

**GARDEN STATE MUNICIPAL JOINT INSURANCE FUND**  
**STATEMENT OF OPERATIONS BY FUND YEAR**  
As of September 30, 2023



|  | YTD<br>2023    | Year Ended<br>2022 | Year Ended<br>2021 | Year Ended<br>2020 | Year Ended<br>2019 | Year Ended<br>2018 | Year Ended<br>2017 | Year Ended<br>2016 | Year Ended<br>2015 | Year Ended<br>2014 | Year Ended<br>2013 | Year Ended<br>2012 | Year Ended<br>2011 | Year Ended<br>2010 | Years Ended<br>2007-2009 | Years Ended<br>2002-2006 | Fund<br>Balance     |
|--|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|--------------------------|---------------------|
| <b>Underwriting Income</b>             | 31,944,514     | 39,586,414         | 36,021,640         | 35,643,020         | 34,015,322         | 32,791,770         | 30,809,783         | 29,086,556         | 28,199,165         | 27,425,461         | 24,914,744         | 23,690,399         | 21,153,241         | 19,805,748         | 45,216,734               | 41,663,511               | 501,968,021         |
| Retro Assessment Payments at Ultimate  | 1,279,968      | 1,236,030          | 378,904            | 94,738             | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                        | -                        | 2,989,639           |
| Special Assessment Plan                | -              | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                        | 4,319,955                | 4,319,955           |
| <b>Total Income</b>                    | 33,224,482     | 40,822,443         | 36,400,543         | 35,737,757         | 34,015,322         | 32,791,770         | 30,809,783         | 29,086,556         | 28,199,165         | 27,425,461         | 24,914,744         | 23,690,399         | 21,153,241         | 19,805,748         | 45,216,734               | 45,983,466               | 509,277,615         |
| <b>Claim Expenses</b>                  |                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                          |                          |                     |
| Losses                                 | 7,512,870      | 33,707,711         | 46,401,097         | 18,541,924         | 25,561,483         | 17,676,290         | 15,135,153         | 13,352,019         | 12,466,785         | 16,879,794         | 13,822,426         | 14,611,139         | 8,939,728          | 9,026,771          | 19,011,772               | 18,737,690               | 291,384,653         |
| Loss Adjustment Expenses               | 2,394,572      | 5,086,571          | 7,322,253          | 7,210,732          | 9,486,974          | 7,707,835          | 4,210,743          | 4,739,282          | 4,325,841          | 5,573,952          | 6,635,192          | 5,394,393          | 3,468,047          | 4,229,220          | 9,441,220                | 8,573,829                | 95,800,655          |
| IBNR                                   | 7,021,734      | 6,763,378          | 2,941,886          | 477,054            | 417,302            | 223,096            | 214,852            | 265,547            | 378,324            | 440,618            | 277,199            | 306,509            | 232,975            | -                  | 364,890                  | 156,593                  | 20,481,957          |
| EPL Deductible & Co-Insurance          | (1,433,075)    | (1,346,416)        | (1,819,836)        | (1,814,663)        | (937,712)          | (802,812)          | (329,160)          | (730,307)          | (888,128)          | (902,242)          | (1,580,653)        | (682,161)          | (409,419)          | (628,313)          | (577,036)                | (809,985)                | (15,691,918)        |
| Excess Recoveries                      | (1,121,406)    | (20,680,422)       | (30,021,438)       | (4,857,937)        | (11,716,509)       | (2,783,682)        | (3,531,236)        | (3,542,778)        | (2,284,601)        | (6,173,862)        | (8,872,585)        | (6,992,869)        | (1,010,763)        | (1,661,608)        | (2,138,218)              | (2,630,634)              | (110,020,548)       |
| WC                                     | -              | -                  | (1,578,995)        | (3,330,346)        | (887,128)          | -                  | (989,042)          | -                  | (37)               | (224,418)          | (1,559,586)        | -                  | (154,371)          | (68,702)           | (405,722)                | (2,420,634)              | (11,618,982)        |
| GL                                     | -              | -                  | -                  | -                  | (863,133)          | (86,919)           | (97,376)           | (157,157)          | -                  | (122,466)          | (140,542)          | -                  | (4,903)            | -                  | (25,254)                 | -                        | (1,497,750)         |
| LEL                                    | (216,745)      | (175,675)          | (534,404)          | (679,664)          | (435,847)          | (252,923)          | (63,594)           | (965,701)          | (129,883)          | (1,838,265)        | (1,859,181)        | (1,794,645)        | -                  | -                  | -                        | -                        | (8,743,105)         |
| AL                                     | -              | -                  | -                  | -                  | (790,034)          | (448,507)          | (1,458,314)        | (503,293)          | (448,507)          | (339,573)          | (3,196,440)        | -                  | -                  | -                  | (795,992)                | -                        | (7,630,152)         |
| Property                               | (904,661)      | (20,504,747)       | (27,908,039)       | (847,828)          | (3,740,567)        | (878,658)          | (27,568)           | (895,116)          | (222,951)          | (112,187)          | (3,638,305)        | (370,245)          | (7,541)            | -                  | -                        | -                        | (60,058,514)        |
| EPLPOL                                 | -              | -                  | -                  | -                  | (1,565,182)        | (897,341)          | (1,021,511)        | (1,483,443)        | (995,272)          | (4,861,516)        | (1,559,920)        | (481,243)          | (892,029)          | -                  | (416,248)                | (210,000)                | (14,383,706)        |
| EPLPOL Aggregate Stop                  | -              | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | (495,002)                | -                        | (495,002)           |
| Corridor Retention Endorsement         | -              | -                  | -                  | -                  | (5,000,000)        | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                        | -                        | -                   |
| All Lines Aggregate Stop               | -              | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | (693,337)          | -                        | -                        | (5,693,337)         |
| <b>Total Claim Expense</b>             | 14,374,695     | 23,530,822         | 24,823,962         | 19,557,109         | 22,811,538         | 22,020,728         | 15,700,353         | 14,083,763         | 13,998,221         | 15,818,260         | 10,281,579         | 12,637,011         | 11,220,569         | 10,966,069         | 23,964,411               | 24,027,491               | 281,954,800         |
| <b>Expenses</b>                        |                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                          |                          |                     |
| Excess Premiums                        | 11,104,257     | 12,483,164         | 9,657,451          | 8,008,691          | 7,512,900          | 6,616,237          | 6,715,167          | 6,328,342          | 6,495,715          | 6,740,965          | 6,173,018          | 5,188,128          | 4,047,006          | 3,922,628          | 10,512,705               | 15,350,050               | 126,856,424         |
| General Administrative Expenses        | 7,248,145      | 8,942,874          | 8,337,537          | 8,268,828          | 8,246,755          | 7,933,183          | 7,525,722          | 7,210,126          | 7,029,228          | 6,942,632          | 6,314,015          | 6,015,415          | 5,019,195          | 4,236,550          | 9,769,643                | 9,281,656                | 118,321,504         |
| <b>Total Expenses</b>                  | 18,352,402     | 21,426,038         | 17,994,989         | 16,277,518         | 15,759,655         | 14,549,420         | 14,240,890         | 13,538,468         | 13,524,943         | 13,683,597         | 12,487,033         | 11,203,543         | 9,066,201          | 8,159,178          | 20,282,348               | 24,631,706               | 245,177,928         |
| <b>Underwriting Profit/(Loss)</b>      | 497,385        | (4,134,417)        | (6,418,407)        | (96,870)           | (4,555,871)        | (3,778,378)        | 868,541            | 1,464,325          | 676,002            | (2,076,397)        | 2,146,132          | (150,155)          | 866,471            | 680,501            | (1,168,243)              | (2,675,732)              | (17,855,113)        |
| Net Realized/Unrealized Gains/(Losses) | 142,903        | (208,609)          | (312,802)          | (263,184)          | 81,965             | 140,073            | 10,704             | (3,291)            | (36,325)           | (4,405)            | (29,035)           | 37,776             | 284,118            | 287,175            | 329,639                  | 28,677                   | 485,379             |
| Interest Income                        | 53,671         | 146,996            | 236,897            | 482,963            | 511,030            | 546,313            | 569,711            | 520,385            | 464,496            | 257,654            | 404,353            | 221,927            | 276,483            | 245,790            | 812,977                  | 1,454,821                | 7,206,465           |
| <b>Net Investment Income</b>           | 196,574        | (61,614)           | (75,905)           | 219,778            | 592,994            | 686,385            | 580,416            | 517,094            | 428,172            | 253,249            | 375,318            | 259,704            | 560,601            | 532,965            | 1,142,615                | 1,483,498                | 7,691,844           |
| <b>Statutory Surplus (Deficit)</b>     | <b>693,959</b> | <b>(4,196,030)</b> | <b>(6,494,312)</b> | <b>122,908</b>     | <b>(3,962,877)</b> | <b>(3,091,993)</b> | <b>1,448,956</b>   | <b>1,981,419</b>   | <b>1,104,173</b>   | <b>(1,823,148)</b> | <b>2,521,449</b>   | <b>109,549</b>     | <b>1,427,072</b>   | <b>1,213,466</b>   | <b>(25,627)</b>          | <b>(1,192,234)</b>       | <b>(10,163,269)</b> |
| % of Underwriting Income               | 2.2%           | -10.6%             | -18.0%             | 0.3%               | -11.7%             | -9.4%              | 4.7%               | 6.8%               | 3.9%               | -6.6%              | 10.1%              | 0.5%               | 6.7%               | 6.1%               | -0.1%                    | -2.9%                    | -2.0%               |
| at 12/31/2022                          | -              | (1,551,901)        | (5,669,972)        | 686,334            | (3,046,159)        | (2,391,683)        | 1,540,295          | 1,950,623          | 1,138,608          | (1,304,211)        | 2,443,596          | 153,377            | 1,397,346          | 1,201,815          | (55,829)                 | (1,256,171)              | (4,763,933)         |
| Variance                               | 693,959        | (2,644,128.62)     | (824,340)          | (563,427)          | (916,717)          | (700,309)          | 30,796             | (91,338)           | (34,435)           | (518,937)          | 77,854             | (43,828)           | 29,726             | 11,651             | 30,201                   | 63,937                   | (5,399,336)         |
| at Previous Month                      | 875,958        | (4,122,177)        | (6,452,268)        | 123,401            | (3,959,529)        | (3,086,062)        | 1,450,471          | 1,984,202          | 1,108,311          | (1,819,512)        | 2,522,475          | 112,555            | 1,428,719          | 1,213,156          | (22,482)                 | (1,190,275)              | (9,833,057)         |
| Variance                               | (181,999)      | (73,853.60)        | (42,044)           | (494)              | (3,347)            | (5,931)            | (1,515)            | (2,783)            | (4,137)            | (3,636)            | (1,025)            | (3,006)            | (1,647)            | 310                | (3,145)                  | (1,959)                  | (330,212)           |

**Note 1 : Net Surplus is based on management's low estimate of 6.667% discounted outstanding loss reserves. Discounting uses the 2-year treasury to match the firm's investment portfolio duration**

**and is derived from the 2023 Mid-Year independent actuarial review.**

**Note 2: Fund years 2010 through 2020 include an aggregate stop loss protection to cap losses at ~\$10.9m in 2010, ~\$11.8m in 2011, ~\$13.4m in 2012, ~\$14.2m in 2013, ~\$16.5m in 2014, ~\$17.2m in 2015, ~\$17.25m in 2016, \$18.925m in 2017, ~\$23.596m in 2018, \$12.455m in 2019, and \$12.851m in 2020. (2019 and 2020 excludes WC,property, and APD) .**

**Note 3: Fund years 2002 through 2006 are aggregated based on commissioner's request.**

**Note 4: Variance vs. previous month and previous year includes the 2002 to 2006 supplemental assessment booked at December 31, 2016.**

**Overall Statistics**

|                          |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |        |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| <b>Total Members</b>     | 41    | 41    | 40    | 41    | 40    | 40    | 38    | 37    | 36    | 35    | 32    | 31    | 28    | 26    |       |       |        |
| <b>Total Claims</b>      | 1,843 | 3,210 | 3,901 | 3,322 | 3,211 | 3,559 | 3,233 | 3,186 | 3,231 | 3,279 | 2,655 | 2,807 | 2,525 | 2,240 | 6,080 | 7,237 | 55,519 |
| <b>Severity Rate</b>     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      |
| <b>Total Open Claims</b> | 702   | 358   | 310   | 190   | 133   | 69    | 47    | 24    | 21    | 16    | 12    | 12    | 5     | 6     | 13    | 17    | 1,935  |

\* Severity rate is calculated as total GSMJIF incurred loss per \$1,000,000 of total payroll for all member towns in aggregate.

Updated ULR pick each month get to 3.33% managerial discretion at YE.