program will certainly be worth the effort.

MAYOR

MUNICIPALITY

DATE

SAFETY STATEMENT

Management Participation:

In all profitable and effective business organizations, Management sets the policy. Management's concern about safety or Loss Control has its effect on operation efficiency. The interest and participation of Management is vital to the success of any Loss Control Program. As Management, we must not be "just concerned with employee safety." We have a moral and legal obligation to provide our employees with a safe place to work as well as a healthful environment to work in that is free from safety hazards.

We, as Management, are committed to participate in a Loss Control Program by:

- (a) Providing all our employees with a written statement of our Safety Policy.
- (b) Provide the time, as well as the money, for the establishment and continuation of the Loss Control Program.
- (c) Providing Loss Control/Safety Contacts (hereafter referred to as Safety Delegates) of each Municipality who will be responsible for the implementation of the Safety Program in their respective Municipality.
- (d) Insuring that all rules and regulations related to the activities of this Safety Program are conveyed to each employee where applicable.

Department Supervisor's Statement Of Safety Policy:

1. We, as Department Supervisors, wish to make our position with respect to the control of losses perfectly clear. Losses are of concern to us because:
 - (a) We must safeguard the welfare of all our human resources and protect our physical resources.
 - (b) "Hidden or Indirect" costs that are associated with losses are actually shared by all of us.
 - (c) Many accidents result in unnecessary human suffering and financial loss.
2. The purpose of our Loss Control Program is to locate, identify and correct conditions and/or unsafe work practices responsible for these losses. Responsibility for the program cannot be delegated as a staff function, but must be accepted by all levels of the Municipal Management and Supervision.

3. As part of our supervisory duties, we are directed to:

- (a) See that all accidents are investigated, utilizing the Confidential Report of employee Injury or Vehicle Accident Form to determine the conditions(s) responsible and to take, and/or recommend the necessary corrective action to eliminate the unsafe condition or unsafe act from recurring. Upon completion, forward this form to the Safety Delegate.
- (b) In the absence of the Supervisor, the Safety Delegate or His/Her Designee shall investigate all accidents as stated under Item (a) above.
- (c) Make periodic studies of all jobs under our supervision to determine any conditions that could result in an accident or loss and take or recommend corrective action.
- (d) Work with the Safety Delegate during the periodic inspections to determine unsafe conditions and recommend corrective action.

Safety Delegate

The Safety Delegate shall be responsible for administering the Loss Control Program. This person shall have the following responsibilities:

- 1. Oversee all Loss Control Activities within each facility or department within the Municipality. This will include office areas and off premise services including vehicle operations.
- 2. Act as the coordinator between management and outside agencies.
- 3. Review accident and accident investigation reports made by the supervisors and check for compliance of any recommendations. Check for completions of the reports and forward them to the Safety Director.
- 4. Establish and preside over a Safety Committee. The Safety Committee should be composed of a cross section of all personnel including the Safety Delegate and the Supervisor of each department.
- 5. Conduct quarterly safety meetings (monthly is recommended) including a review of all accidents and injuries since the last meeting; see that minutes are maintained of each meeting, with a copy forwarded to the Fund's Safety Director.
- 6. Be the main contact with the Safety Director and accompany him during the periodic safety surveys. The value of a safety Survey lies in:
 - (a) Correction of unsafe physical conditions.
 - (b) Correction of unsafe practices.
 - (c) Improved housekeeping.
 - (d) Safety training of employees.
 - (e) Management's improved insights into working conditions.
 - (f) Preparedness to render first aid.
 - (g) Preparedness for firefighting.

Safety Rules And Regulations

Because of the numerous departments in a municipality and because each is subjected to different and unrelated exposures, the safety rules and regulations established under the GSMJIF will be determined by each individual department. However, to insure uniformity, which is the key to our Loss Control Program, safety rules and regulations will be drafted by a committee of supervisors from each department of each municipality then merged into one single set of standards. The rules and regulations will be determined by the supervisors of the following departments:

1. Public Works Department (See Appendix A)
2. Water Department
3. Sewerage Department
4. Municipal Office Workers
5. Police Department
6. Fire Department
7. First Aid Squads
8. Beach Patrol
9. Parks and Grounds

The following are a few suggestions that should be incorporated into the Safety Rules and Regulations:

1. All accidents must be reported to your immediate supervisor immediately.
2. Personal protective equipment furnished to you must be worn or used in all designated areas.
3. Machine guards must not be removed except for repairs and the machine rendered inoperative until repaired.
4. No running or horseplay.
5. All hand tools, prior to and after use, must be inspected by the individual and any defects noted reported to your Supervisor immediately.

NOTE: The above are basic safety rules. The Safety Delegate and/or the Department Supervisor can develop additional rules to apply to specific problems. However, in establishing the rules and regulations, it is suggested that they be coordinated by all municipalities having similar operational departments.

For example, the fire department officers should meet collectively to establish minimal rules and regulations that would be adhered to by all firefighters. All water department personnel should meet collectively to establish minimum safety rules and regulations that will apply to their department.

Some rules and regulations may apply only within a specific municipality. However, these will be beyond the minimum rules and regulations established for the program.

It must be stressed that all municipalities should adopt and enforce the safety rules applicable to the Public Employee Occupational Safety and Health Standards (PEOSHA). Each Municipality must at least meet the minimum standards established by PEOSHA and other Federal and State regulations, where applicable.

All hazardous chemicals must be labeled and identified. Any and all unidentifiable container(s) should be reported immediately to the New Jersey Department of Environmental Protection at (609) 292-7172.

SAFETY INSPECTION PROGRAM

Regular Safety Inspections

These inspections will aid in the reduction of accidents by discovering hazards and unsafe employee practices so that they may be eliminated or safeguarded before they cause an accident and/or injury.

The safety inspections will include but will not be limited to:

- Machine guards for upkeep, effectiveness, rust, properly mounted, etc.
- Vehicle inspections.
- Building structure.
- Firefighting equipment.
- Permanent ladders and other wall fixtures.
- Proper storage of flammable and combustible liquids and hazardous materials.

During various times of the year, additional exposures will arise that may require daily, weekly and monthly inspections. This includes swimming pools, beaches, playgrounds, baseball fields, football fields, soccer fields, etc. Special attention is to be paid to the bleachers, refreshment stands, backstops, swings, etc.

There will be situations when the unsafe condition or practice can be corrected immediately, for example: An employee not wearing proper ear protection in a high noise level area will be required to don ear protection immediately.

Other conditions may take time to correct, for example: A missing guard over a coupling of a pump may require time for fabrication and installation.

- (a) An inspection form applicable to each department should be utilized for the regular safety inspections. Examples are: pre-trip inspections of vehicles and a recreation area check list. The inspection forms must be prepared, signed and dated by the Supervisor. The original copy of the inspection report should be forwarded to the Safety Delegate of that municipality.

- (b) It will be the responsibility of the Safety Delegate of said municipality to follow up on all corrective action(s) on any suggestion(s) developed by the inspection.

Weekly Inspections

A designated day for weekly inspection of work areas shall be established and implemented. The Department Supervisor shall make daily inspections. Inspections will include but not be limited to:

- All portable electric equipment for grounding.
- Housekeeping and the handling and use of toxic, flammable or combustible liquids.
- The condition of motor vehicles including a pre-trip inspection by the driver of all operational equipment including lights, hand brakes and back-up alarms, brakes and tires.

A copy of the weekly inspection report will be kept by the supervisor responsible for the department and will be subject to periodic examinations by the Safety Delegate and/or the Safety Director.

The Safety Director's Loss Control Survey will serve as a back up to these inspections and is not intended to replace them.

Review of Inspections

The Safety Committee will review, at their regular meeting, all reports submitted to the Safety Delegate.

Outside Contractor Inspections

A review of contractor's responsibilities, prior to the beginning of the work, should be part of your regular operations. Any outside contractor performing any job function within any municipality will be required to comply with and meet all Municipal, State and Federal safety standards. When required, they will provide safety barricades and/or personnel to warn the general public of hazardous conditions. The General Contractor should be responsible for checking the job site for proper and safe operations and advise the appropriate authority of any noted unsafe action or condition.

Safety Training

Education and Training of employees and the job hazards associated with the employee's job function will be the responsibility of the immediate Supervisor. Each employee will be:

1. Given a copy of the rules and regulations of that department.
2. Properly trained in the use of protective safety equipment, when applicable, for the employee's job function, the hazards associated with the job including environmental hazards such as chemicals. Material Safety Data Sheets shall be made available on all chemicals utilized by the employee(s) and reviewed with each.

Safety Training support and resources will be provided by the Safety Director based on job hazard analysis, exposure and accident experience.

Training will include films, slides, and other visual aids as required to fully explain the hazards associated with a job and potential personal injuries.

GSMJIF Safety Videos are available free of charge through the Safety Director's Office. Call Walter Reibrich or your designated Risk Control Representative at 856-273-2500 or Anthony Ven Graitis at 732-634-8400, Ext. 212 to obtain these training tools.

Department Supervisor's Safety Training

The "key" person in the implementation of any Safety Program is the Department Supervisor. The Supervisor is responsible for the actions and operations of the employees that he or she is managing.

A basic outline of the Department Supervisor's Safety Training Program is as follows:

1. Basic Safety Principle.
2. Developing safe working conditions.
3. Personalized Safety Training.
4. Employee participation in safety.
5. Safety rules and measuring safety performance.
6. Specialized training.
7. Defensive Driving.

The Training Program for Supervisors will be the responsibility of the Safety Director.

First Aid Program

Designated personnel should be trained and schooled in basic first aid. All employees should have the opportunity to participate in a CPR Program in conjunction with the local First Aid and Rescue Squad.

Accident Investigation

It will be the responsibility of the Department Supervisor of each department to see that all accidents, regardless of how minor including near misses, are investigated utilizing the Confidential Report of Employee Injury or Vehicle Accident Form. (See Appendix B).

The purpose of any accident investigation is to determine what conditions and/or actions were responsible for the accident. Once the cause or causes of an accident have been identified, adequate steps shall be taken to prevent re-occurrence of a similar type accident.

The accident investigation is not to find fault but to bring to the attention of all those directly and indirectly involved, any hazardous condition or unsafe practice and to educate the employee.

Records Keeping

It has been said time and time again that, "unless it is in writing, it didn't happen."

The importance of record keeping cannot be over-emphasized. The purpose of keeping records is to verify that a certain function was or was not performed. This will relate to training, vehicle inspections, equipment inspections, vehicle maintenance, etc. It should include the name of the person involved, the date and the outcome.

**SUGGESTED SAFEGUARDS
FOR
PUBLIC WORKS DEPARTMENT**

1. Personnel should be required to wear the following equipment:
 - A. Protective shoes (steel tips optional) (No sneakers).
 - B. Gloves with leather palms.
 - C. Goggles or safety glasses with side shield.
 - D. Reflective vests or orange shirt.
2. Long pants are suggested to be worn at all times.
3. Personnel should tilt large trash cans before lifting to estimate the approximate weight. Trash weighing over 50 lbs. should not be lifted by any one individual.
4. It is suggested that both the refuse truck and the recycling truck be identified on the rear with reflective stripping, flashing amber lights and slow moving vehicle decal during pick-ups.
5. Vehicles are not to be modified or the safety features or controls by-passed to speed up operations.
6. Personnel are required to ride the front seat of the vehicle if the distance traveled exceeds 2/10th of a mile or exceeds 10 miles per hour.
7. Personnel under the age of 18 should not be assigned to operations involving mechanical equipment.
8. All vehicles should be equipped with back-up alarms.
9. Drivers should require someone to direct them at the rear of the vehicle while backing.
10. In addition to side mirrors, it is suggested that a convex mirror also be installed either on both sides of the vehicle or on the passenger side mirror to improve drive visibility.
11. Drivers are not permitted to zigzag from side to side during roadway operations on main streets or heavily traveled highways.
12. Personnel are not permitted to cross any main street or heavily traveled highway to pick up trash or recyclables.
13. Personnel riding the back step are not permitted to transfer from the step to the hopper while vehicle is in operation.

14. The use of drugs and alcohol on the job that will impair the individual's ability to perform their required job functions are not permitted.
15. Personnel are instructed to stay clear of the rear of the vehicle while unloading. Driver should not unload until directed to do so by one of the accompanying personnel.
16. Motor vehicle driver reports should be obtained on a yearly basis.
17. Pre-trip inspection forms are to be completed by the driver prior to leaving the garage.
18. All hand rails should be covered with non-slip material.
19. All new and present employees should be properly trained and/or periodically retrained to perform their job function before being involved in a refuse or a recycling operation.
20. It is suggested that reflective markings be placed on the rear of the trash truck to improve visibility.

**900 Route 9N
Suite 503
Woodbridge, NJ 07095**

Bylaws

WHEREAS: NJSA 40A:10-36 et seq. permits local units to join together to form a joint insurance fund; and

WHEREAS: Said statute was designed to give local units the opportunity to use alternative risk management techniques, providing they are based on sound actuarial principles; and

WHEREAS: The municipalities of Berkeley, Hamilton, South Brunswick and Union have decided to establish a joint insurance fund effective February 1, 2002; and

WHEREAS: Said statute and the regulations promulgated by the Department of Banking and Insurance pursuant thereto require the members to adopt bylaws.

NOW THEREFORE, the membership of the Garden State Insurance Fund, hereinafter, the “Fund,” hereby adopts the following bylaws:

ARTICLE I - DEFINITIONS

All terms used herein shall have the meaning consistent with the statutes and regulation then in effect. The definitions herein are for convenience.

“ACTUARY” means a person who is a fellow in good standing of the Casualty Actuarial Society with three years recent experience in loss reserving; an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving; or an associate in good standing of the American Academy of Actuaries who has been approved as qualified for signing loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries and who has seven years recent experience in loss reserving.

“ADMINISTRATOR” means a person, partnership, corporation or other legal entity engaged by the Fund to act as Executive Director to carry out the policies established by the Fund Commissioners or Executive Committee and to otherwise administer and provide day-to-day management of the Fund.

“ALLOCATED CLAIMS EXPENSE” means attorneys' fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers' fees, police reports and other similar expenses. The exact definition of “allocated claims expense” or similar terms for any line of insurance coverage shall be the definition in the insurance policy issued by the Fund.

“COMMISSIONER” means the Commissioner of Banking and Insurance where the context so indicates. Elsewhere in these bylaws, the term commissioner refers to the local unit’s representative known as a commissioner or Fund Commissioner.

“DEPARTMENT” means the Department of Banking and Insurance.

“EMPLOYER'S LIABILITY” means the legal liability of a public employer to pay damages because of bodily injury or death by accident or disease at any time resulting therefrom sustained by an employee arising out of and in the course of his employment by the public employer, which is not covered by a workers' compensation law. The exact definition of “Employer's Liability” or similar terms shall be the definition used in the insurance policy issued by the Fund.

“ENVIRONMENTAL IMPAIRMENT LIABILITY FUND” means a joint insurance fund formed for the sole purpose of insuring against bodily injury and property damage claims arising from environmental liability and legal representation therefore to the extent and for coverages set forth in N.J.A.C. 11:15-2 et. seq.

“EXCESS INSURANCE” means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commissioner as a surplus lines insurer or from any other entity authorized to provide said coverage in this state pursuant to law, covering losses in excess of an amount set forth in insurance contracts on a specific occurrence, or per accident or annual aggregate basis.

“FUND” means the Garden State Municipal Joint Insurance Fund (hereinafter referred to as the Fund)

“FUND YEAR” means the Fund's fiscal year of January 1st through December 31st.

“GENERAL LIABILITY” means any and all liability that may be insured under the laws of the State of New Jersey, excluding workers' compensation, and employer's liability. The exact definition of a “general liability” or similar terms is the definition used in the insurance policy issued by the Fund.

“INCURRED CLAIMS” means claims which occur during a Fund year including claims reported or paid during a later period. The exact definition of “incurred claims” or any similar term is the definition used in the excess insurance or reinsurance policy purchased by the Fund.

“INDEMNITY AND TRUST AGREEMENT” means a written contract signed by and duly adopted by the members of the Fund under which each agrees to jointly and severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Fund. The agreement shall specify the extent of the member’s participation in the Fund with respect to the types of coverage to be provided by the Fund and shall include the duration of Fund membership which shall not exceed three years pursuant to NJSA 40A:11-15 (6). The agreement shall also specify that the member has never defaulted on claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to application to the Fund.

“MANUAL PREMIUM” means the premium computed according to the Experience Rating Plan provided for in the New Jersey Worker’s Compensation and Employer’s Liability Insurance Manual on file with the Commissioner and similar insurance industry rating plans for other lines of coverage.

“GSMJIF” means the Garden State Municipal Joint Insurance Fund.

“MOTOR VEHICULAR AND EQUIPMENT LIABILITY” means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the members or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of “motor vehicular and equipment liability” or any similar terms shall be the definition of the insurance policy issued by the Fund.

“OCCURRENCE” means a single event. The exact definition of “occurrence” or any similar term shall be the definition used in the insurance policy issued by the Fund.

“PRODUCER” means any person engaged in the business of an insurance agent, insurance broker, or insurance consultant as defined in NJSA 17:22 A-1 et seq.

“PROPERTY DAMAGE” means any loss or damage, however caused, to property including monies and securities, motor vehicles, equipment or apparatus owned by the member or owned by or under the control of any of its departments, boards, agencies, commissions, or other entities which the membership may provide coverage for. The exact definition of “property damage” or similar terms shall be the definition in the insurance policy issued by the Fund.

“SERVICING ORGANIZATION” means an individual, partnership, association, or corporation, other than the administrator, that has contracted with the Fund to provide, on the Fund’s behalf, any function as designated by the Fund Commissioners including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the Fund’s underwriting file, coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the Fund for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation pursuant to NJSA 40A:10-36, et seq. and N.J.A.C. 11:15-2 et. seq., and such other duties as designated by the Fund.

“SURPLUS” means that amount of monies in a trust account that is in excess of all costs, earned investment income, refunds, incurred losses and loss adjustment expenses and incurred but not reported reserves including the associated loss adjustment expenses attributed to the Fund net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

“WORKERS' COMPENSATION” means the provisions of NJSA 34:15-7 et seq.

ARTICLE II - MEMBERSHIP

Membership Applications:

1. Pursuant to NJSA 40A:10-36, et seq. the governing body of a qualified local unit shall by resolution, agree to join the Fund. The resolution or ordinance shall provide for execution of a written agreement specifically providing for acceptance of the Fund's bylaws as approved and adopted pursuant to NJSA 40A:10-39. The resolution or ordinance shall also provide for the execution of an Indemnity and Trust agreement as defined in Article I.
2. Any local unit seeking membership in the Fund must participate for all lines of insurance offered by the Fund.
3. Any local unit seeking membership shall also submit an application for membership to the Fund on a form acceptable to the Commissioner. The application shall include the executed Indemnity and Trust agreement and the resolution required under Subsection 1 above.
4. An application may be approved by a majority vote of the Fund Commissioners or two-thirds vote of the full authorized membership of the Executive Committee based on the following criteria:
 - a. The applicant's claims history shows safety performance consistent with the Fund's objectives and the applicant's physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
 - b. The Fund has the administrative capability to absorb additional memberships without undue inconvenience or strain.
5. Within 15 days of its approval by the Fund, the executed Indemnity and Trust Agreement and the resolution required under Subsection I above shall be concurrently filed with the Department and the Department of Community Affairs and shall be accompanied by such amendments to the Fund's Budget and Plan of Risk Management as well as any other documents required pursuant to N.J.A.C. 11:15-2 et. seq.
6. If a non-member is not approved for membership, the Fund shall set forth in writing the reasons for disapproval and send the reasons for disapproval to the non-member. The Fund shall retain a copy of all membership application disapprovals for five years.

Membership Renewals:

1. Members may renew their participation by execution of a new resolution/ordinance to join the Fund ninety (90) days prior to the expiration of the term. In accordance with Article II _Membership,

paragraph 2, a member renewing with the Fund must participate for all lines of insurance offered by the Fund, unless approved by the Fund Commissioners.

2. The Fund Commissioners/Executive Committee must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application, the Fund's Commissioners/Executive Committee shall find by majority vote that the applicant has failed to fulfill its responsibilities as a member or no longer meets the Fund's risk management or underwriting standards or other reasons approved by the Commissioner as reasons for termination.
4. If a member's renewal application is rejected, the Fund shall comply with the termination provisions as outlined below.
5. Non-renewal of a Fund member does not relieve the member of responsibility for claims incurred during its period of membership.

Termination and/or Withdrawal Of Fund Members

1. A member must remain in the Fund for a minimum of three (3) years, unless earlier terminated by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for non-payment of assessments or continued non-compliance after receiving written notice to comply with the Fund's bylaws, risk management or underwriting standards, or other reasons approved by the Commissioner as reasons for termination. However, a member shall not be deemed terminated until:
 - a. The Fund gives by registered mail to the member a written notice of its intention to terminate the member in thirty (30) days; and
 - b. Like notice shall be filed with the Department and Department of Community Affairs, together with a certified statement that the notice provided for above has been given; and
 - c. Thirty (30) days have elapsed after the filing required by "b" above.
2. Notwithstanding number 1 above, within ninety (90) days after the effective date of any amendment to these bylaws, a member that did not approve the amendment may withdraw from the Fund.
3. A member that does not desire to continue as a member after the expiration of its membership term shall give written notice to the Fund of its intent ninety (90) days before the expiration of the term period. The Fund shall notify the Department and the Department of Community Affairs that the member has given notice to leave the Fund.
4. A member that has been terminated or does not continue as a member of the Fund shall remain jointly and severally liable for claims incurred by the Fund and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.

5. The Fund shall notify the Department and the Department of Community Affairs if the termination or withdrawal of a member causes the Fund to fail to meet any of the requirements of NJSA 40A:10-36 et seq. or any other law or regulation of the State of New Jersey. Within fifteen (15) days of such notice, the Fund shall advise the Department and the Department of Community Affairs of its plan to bring the Fund into compliance.

ARTICLE III - ORGANIZATION

Fund Commissioners:

1. **Appointment:**

- a. **Commissioners:** In the manner generally prescribed by law, each member shall appoint one (1) commissioner to the Fund. Each member shall select either a member of its governing body or one of its employees.
- b. **Alternate:** Each member may appoint one (1) alternate to attend either regular or special meetings on behalf of the local unit in the absence of the Commissioner. The alternate shall exercise the full power and authority of the Commissioner in his/her absence, including the right to vote. Each member shall select either a member of its governing body or one of its employees.
- c. **Special Commissioner:** In the event that the number of members is an even number, one (1) additional commissioner and an alternate to the Special Commissioner shall be appointed annually by a member on a rotating basis determined alphabetically.

The member's privilege to appoint the Special Commissioner shall remain with that member for one entire Fund year and the subsequent admission to the Fund of a member with a preceding alphabetical prefix shall not deprive any member already a member of the Fund of its prerogative to appoint a Special Commissioner during a current Fund year.

2. **Terms of Office and Vacancy:**

- a. All terms of office shall expire on January 1st or until a successor is duly appointed and qualified.
- b. A commissioner, other than the Special Commissioner, who is a member of the appointing member's governing body shall hold office for two years or for the remainder of his/her term of office as a member of the governing body, whichever shall be less.
- c. Commissioners who are employees of the appointing members shall hold office at the pleasure of the local unit and can be removed by the member at any time without cause.
- d. The Special Commissioner, if any, shall serve until January 1st of the year following appointment provided, however, that if the Special Commissioner is an employee of the appointing member, he or she may be removed by the appointing local unit at any time without cause.
- e. The unexpired term of a commissioner other than the Special Commissioner, shall be filled by the appointing member in the manner generally prescribed by law.

- f. In the event of a vacancy of the Special Commissioner caused by reason other than the expiration of the term of office, the member that appointed the commissioner shall appoint the replacement for the unexpired term.
- g. Any commissioner can be removed from office for cause by two-thirds vote of the full membership of the Fund Commissioners/Executive Committee. Upon such a vote, it shall be incumbent upon the member to replace the commissioner.

3. Responsibilities:

- a. The Fund Commissioners are hereby required, authorized and empowered to operate the Fund in accordance with these bylaws and appropriate state laws and regulations in the interests of the total membership of the Fund.
- b. The Fund Commissioners shall determine and establish the Fund's budget, assessments, loss reserves, surplus, limits of coverage, limits of excess insurance or reinsurance, coverage documents, refunds and other financial and operating policies of the Fund.
- c. The Fund Commissioners shall invest monies held in trust in any account in accordance with the Fund's cash management plan and consistent with the statutes and rules governing the investment of public funds by joint insurance funds established pursuant to NJSA 40A:10-36, et seq.
- d. The Fund Commissioners shall collect and disburse all money due to or payable by the Fund, or authorize such collection and disbursement.
- e. The Fund Commissioners may enter into contracts with other persons or with public bodies of this state for any professional, administrative or other services as may be necessary to carry out the purposes of the Fund.
- f. The Fund Commissioners may purchase and serve as the master policyholders, if desired, for any insurance, including excess insurance or reinsurance.
- g. The Fund Commissioners shall prepare, or cause to be prepared, a risk management plan for the Fund.
- h. The Fund Commissioners, as the need arises, may amend the bylaws and the risk management plan of the Fund pursuant to NJSA 40A:10-36, et seq.
- i. The Fund Commissioners may authorize the Fund to become a member of other joint insurance Funds organized pursuant to NJSA 40A:10-36, et seq. including, but not limited to the Municipal Excess Liability Fund, for the purpose of providing excess, environmental impairment liability, residual liability, and or other insurance, and may authorize the Fund Chairman to execute such documents including but not limited to an indemnity and trust agreement as required to secure such membership(s).

- j. The Fund Commissioners shall do all other things necessary and proper to carry out the purposes for which the Fund is established.
- k. Each Commissioner shall have one vote provided, however, that the Special Commissioner, if any, shall only vote in the event of a tie.

Officers:

- 1. As soon as possible after the beginning of each year, the commissioners shall meet to elect the officers of the Fund from its own membership. Fund officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.
 - a. **Chairperson:** The Chairperson shall preside at all meetings of the Fund Commissioners/Executive Committee and shall perform such other duties provided for in these bylaws and the laws and regulations of the State of New Jersey.
 - b. **Secretary:** The Secretary shall serve as Acting Chairperson in the absence of the Chairperson, and shall perform such other duties as provided for in these bylaws and the laws and regulations of the state of New Jersey.
- 2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the commissioners/Executive Committee may, by majority of vote, fill the vacancy for the unexpired term. In the event of a vacancy of both the Chairperson and Secretary, the longest serving member of the Executive Committee, or otherwise the longest serving commissioner shall serve as Acting Chairperson until the vacancies are filled.
- 3. Any officer can be removed with cause at any time by a two thirds vote of the full membership of the Fund Commissioners.

Executive Committee:

- 1. If the total number of commissioners exceeds seven (7), as soon as possible after the beginning of the year the Fund Commissioners and special Fund Commissioner, if any, shall meet and elect five (5) of their number to serve with the Chairperson and the Secretary as the Executive Committee of the Fund. During their term of office, members of the Executive Committee shall exercise the full power and authority of the commissioners except as otherwise provided. Wherever the term "Commissioners/Executive Committee" appears in these Bylaws, that term shall be interpreted to mean "Executive Committee", except in those cases where the express language and content of these Bylaws or applicable statutes dictate otherwise.
- 2. The Executive Committee shall serve until January 1st of the following year, or until their successors are duly elected and qualified.

3. In the event the commissioners shall elect an Executive Committee as provided for above, the Alternate designated pursuant to Section 1.b. shall also serve as the Executive Committee member's alternate. They may also elect up to seven (7) additional commissioners to serve as alternate members of the Executive Committee to attend either regular or special meetings to serve in the absence of a member or members of the Executive Committee. An alternate or alternates serving in the absence of a member, or members, of the Executive Committee shall exercise the full power and authority of that absent member or members. Alternates shall have all privileges and responsibilities of Executive Committee members except they shall only vote when so designated below:
 - a. Alternates shall vote in established priority order, designated as Alternate #1, Alternate #2 etc. Alternate #1 shall vote in the absence of one member of the Executive Committee or in the absence of Alternate #1, Alternate #2 may vote, and so on.
4. Vacancies on the Executive Committee caused by a reason other than the expiration of the term of office may be filled by a majority vote of the full remaining membership of the Executive Committee.

Fund Professionals:

As soon as possible after the beginning of each year, the commissioners/Executive Committee shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be a Fund Commissioner. All professionals shall be retained pursuant to the "Local Public Contracts Law."

1. **Treasurer:**

The treasurer shall be a Certified Municipal Finance Officer and have the following duties and responsibilities:

- a. Custodian of the Fund's assets and shall maintain the various trust funds.
- b. Approval of all receipts, disbursements, and financial records.
- c. Draft the cash management plan and invest all balances.
- e. Ascertain availability of sufficient unencumbered funds in any account to fully pay all charges or commitments prior to any payment or commitment.
- f. The treasurer shall perform such other duties as provided for by the Fund Commissioners/Executive Committee, these bylaws and in the laws and regulations of the State of New Jersey.

- g. The treasurer shall be covered by a fidelity bond protecting the Fund's assets in a form and amount to be determined annually by the commissioners/Executive Committee. Said bond to be paid for by the Fund.

2. **Executive Director/Administrator:**

- a. The Administrator shall serve as Executive Director of the Fund and shall be experienced in risk management matters and self-funded entities.
- b. The Administrator shall have the following duties and responsibilities:
 - i) Carry out the policies established by the commissioners and to otherwise supervise the management of the Fund.
 - ii) Advise the commissioners on risk management matters and shall prepare a draft Risk Management Plan.
 - iii) Prepare the Fund's budget, compile and bill assessments.
 - iv) Maintain underwriting files, prepare new members' submissions for review of the commissioners.
 - v) Prepare draft requests for proposals for services to be provided by servicing organizations and monitor the performance of the service companies.
 - vi) Prepare filings required by state regulations.
 - vii) Coordinate the fund's meeting agenda, minutes, elections, contracts, and maintain the Fund's official records and office.
 - viii) Maintain the Fund's general ledger, accounts payable and accounts receivable function.
 - ix) Perform such other duties as provided for by the Fund Commissioners, these bylaws, and the laws and regulations of the State of New Jersey.
- c. The Administrator shall assume overall executive responsibility for the operations of the Fund except that the Administrator shall not be responsible for the errors and omissions of any other servicing organization except as to generally monitor the compliance of said organization with the directives of the Fund Commissioners, its Service Provider contract, or the applicable statutes and regulations as to the form and timeliness of said undertaking. For example, the Executive Director shall be responsible to verify the issuance of excess or reinsurance policies, and the timely receipt of said policies by the Fund, however, the Executive Director shall not be responsible for the content of the policies or the adequacy of the coverage.

- d. The Administrator shall be bonded in a form and amount acceptable to the Commissioner. The Administrator shall also be covered by Errors and Omissions insurance as provided by N.J.A.C. 11:15-2. Said coverage is to be paid by the Fund.

3. Safety Director

The duties of the Safety Director shall consist of the following:

- a. Conduct a Risk Management Assessment (RMA) through interviews, review of records and on-site inspections, to assess operational, administrative, behavioral and managerial systems as they relate to accident prevention and loss control.
- b. Conduct an Industrial Hygiene Assessment: including identification of dangerous occupational exposures to noise, chemicals, air contaminants, heat stress, and other environmental hazards.
- c. Conduct Ergonomic Risk Assessment: including evaluations for cumulative trauma disorders for an entire operation or selected tasks, jobs, workstations or worksites.
- d. Coordinate all safety and loss control programs and practices with the Fund Safety Committee and report the status of same to the Committee on a monthly basis.
- e. Perform such other safety and loss control duties as shall be directed by the Fund Commissioners or required by law.

4. Auditor:

The auditor shall be an independent Certified Public Accountant (CPA) or a registered municipal accountant (RMA) who has evidenced the ability and experience to properly examine a joint insurance fund. The auditor shall conduct the annual audit of the Fund in accordance with, NJSA 40A:10-36, and N.J.A.C. 11:15-2.24, and shall perform such other duties as provided for by the Fund Commissioners/Executive Committee, these bylaws and the laws and regulations of the State of New Jersey.

5. Attorney:

- a. The Fund attorney shall be admitted to the New Jersey Bar and shall provide advice to the Fund on legal matters such as advising the commissioners of their obligations and responsibilities under NJSA 40A:10-36, et seq., the regulations and other pertinent law such as the Open Public Meetings Act.
- b. The attorney shall have the following responsibilities:
 - i) The attorney shall advise the Fund on the appropriateness of claim settlements recommended by the Claims Administrator.

ii) The attorney shall advise the commissioners on the selection of counsel to represent the Fund in the defense of claims. The Fund attorney may also provide representation concerning incidental aspects of claim matters such as motions where it is more expeditious, cost effective or otherwise to do so. However, the attorney or any member of the attorney's law firm shall not defend claims that are the responsibility of the Fund without the authorization of the Commissioners.

iii) The attorney shall perform such other duties as provided for by the Fund Commissioners, these bylaws and the laws and regulations of the State of New Jersey.

6. **Actuary:**

The actuary shall certify the actuarial soundness of the Fund and shall report to the Fund Commissioners in a manner and at such times established by them, and shall provide such actuarial reports as required by the Department. The actuary shall certify claim reserves, reserves for "Incurred but Not Reported" (IBNR) losses, and unearned assessments and shall comment on the adequacy of the budget.

7. **Service Agent:**

The Fund shall designate and appoint an agent in New Jersey to receive service and process on behalf of the Fund.

8. All Fund professionals shall be retained on a contractual basis, which shall be approved by the Fund Commissioners and submitted to the Commissioner and the Commissioner of Community Affairs.

9. Fund Professionals shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the Fund Commissioners. The written fee schedule shall be part of the official contract.

Servicing Organizations:

1. The Fund may contract to have the following services performed:

- Actuarial services
- Claims Administration
- Cost containment services
- Loss prevention/safety engineering services
- Legal services
- Auditing services
- Financial services
- Compilation and maintenance of the Fund's underwriting file
- Coordination and preparation of coverage documents
- Risk selection and pricing
- Excess insurance or reinsurance producer services

- Member assessment and fee development
 - Report preparation pursuant to NJSA 40A:10-36, et seq. and N.J.A.C. 11:15-2 et seq.
 - Other duties as designated by the Fund
2. The Fund may at its option contract for these services from different servicing organizations.
 3.
 - a.) No servicing organization of the Fund, or producer that may be appointed pursuant to N.J.A.C. 11:15-2.6(c)10, or their employees, officers or directors shall have either a direct or indirect financial interest in the administrator of the Fund or be an employee, officer or director of the administrator unless notice of such interest has been provided to the Fund Commissioners and members.
 - b.) No administrator of the Fund, or their employees, officers or directors shall be an employee, officer or director of, or have either a direct or indirect financial interest in, a servicing organization of the Fund, or the insurance producer that may be appointed by that fund pursuant to N.J.A.C. 11:15-2.6(c)10-1 unless notice of such interest has been provided to the Fund Commissioners and members.
 - c.) Any employee, officer or director of the administrator, servicing organization or insurance producer that may be appointed pursuant to N.J.A.C. 11:15-2.6(c)10 shall disclose to the Fund Commissioners or Executive Committee, as applicable, any direct or indirect financial interest such employee, officer or director has in any other administrator, servicing organization or insurance producer.
 4. Each service contract shall include a clause stating “unless the Fund Commissioners otherwise permit, the servicing organization shall handle to its conclusion all claims and other obligations incurred during the contract period.”
 5. Each Servicing Organization shall provide a surety bond and Errors and Omissions coverage if required by law, in a form and amount acceptable to the Commissioner.
 6. All officers, employees and agents, including the Administrator and Servicing Organization of the Fund, on the final day of their contract or employment shall surrender and deliver to their successors all accounts, funds, property, records, books and any other material relating to their contract or employment, or if no successor has been designated, delivery shall be made to the Administrator or Fund Chairperson.

Indemnification of Officers And Employees:

1. The Administrator, Claims Service Provider(s), Producer, Risk Management Consultant(s) and such others as are required by regulation to do so, shall provide Errors and Omissions coverage in a form satisfactory to the Commissioner. The Fund Commissioners/Executive Committee may also require other professionals to provide evidence of Errors and Omissions coverage, and any other coverage as a requirement of their contract.

2. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Fund shall indemnify any past, present or future Fund Commissioner, and may indemnify such other officials or professionals or service providers as the Fund Commissioners determine, for claims arising from an act or omission of such Fund Commissioner, official or employee within the scope of the performance of such individuals' duties as Fund Commissioner, officials, professional or employee within the scope of the performance of such individual's duties as Fund Commissioner, official, professional or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Fund to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such an individual and the Fund shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Fund Commissioner, official, professional or employee is either covered, or required to be covered by errors and Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Fund Commissioners/Executive Committee. Nothing herein contained is intended to shield omission or wrongdoing that would not customarily be covered by Errors and Omissions insurance if same had been required of said employee or appointed official.
3. A present, past or future Fund Commissioner, official, professional or employee of the Fund shall not be entitled to a defense or indemnification from the Fund unless:
 - a. Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleading, he or she delivers the original or exact copy to the Fund Chairman with a copy to the Fund attorney, together with a request that the Fund provide for his or her defense; and
 - b. In the event the Fund provides a defense or indemnification, he or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case; and
 - c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Fund to handle such matters, the past, present or future Fund Commissioner, official, professional or employee shall agree that the Fund and its counsel shall have exclusive control over the handling of the litigation.
4. The foregoing right of indemnification shall not be exclusive of any other rights to which any Fund Commissioner, official, professional or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this Fund shall be in addition to and not in restriction or limitation of any other privilege or power which the Fund may lawfully exercise with respect to the indemnification or reimbursement of a Fund Commissioner, official, professional or employee; except that in no event shall a Fund Commissioner, official, professional or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.

5. Expenses incurred by any Fund Commissioner, official, professional or employee in defending an action, suit or proceeding may be paid by the Fund in advance of final determination of such action, suit or proceeding as authorized by the Fund in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

Advisory Committees:

1. From time to time, the Fund Chairperson may establish advisory committees and may appoint any individual to serve on these committees except that only Fund Commissioners may serve on a Nominations Committee, if any, established for the purpose of proposing candidates to stand for election as a Fund officer or member/alternate of the Executive Committee.

2. Safety Committee:

a. Membership: Each member shall appoint one of its management employees to serve as the safety coordinator for the member. The safety coordinator shall serve as the representative of the member on the Fund's Safety Committee. The member shall also designate a management employee to serve as alternate safety coordinator whenever the safety coordinator is unable to serve. The safety coordinator and the alternate shall serve at the pleasure of the member and shall perform those duties specified in the Fund's Loss Control Program.

b. The Fund's safety committee shall consist of the Fund's safety director and the safety coordinator from each member. The alternate safety coordinator from each member may also attend meetings of the safety committee.

c. At the beginning of each year the safety committee shall select a chairperson to preside over meetings of the committee.

d. Duties: The safety committee shall meet at least quarterly and shall have the following duties or responsibilities.

i) Confer with the Fund's safety director to develop a comprehensive safety and loss control program.

ii) Monitor all accident trends and frequency of accident in order to identify problem areas and local unit activities and programs requiring more frequent loss control surveys and evaluations.

iii) Assist in the development of a safety educational program that will include visual aids, equipment, etc.

- iv) Make recommendations to the Fund for policies that will implement a comprehensive safety and loss control program for the Fund and the member local units.
- v) Perform such other duties that are assigned by the Fund Commissioners or required by law.

Field Services:

1. Each member local unit may appoint an Insurance Producer as a Risk Management Consultant who shall not be a Fund Commissioner or employed by or under contract to the Fund as an Administrator or a servicing organization.
2. The Risk Management Consultant's specific responsibilities shall include, but not be limited to:
 - a.) Evaluation of the member's exposures.
 - b.) Explanation of the various coverages available from the Fund and assisting the member in the selection of proper coverage.
 - c.) Preparation of applications, statements of values, etc. required by the Fund.
 - d.) Review of the member's assessment and assisting in the preparation of the local unit's insurance budget.
 - e.) Assisting in the claims settlement process.
 - f.) Review of losses and engineering reports and providing assistance to the member's safety committee.
 - g.) Attendance at the majority of meetings of the Fund Commissioners/Executive Committee.
 - h.) Such other services as required by the members of the Fund.
3. The Risk Management Consultant(s) shall be appointed in conformance with the Public Contracts Law.
4. The Fund shall establish a commission rate that shall not exceed 7% of the member's annual assessment.

5. The Fund shall remit commissions in accordance with the member's assessment installment schedule and with the following conditions:
 - a.) The member must have remitted their assessment installment to the Administrator's office; and
 - b.) The current Risk Management Consultant Agreement between the member and the consultant must be received by the Administrator's office.
6. A member may elect to perform all or any portion of the duties of the Risk Management Consultant through its own staff.
 - a.) If the member performs the services of the Risk Management Consultant itself, it shall agree to indemnify and hold harmless the Fund, Fund Commissioners and other Fund professionals, servants, agents and employees from any and all claims arising from its decision to act in such manner.
 - b.) The member's assessment shall be computed and billed net of the fee provided for in paragraph 4 above.

ARTICLE IV - OPERATION OF THE FUND

General Operation:

1. The Fund shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and regulations (including but not limited to N.J.A.C. 5:34) and the various statutes authorizing the investment of public funds, including but not limited to N.J.S.A. 40A:10-10 (b), 40A: 10-38, 17:12B-241 and 17:16L.
2. The Fund shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.
3. The Fund shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Fund shall prepare a financial statement on a form acceptable to the Commissioner showing the financial ability of the Fund to meet its obligations. The members may, upon majority vote, request that the Commissioner order an examination of any Fund member which the Fund Commissioners/Executive Committee in good faith believes may be in a financial condition detrimental to other Fund members or to the public.

4. All monies, assessments, funds and other assets of the Fund shall be under the exclusive control of the Fund Commissioners.
5. The Fund shall adopt a resolution designating its fiscal year as January 1 through December 31st.
6. The Fund shall adopt a resolution designating a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Fund and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law. The custodian of funds shall possess a Certified Municipal Finance Officer certificate issued pursuant to N.J.S.A. 40A:9-140.2. The custodian shall report quarterly to the Fund Commissioners on investment and interest income.
7. All books, records, files, documents and equipment of the joint insurance fund are the property of the Fund and, except as provided at N.J.A.C. 11:15-2.21(e), shall be retained by the Fund Administrator at the discretion of the Fund Commissioners in accordance with a record retention program adopted by the Fund. All books, records, files and documents of the Fund shall be retained for not less than five years. The Fund shall also retain claims information as per N.J.A.C. 11:15-2.4(g).
8. The minimum Workers' Compensation contribution of the members shall be collectively at least \$250,000 for the Fund's first year and at least \$500,000 for each subsequent year of operation unless otherwise approved by the Commissioner.

Risk Management Plan:

1. The Fund Commissioners/Executive Committee shall prepare or cause to be prepared, a Risk Management Plan for the Fund including all information required in N.J.A.C. 11:15-2.6(e). The Risk Management Plan shall be adopted and approved by resolution of the Fund Commissioners/Executive Committee.
2. The Risk Management Plan and all amendments must be approved by the Commissioner and the Commissioner of the Department of Community Affairs before it takes effect.

Financial Statement and Reports:

1. The Fund Commissioners shall provide its members with periodic reports covering the activities and status of the Fund for the reporting period. The reports shall be made at least quarterly, and may be made more frequently at the direction of the Commissioners, and shall include, but not be limited to, the minutes, the Administrator's report, the Treasurer's report, and a summation of Fund activity, including comments on previously reported claims and newly reported claims, and any other information required by the Commissioners. The Treasurer's report shall include budget

status, account balances, claims information, investment status, earnings and the costs of making investments. These reports shall also be submitted, with a copy of the minutes of the closed session, to the Department.

2. A sworn annual report in a form prescribed by the Commissioner shall be prepared by the Fund, filed with the Department and be made available to each Fund member not later than one hundred eighty (180) days after the end of each Fund year. The report shall be accompanied by an annual audited statement of the financial condition of the Fund prepared by the Auditor, and performed in accordance with generally accepted accounting principles, N.J.S.A. 40A: 10-36. and these bylaws.
3. For the initial two fiscal years of the Fund, the Fund shall file with the Department unaudited statements of the financial condition of the Fund in a form acceptable to the Commissioner within 60 days of the end of each calendar quarter.
4. After the initial two years, the Fund shall file with the Department semi-annual unaudited statements of the financial condition of the Fund in a form acceptable to the Commissioner within 60 days after the end of each six-month period. The semiannual report covering the six-month period ending December 31 shall include a compilation of the results reported in the semiannual report for the period ending June 30 immediately preceding.
5. Such other information as may be required by the Department pursuant to N.J.A.C. 11:15-2.24.

Coverages:

The Fund may offer the following coverages to the members:

- a. Workers' Compensation and Employer's Liability. The Workers' Compensation benefits levels will equal those required by the Workers' Compensation law and other applicable statutes. The Fund shall make payment to Workers' Compensation recipients in a timely fashion in accordance with the regulations of the Department of Banking and Insurance.
- b. Liability other than Motor Vehicles – Includes public officials, law enforcement, directors and officers and employment practices liability.
- c. Property Damage including Motor Vehicle as well as comprehensive employee dishonesty including monies and securities.
- d. Motor Vehicle Liability
- e. Property coverage, including Boiler and Machinery.
- f. Cyber liability
- g. Non-owned aircraft liability

- h. Public officials position bonds

Services:

The Fund may also provide its members with safety and loss control programs and may jointly purchase or lease, on behalf of its membership, safety and loss control services, training, equipment and apparatus, in connection with the provision of the coverage set forth above.

ARTICLE V - MEETINGS AND RULES OF ORDER

Meetings:

1. Annual Organization Meeting:

As soon as possible after the beginning of the year, the Fund Commissioners shall meet to elect officers and the Executive Committee, if any, to appoint professionals and servicing organizations and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.

2. Business Meetings:

The Fund Commissioners/Executive Committee shall establish an annual schedule of meetings to conduct the business of the Fund. All Fund Commissioners may attend open or closed sessions of the Executive Committee.

3. Special Meetings:

The Chairperson or three (3) Commissioners may call a special meeting by notifying the Fund's Secretary at least three (3) days in advance. The Secretary shall notify the Fund Commissioners/Executive Committee by telephone. If the Secretary is unable to reach a member as of forty-eight (48) hours before the meeting, the Secretary shall telephone another official of the member local unit using the following order: member's Clerk, Business Administrator.

4. Quorum:

The quorum for a meeting of Fund Commissioners shall be as follows:

- a. A majority of the Fund Commissioners unless the total number of members exceed 25.

- b. If the total membership exceeds 25 in number, then a quorum shall be 13 plus a sum equal to 20% of the number of members in excess of 25 rounded to the next higher number.
5. A quorum for Executive Committee meetings shall be four, including the Chairperson, Secretary and alternates.
6. Whenever an election is required, the Fund Chairperson may cause a paper ballot to be mailed to each Fund Commissioner, which shall be counted at a time and place established by the Chairperson. In the event the number of valid ballots is less than a quorum, the vote shall be null and void.
7. The Secretary shall cause written minutes to be maintained of all Fund meetings, and shall cause the minutes to be made available to the commissioner upon request.

Conduct of Meetings:

1. All meetings of the Fund shall be subject to the rules and regulations of the Open Public Meetings Act. (N.J.S.A. 10:4-6 et.seq.)
2. Unless otherwise provided in these bylaws, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.

Amendments to The Bylaws:

1. Any commissioner may propose an amendment to the bylaws by filing the proposed amendment in writing with the Secretary.
2. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Fund Commissioners of the hearing date and shall send all Fund Commissioners a copy of the proposed amendment.
3. The amendment is adopted by the Fund when the governing bodies of three-fourths (3/4) of the members approve the amendment within six (6) months of the hearing on the amendment. In the event Section 40A:10-43 is amended, the procedure and vote required by said statute as amended shall control. If after six (6) months the Secretary has not received written notice of approval from three-fourths (3/4) of the members the Secretary shall notify the members that time has expired for the adoption of the amendment.
4. If adopted, the amendment shall not take effect until approved by the Commissioner and the Commissioner of the Department of Community Affairs.

5. A member of the Fund that does not desire to continue as a member after the expiration of its membership term, as provided in these bylaws, must give written notice of its intent to withdraw 90 days before expiration of the term period. A member of the Fund that did not approve any amendment to the Fund bylaws approved pursuant to N.J.S.A. 40A:10-43, and desiring to withdraw from the Fund pursuant to N.J.S.A. 40A-10-43e, shall provide written notice of its intent to withdraw 90 days prior to its withdrawal. The Fund shall immediately notify the New Jersey Department of Banking and Insurance and the New Jersey Department of Community Affairs of all members that have given notice of withdrawal from the Fund.

ARTICLE VI - BUDGETS

A. In November of each year, the Fund shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self insurance or loss retention accounts. The budget shall be prepared on a basis that does not recognize investment income or discounting of claim reserves, but recognizes all anticipated or forecasted losses and administrative expenses associated with that fiscal year.

B. A copy of the Fund's proposed budget shall be made available to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget shall be adopted until a hearing has been held in accordance with N.J.S.A. 40A:4-1 et. seq. giving all members the opportunity to present comments or objections.

C. Not later than December 31st of each year the Fund Commissioners/Executive Committee shall adopt by majority vote the budget for the Fund's operation for the coming fiscal year.

D. A copy of the adopted budget and actuarial certification shall be filed with the Department and the Department of Community Affairs within 30 days of its adoption.

E. An adopted budget may be amended by majority vote of Fund Commissioners/Executive Committee.

F. A copy of any amendment to the budget shall be filed with the Commissioner, the Commissioner of the Department of Community Affairs and the governing body of each member within 30 days of the adoption of any budget amendment which either singly or cumulatively with other adopted budget amendments changes the total budget five (5) percent from the original budget or the latest filed amended budget.

ARTICLE VII - ASSESSMENTS

Annual Assessment

1. In November of each year, the Executive Director/Administrator shall compute each member's assessments for the upcoming Fund year, which shall consist of an amount allocated for the administrative account plus specific assessment to establish and/or replenish the claim or loss retention trust fund account for each type of coverage provided by the Fund and in which such member participates.
2. The annual assessment of each participating local unit shall be its pro rata share of the Fund's budget for the upcoming year for each line of coverage provided to the member.
3. The calculation of pro rata shares shall be based on each member's manual premium by Fund year for that line of coverage. To the extent possible, the Fund shall use experience modification formulas in computing manual premiums. Unless otherwise approved by the Commissioner, the assessment for Worker's Compensation and Employer's Liability shall be based upon the experience rating plan provided for in the New Jersey Worker's Compensation and Employer's Liability Insurance Manual on file with the Commissioner. The Fund Commissioners /Executive Committee may also adopt a capping formula which limits the increase in any member's assessment to the fundwide average increase plus a percentage established by the Fund Commissioners/Executive Committee.
4. The total amount of each member's annual assessment shall be certified by majority vote of the Fund Commissioners/Executive Committee to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment shall be paid to the Fund in installments, to be determined by the Fund Commissioners/Executive Committee which shall conform with N.J.A.C. 11:15-2.15(a).
6. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention Trust Fund account.
7. If a member joins the Fund or elects to participate in a line of coverage after the start of the Fund year, such member's assessments and supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

Supplemental Assessments:

1. The Fund Commissioners/Executive Committee shall by majority vote levy upon the member local units additional assessments wherever needed or so ordered by the Commissioner to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

- a. All supplemental assessments shall be charged to the members by applicable Fund year, and shall be apportioned by that year's assessments for that line of coverage.
 - b. All members shall be given at least thirty (30) days advance written notice of the Fund's intention to charge an additional assessment.
 - c. Members shall have thirty (30) days to pay the Fund from the due date established by the Fund Commissioners/Executive Committee at the time any supplemental assessment is adopted. Whenever possible, the due date shall be no sooner than the beginning of the Fund's next fiscal year.
2. The Fund shall submit to the Commissioner and the Commissioner of Community Affairs a report of the causes of the Fund's insufficiency, the assessments necessary to replenish it and the steps taken to prevent a reoccurrence of such circumstances.

Failure or Refusal to Provide Required Assessments:

Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the Chairperson or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner and the Commissioner of Community Affairs. Past due assessments shall bear interest at the rate of interest to be established annually by the Fund Commissioners/Executive Committee.

Insolvency and/or Bankruptcy of Fund Members:

The insolvency or bankruptcy of a member does not release the Fund, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

ARTICLE VIII - REFUNDS

- A. Any monies for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Fund in accordance to N.J.A.C. 11:15-2.21. The Fund shall submit a written notification to the Department and the Department of Community Affairs at least 30 days prior to the proposed refund.
- B. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Fund for such year. Payment of a refund shall not be contingent on the member's continued membership in the Fund.

- C. The Fund may apply a refund to any arrearage owed by the member to the Fund. Otherwise, at the option of the member, the refund may be retained by the Fund and applied towards the member's next annual assessment.

ARTICLE IX -EXCESS INSURANCE AND/OR REINSURANCE

- A. Consistent with N.J.A.C. 11:15-2.6(a)6, and N.J.A.C. 11:15-2.23 the Fund shall secure excess insurance or reinsurance in a form, in an amount and by an insurer, or other entity authorized to provide such coverage in New Jersey pursuant to law, acceptable to the Commissioner, if commercially available and reasonably priced, as determined by the Fund Commissioners/Executive Committee for each Fund year, and as approved by the Department and the Department of Community Affairs.
- B. The policies of excess insurance and/or reinsurance issued by an insurer to the Fund shall provide single accident (single occurrence) excess insurance and aggregate excess insurance.
- C. Certificates of excess insurance and/or reinsurance showing policy limits, specific and aggregate retention, and other information shall be available for the inspection by each member and shall be filed with the Commissioner.
- D. Losses in excess of the established self-insured retention shall be borne by the excess carrier(s) according to the terms and conditions of the excess contract(s).
- E. Any proposed change in the terms or limits of excess insurance and/or reinsurance shall be submitted to the Department and the Department of Community Affairs for approval at least 30 days prior to the effective date of the proposed change.
- F. Notwithstanding, A through E above:
 - 1. The Fund is not required to maintain single accident (single occurrence) excess insurance if the Fund's single accident (single occurrence) limit of liability as set forth in its approved plan of risk management is equal to or less than its single accident (single occurrence) self-insured retention as approved by the Department.
 - 2. The Fund is not required to maintain aggregate excess insurance if its accumulated budgeted losses pursuant to N.J.A.C. 11:15-2.23(g) qualify the Fund for an exemption pursuant to N.J.A.C. 11:15-2.23 (f), or the Fund maintains an excess loss contingency balance in the Claims Account in conformance with N.J.A.C. 11:15-2.23(f).

ARTICLE X - TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS

Establishment of Trust Fund Accounts

1. By resolution, the Fund shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of funds for the Fund and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law.
2. Consistent with N.J.A.C. 11:15-2.13, the Fund shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums designated as the Claims or Loss Retention Fund Account.
 - a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a claim or loss retention account without the prior written approval of the Commissioners except that refunds must be made in accordance with N.J.A.C. 11:15-2.21.
 - b. The Fund shall maintain accounting records allocating all income, disbursements, and assets in the Claims account by line of coverage and by Fund year. Accounting records for closed Fund year(s) shall be allocated by member. Accounting records for loss fund contingency or excess loss contingency shall also be allocated by member.
3. The Fund shall also establish an administrative account that shall be utilized for payment of the Fund's general operating expenses, loss prevention activities, data processing services, and general legal expenses. The Fund shall maintain accounting records for the administrative account per 2(b) above.

Investments

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Fund's cash management plan and consistent with the statutes and rules governing the investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.
2. The investment and interest income earned by the investment of the assets of each claim or loss retention account shall be credited to each account.
3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

Disbursements

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Fund's assets shall certify as to the availability of sufficient unencumbered funds to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Fund Commissioners/Executive Committee.
3. Notwithstanding numbers 1 and 2 above, the Fund may provide for the expedient resolution of certain claims by designating the Fund's Administrator or service organization as a "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Fund may authorize the certifying and approving officer to approve for payment any specified claims in an amount not to exceed an amount approved by the Commissioner in the Plan of Risk Management. The Fund shall establish such other procedures and restrictions on the exercise of this authority as the Fund deems appropriate.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Fund's assets, directing that a check for payment be prepared.
5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Fund Commissioners/Executive Committee at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.
6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and shall be certified by an officer or duly designated agent or employee of the Fund having knowledge of the facts that the goods have been received by, or the services rendered to the Fund. In the case of claims or losses to be charged against any loss fund, the Fund's claims administrator shall certify as to the claims correctness and validity.
7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the Fund Commissioners/Executive Committee. Payment of claims may be made by wire transfer.
8. All claims or other disbursements approved for payment by the Fund shall be recorded in a claims register maintained by the custodian of the Fund's assets.

ARTICLE XI - CONFLICT OF INTEREST

- A. All officials or employees of a member local unit or any members of the family of such officials or employees shall comply with N.J.S.A. 40A: 22.1 et. seq. (The "Local Government Ethics Law").

ARTICLE XII - VOLUNTARY DISSOLUTION OF THE FUND

- A. If the Fund Commissioners/Executive Committee deem it in the best interest of the members to dissolve the Fund, they shall by majority vote direct that a written Plan of Dissolution be prepared.
- B. The Plan of Dissolution must provide for the payment of all unexpired losses of the Fund and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Fund or the trust fund accounts may be used for any other purpose.
- C. Upon completion of the plan, the Chairperson shall call a general meeting of all Fund Commissioners/Executive Committee who shall review the plan and make any appropriate amendments. By majority vote, the Fund Commissioners may recommend to the members that the Fund be dissolved in accordance with the Plan of Dissolution.
- D. A majority of the governing bodies of the members must by resolution vote to accept the Plan of Dissolution in order to dissolve the Fund.
- E. Such Plan of Dissolution shall contain a statement of the Fund's current financial condition computed both on a statutory basis and according to generally accepted accounting principles as attested to by an independent certified accountant.
- F. The Plan of Dissolution and other such information as may be required, must be filed with and approved in writing by the Commissioner and the Commissioner of the Department of Community Affairs not later than 90 days prior to the proposed effective date of dissolution.

ARTICLE XIII - CLAIMS HANDLING PROCEDURE

Claims Reporting:

Upon receipt of the initial notice of a claim, the member shall immediately forward the notice of claim and any other information available to the claims administrator and, where appropriate, to the Fund's attorney for initial contact, investigation, court actions or other appropriate response.

Registration of Claims:

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the claims administrator shall cause each claim to be numbered, and to be included on a

monthly report to the Executive Director. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, an approximate estimate of the magnitude of the potential loss. This report shall be considered confidential.

Notice of Request for Settlement Authority:

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, and such settlement exceeds the authority of the claims administrator, the claims administrator shall submit to the fund administrator for review at a Fund Commissioners/Executive Committee meeting, a request for settlement authority. This notice shall be on forms approved by the Fund Commissioners/Executive Committee and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Fund, a summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement authority.

Approval of Payments and Settlements:

Whenever the Fund shall make any payment or settlement of any claim, a notation thereof identifying the claim, and the amount paid shall be entered upon a ledger of claims paid.

ARTICLE XIV - COMPLAINT HANDLING PROCEDURE

- A. Whenever any interested party shall submit a complaint in writing to the Fund, the executive director/administrator, or any member of the Fund, a copy thereof shall be forthwith communicated to the Fund Commissioners/Executive Committee for consideration at its next regularly scheduled meeting.
- B. At said meeting the Fund Commissioners/Executive Committee shall consider the complaint, and by recorded vote take such action as might be appropriate.
- C. The complaining party, and the Fund Commissioner from the local unit shall receive written notice of the Fund Commissioners/Executive Committee findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning his/her complaint before the Fund Commissioners/Executive Committee.
- D. The Fund shall keep a separate record of all complaints received and the disposition of same.
- E. If the complaining party is dissatisfied with the Fund Commissioners/Executive Committee's decision, the complaining party may appeal this determination to the independent appeal organization or arbitrator designated by the Fund annually.
- F. If the complaining party is dissatisfied with the determination of the independent appeal agency or arbitrator, the complaining party may exercise any remedies provided by law.

ARTICLE XV - OTHER CONDITIONS

Inspection and Audit:

The Fund shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others, to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Fund shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

Notice of Injury:

When an injury occurs, written notice shall be given by or on behalf of the member to the Fund or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the member and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

Notice of Claim or Suit:

If claim is made or formal petition or a suit or other proceedings are brought against the member, it shall immediately forward to the Fund every demand, notice, summons or other process received by the member or its representative.

Assistance and Cooperation of The Participant:

The member shall cooperate with the Fund, and upon the Fund's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

Action Against Fund:

No action shall lie against the Fund unless, as a condition precedent thereto, the Member shall have fully complied with all the terms of this agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial or by written

agreement of the member, the claimant and the Fund. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Fund as a co-defendant in any action against the member to determine the member's liability.

Bankruptcy or insolvency of the member shall not relieve the Fund of any of its obligations.

Subrogation:

In the event of any payment under the agreement, the Fund shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits of this agreement against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

Conformance With Statute:

In the event any portion of these bylaws conflicts with any statute or administrative regulation covering joint insurance funds, the provision of any such regulation shall control to the extent it conflicts.

Names and Addresses of Initial Members

Berkeley Township

P.O. Box 190
Pinewald Keswick Rd.
Bayville, NJ 08221

South Brunswick Township

P.O. Box B
Municipal Building
Monmouth Junction, NJ 08852

Union Township

2090 Greenwood Ave.
Union, NJ 07083

Hamilton Township

P.O. Box 3609
Hamilton, NJ 08650

DISCLOSURE TO GARDEN STATE MUNICIPAL JOINT INSURANCE FUND MEMBERS AND COMMISSIONERS

Re: Garden State Municipal Joint Insurance Fund ("GSMJIF")
Disclosure under N.J.S.A. 11:15-2.26 (a)

Dear Fund Commissioner:

Pursuant to N.J.S.A. 11:15-2.26 (a), this is to provide notice that NIP Management Services, LLC , the Administrator of the GSMJIF, and Business and Governmental Insurance Agency, Inc. the Underwriting Manager, Insurance Broker and Risk Manager for members of the GSMJIF, are under the common ownership of Mr. Richard F. Augustyn.

Very truly yours,

A handwritten signature in cursive script that reads "Jonathan Hall".

Jonathan Hall
Executive Director