

New Jersey Utility Authorities Joint Insurance Fund

9 Campus Drive – Suite 216

Parsippany, NJ 07054

IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT, A COPY OF THIS NOTICE SHOULD BE POSTED ON THE PUBLIC BULLETIN BOARD WITHIN THE AUTHORITY.

October 30, 2023

Memo to: Member Authorities – New Jersey Utility Authorities Joint Insurance Fund

Subject: PUBLIC HEARING – 2024 PROPOSED BUDGETS

From: PERMA Risk Management Services

Please find enclosed for your review the 2024 Proposed Budget for the New Jersey Utility Authorities Joint Insurance Fund, as introduced at the Public Meeting of the Fund held on October 25, 2023.

The Public Hearing for the proposed 2024 budget is scheduled for **Tuesday, November 14, 2023 at 2:30 PM** at Caesars – Empire Room A in Atlantic City, NJ.

The New Jersey Utility Authorities Joint Insurance Fund is a member of the Municipal Excess Liability Joint Insurance Fund (MEL), the Municipal Excess Liability Residual Claims Fund (RCF) and the New Jersey Environmental Risk Management Fund (E-JIF). Below is a list of MEL, RCF and E-JIF enclosed budgets.

MEL – 2024 budget introduced on October 18th, public hearing scheduled for November 15th at 12:30PM - Sheraton Hotel Steel Pier Room, Atlantic City NJ.

RCF -- 2022 amended budget to accept local JIF transfer of Fund Year 2018 outstanding liability) introduced on June 2nd and adopted on September 15th 2023

RCF – 2024 budget introduced on September 15th and adopted on October 19, 2022

E-JIF - 2024 budget introduced on September 15th and adopted on October 18, 2023

Cyber Fund – 2024 proposed budget introduced on October 19th and to be adopted on November 20th via teleconference.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (MEL)

Date: Wednesday, November 15, 2023

Time: 12:30 PM

Location: Sheraton Hotel, Steel-Pier Room
Atlantic City, New Jersey

(Across from League of Municipalities Convention)

NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND (E-JIF)

Adopted on October 18, 2023

RESIDUAL CLAIMS FUND (RCF)

Adopted on October 18, 2023

In accordance with the Open Public Meetings Act, we ask that you post a copy of this notice on your public bulletin board.

As always, should you have any questions regarding these budgets or meeting dates, please don't hesitate to contact the Fund office.

cc: Fund Commissioners, Risk Management Consultants and Fund Professionals, *via email*

NJUA MUNICIPAL JOINT INSURANCE FUND
 2024 PROPOSED BUDGET
 Print Date:

APPROPRIATIONS

I. Claims and Excess Insurance

Annualized 2023 Projected 2024 \$ %
 (A) (B) CHANGE CHANGE

Claims

1	Property	591,679	643,000	51,321	8.67%
2	Liability	745,776	778,000	32,224	4.32%
3	Auto	152,064	181,000	28,936	19.03%
4	Workers' Comp.	2,571,274	2,915,000	343,726	13.37%
5	WC Pension	140,000	151,000	11,000	7.86%
6	LFC	27,029	25,000	(2,029)	-7.51%
7					
8	Subtotal - Claims	4,227,822	4,693,000	465,178	11.00%
9	Premiums				
10	Property	4,655,888	5,786,992	1,131,104	24.29%
11	\$10M ex \$1 M Liability	484,090	558,263	74,173	15.32%
12	MEL Ex WC	747,877	878,695	130,818	17.49%
13	MEL Ex Liability	325,323	329,066	3,743	1.15%
14	MEL FFB	16,655	16,677	22	0.13%
15	\$10M X \$2M POL/EPL	399,342	428,805	29,463	7.38%
16	'POL/EPL	692,473	743,158	50,685	7.32%
17	Environmental Fund	403,345	405,028	1,683	0.42%
18	Environmental Fund Dividend	(302,536)	(232,116)	70,420	-23.28%
19	Cyber JIF	591,167	603,840	12,673	2.14%
20	SubTotal Premiums	8,013,624	9,518,408	1,504,784	18.78%
21	Total Loss Fund	12,241,446	14,211,408	1,969,962	16.09%
22					
23	II. Expenses, Fees & Contingency				
24					
25	Claims Adjustment	236,895	241,633	4,738	2.00%
26	Litigation Mangement	100,000	100,000	0	0.00%
27	Safety Director	203,182	207,246	4,064	2.00%
28					
29	Safety Expo	14,245	14,245	0	0.00%
30	Incentive	2,660	2,660	0	0.00%
31	Breakfast	1,064	1,064	0	0.00%
32	Communication	14,893	14,893	0	0.00%
33	MEL Safety Institute	77,890	78,780	890	1.14%
34	Misc	707	707	0	0.00%
35					
36	Administration	360,147	367,350	7,203	2.00%
37	Actuary	37,534	38,285	751	2.00%
38	Auditor	23,593	24,065	472	2.00%
39	Attorney	22,281	22,727	446	2.00%
40	Treasurer	23,481	23,951	470	2.00%
41	Internal Auditor	12,806	13,062	256	2.00%
42	Underwriting Manager	100,025	102,026	2,001	2.00%
43	Director's Fee	19,800	19,800	0	0.00%
44	Contingency	77,067	77,067	0	0.00%
45	Producer Commission	866,152	993,253	127,101	14.67%
46	Total Exp, Comms & Surplus	2,194,422	2,342,814	148,392	6.76%
47	Total Loss Fund and Expenses	14,435,868	16,554,222	2,118,354	14.67%

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND					
2024 BUDGET FOR ASSESSMENT CALCULATION					
MUNICIPALITIES ONLY -					
	A	B	B-A	B-A	
	BUDGET	BUDGET			
APPROPRIATIONS	2023 ANNUALIZED	2024 PROPOSED	\$	%	
I. CLAIMS AND EXCESS INSURANCE	MUNIS ONLY	MUNIS ONLY	CHANGE	CHANGE	
CLAIMS					
Excess Liability:					
1	To 500K	3,368,311	4,030,659	662,348	19.7%
2	1.5MIL Ex 500K	7,042,367	8,042,689	1,000,322	14.2%
3	3MIL ex 2MIL	1,930,844	2,253,562	322,718	16.7%
4	Excess WC	9,723,140	12,017,096	2,293,956	23.6%
5	Excess Property Claims	5,946,216	9,823,882	3,877,666	65.2%
6	POL/EPL Land Use	1,080,416	1,094,336	13,920	1.3%
7	Aggregate Excess LFC	13,864	14,632	768	5.5%
8	JIF Faithful Performance Bond	208,051	208,836	785	0.4%
9	Surety Bond	315,751	321,065	5,314	1.7%
10	Sub Total	29,628,960	37,806,757	8,177,797	27.6%
PREMIUMS					
12	Optional Excess Liability	3,244,313	3,708,812	464,499	14.3%
13	Optional Excess POL/EPL	2,023,794	2,140,681	116,887	5.8%
14	Excess WC	3,419,081	3,621,496	202,415	5.9%
15	Excess Property	13,669,327	20,081,387	6,412,060	46.9%
16				-	
17	Loss Fund Contingency	228,128	232,306	4,178	1.8%
18	Sub Total	22,584,643	29,784,682	7,200,039	31.9%
19	Total Claims & Premiums	52,213,603	67,591,439	15,377,836	29.5%
II. EXPENSES					
22	Claims Adjustment	1,115,376	1,137,684	22,308	2.0%
23	Property Adjustment	180,186	183,790	3,604	2.0%
24	Administration	1,417,119	1,445,461	28,342	2.0%
25	Claims Supervision	500,000	510,000	10,000	2.0%
26	Actuary	54,247	55,332	1,085	2.0%
27	Attorney	48,821	49,797	976	2.0%
28	Deputy Attorney	1,629	1,662	33	2.0%
29	Attorney-OPRA	18,378	18,746	368	2.0%
30	Auditor	31,110	31,732	622	2.0%
31	Treasurer	27,505	28,055	550	2.0%
32	Underwriting Manager	62,623	63,875	1,252	2.0%
33	Reinsurance Manager	330,667	337,280	6,613	2.0%
34	Safety and Education Committee	110,455	112,664	2,209	2.0%
35	Computer Services	152,374	155,421	3,047	2.0%
36	Legislative Committee	29,159	29,742	583	2.0%
37	Internal Audit Committee	63,878	65,156	1,278	2.0%
38	Strategic Planning Committee	31,939	32,578	639	2.0%
39	Coverage Committee	42,306	43,152	846	2.0%
40	Communications Committee	131,473	134,102	2,629	2.0%
41	Expense Contingency	85,159	85,159	-	0.0%
42	Subtotal	4,434,404	4,521,388	86,984	2.0%
44	MEL Safety Institute	1,133,532	1,137,559	4,027	0.4%
45	Total Appropriations	57,781,539	73,250,386	15,468,847	26.8%

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND				
2022 AMENDED BUDGET				
	2022	2022 Amendment	2022	\$
	PROPOSED	2018 Assessments	Revised Budget	CHANGE
	BUDGET			
APPROPRIATIONS				
MEL	315,330	13,211,400	13,526,730	13,211,400
BMEL	0	0	0	0
ATLANTIC	49,541	1,903,062	1,952,603	1,903,062
BERGEN	13,840	1,308,269	1,322,108	1,308,269
BURLCO	20,723	678,827	699,550	678,827
CAMDEN	23,828	903,413	927,241	903,413
MONMOUTH	27,328	1,539,271	1,566,599	1,539,271
MORRIS	20,794	1,964,504	1,985,298	1,964,504
NJUA	17,074	395,229	412,302	395,229
OCEAN	50,246	3,262,404	3,312,649	3,262,404
PMM	8,590	376,771	385,362	376,771
SOUTH BERGEN	22,222	1,269,488	1,291,710	1,269,488
SUBURBAN METRO	21,634	717,622	739,256	717,622
TRICO	31,031	849,602	880,633	849,602
SUBURBAN MUNICIPAL	3,504	353,830	357,334	353,830
CENTRAL JERSEY (incl.	43,824	967,219	1,011,042	967,219
NJPHA	16,492	677,498	693,990	677,498
TOTAL	686,000	30,378,409	31,064,409	30,378,409
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND				
2022 AMENDED BUDGET				
	2022 PROPOSED	2022 Amendment	2022	
	BUDGET	2018 Assessments	Revised Budget	
APPROPRIATIONS				
CLAIMS	0	29,678,409	29,678,409	29,678,409
Run-in Claim Receivable	15,000		15,000	0
LOSS FUND CONTINGENC	0	700,000	700,000	700,000
SUBTOTAL LOSS FUND	15,000	30,378,409	30,393,409	30,378,409
EXPENSES				
ADMINISTRATOR	214,158		214,158	0
DEPUTY ADMINISTRATOR	72,849		72,849	0
ATTORNEY	44,336		44,336	0
CLAIMS SUPERVISION &	64,092		64,092	0
TREASURER	41,626		41,626	0
AUDITOR	24,589		24,589	0
ACTUARY	43,899		43,899	0
MISCELLANEOUS	25,800		25,800	0
SUBTOTAL	531,349	0	531,349	0
EXPENSE CONTINGENCY	139,651		139,651	0
TOTAL BUDGET	671,000	30,378,409	31,049,409	30,378,409

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND				
2024 ADOPTED BUDGET				
	2023 ANNUALIZED BUDGET	2024 PROPOSED BUDGET	\$ CHANGE	% CHANGE
APPROPRIATIONS				

CLAIMS	0	0	0	
Run-in Claim Receivable	15,000	72,500	57,500	383%
LOSS FUND CONTINGENCY	0	0		
SUBTOTAL LOSS FUND	15,000	72,500	57,500	383%
EXPENSES				
ADMINISTRATOR	218,441	222,810	4,369	2%
DEPUTY ADMINISTRATOR	74,306	75,792	1,486	2%
ATTORNEY	45,223	46,127	904	2%
CLAIMS SUPERVISION & AUDIT	65,374	66,681	1,307	2%
TREASURER	42,459	43,308	849	2%
AUDITOR	25,081	25,583	502	2%
ACTUARY	44,777	45,673	896	2%
MISCELLANEOUS	26,316	26,842	526	2%
SUBTOTAL	541,977	552,816	10,839	2%
EXPENSE CONTINGENCY	142,523	147,184	4,661	3%
TOTAL BUDGET	684,500	700,000	15,500	2%

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND				
2024 ADOPTED BUDGET BASED ON 2010 CENSUS & 2/3rd Change to 2020 CENSUS				
	10/10/2023	2023	2,024	
		TOTAL	TOTAL	CHANGE
				CHANGE
I. Claims and Excess Insurance				\$
Claims				%
1 Third Party (Non-Site Specific)	425,247	434,747	9,500	2.2%
2 On Site Cleanup (Site Specific)	233,201	235,679	2,478	1.1%
3 PO Pollution Liability	153,180	148,729	(4,451)	-2.9%
4 Tank Systems	221,769	219,662	(2,107)	-1.0%
5 DMA Waste Sites (Superfund Buyout)	1,252,879	1,249,325	(3,554)	-0.3%
6 LFC	21,239	21,739	500	2.4%
7 Total Loss Fund	2,307,515	2,309,881	2,366	0.1%
8				
9 II. Expenses, Fees & Contingency				
10 Professional Services				
11 Actuary	62,500	62,500	-	0.0%
12 Attorney	92,837	94,694	1,857	2.0%
13 Auditor	17,620	17,973	353	2.0%
14 Executive Director	343,026	349,886	6,860	2.0%
15 Treasurer	21,731	22,166	435	2.0%
16 Legislative Agent	45,000	45,000	-	0.0%
17 Underwriting Managers	271,691	277,125	5,434	2.0%
18 Environmental Services	485,524	495,234	9,710	2.0%
19 Claims Administration	32,086	32,727	641	2.0%
20				
21 Subtotal - Contracted Prof Svcs	1,372,015	1,397,305	25,290	1.8%
22				
23 Non-Contracted Services				
24 Expenses contingency	28,389	28,389	-	0.0%
25 Member Testing	8,326	8,326	-	0.0%
26				
27 Subtotal - Non-contracted svcs	36,715	36,715	-	0.0%
28				
29 Subtotal-Contracted/Non-contracted svcs	1,408,730	1,434,020	25,290	1.8%
30				
31 Excess Aggregate Insurance	548,464	564,918	16,454	3.0%
32				
33 General Contingency	180,222	180,222	-	0.0%
34				
35 Total Exp, Fees & Contingency	2,137,416	2,179,160	41,744	2.0%
36				
37 TOTAL JIF APPROPRIATIONS	4,444,931	4,489,041	44,110	1.0%
38				
39 *LFC = Members not based on population (i.e. Parking Auth, Health Commissions, Fire Dept, OMUA)				

Cyber Risk Management Fund						
Proposed FY2024 Budget						
					Change	
	Ex	Annualized FY2023	Proposed Limits	Proposed FY2024	\$	%
Claims Fund						
1		\$ 2,379,986	300K x 50K	\$ 2,447,086	\$ 67,100	2.82%
2		\$ 1,915,883		\$ 1,954,201	\$ 38,318	2.00%
3		\$ 151,269		\$ 151,269	\$ -	0.00%
4		\$ 4,447,138		\$ 4,552,556	\$ 105,418	2.37%
5						
6 Expenses						
7						
8		\$ 622,227		\$ 634,672	\$ 12,445	2.00%
9		\$ 274,083		\$ 279,565	\$ 5,482	2.00%
10		\$ 60,710		\$ 61,924	\$ 1,214	2.00%
11		\$ 151,771		\$ 154,806	\$ 3,035	2.00%
12		\$ 1,108,791		\$ 1,130,967	\$ 22,176	2.00%
13						
Administration						
14		\$ 125,000		\$ 127,500	\$ 2,500	2.00%
15		\$ 50,000		\$ 51,000	\$ 1,000	2.00%
16		\$ 30,000		\$ 30,600	\$ 600	2.00%
17		\$ 50,000		\$ 51,000	\$ 1,000	2.00%
18		\$ 50,000		\$ 51,000	\$ 1,000	2.00%
19		\$ 25,000		\$ 25,500	\$ 500	2.00%
20		\$ 25,000		\$ 25,500	\$ 500	2.00%
21		\$ 25,000		\$ 25,500	\$ 500	2.00%
22		\$ 25,000		\$ 25,500	\$ 500	2.00%
23		\$ 15,000		\$ 15,300	\$ 300	2.00%
24						
25		\$ 420,000		\$ 428,400	\$ 8,400	2.00%
26						
27		\$ 347,170		\$ 336,919	\$ (10,251)	-2.95%
28						
29		\$ 1,875,961		\$ 1,896,286	\$ 20,325	1.08%
30						
31		\$ 6,323,099		\$ 6,448,842	\$ 125,743	1.99%