

Central Jersey Joint Insurance Fund
9 Campus Drive-Suite 216
Parsippany, NJ 07054
Telephone (201) 881-7362 Fax (201) 881-7633

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

October 27, 2023

Memo to: Honorable Mayor & Council
Central Jersey Joint Insurance Fund

Subject: PUBLIC HEARINGS - 2024 PROPOSED BUDGETS

From: PERMA Risk Management Services

Please find enclosed for review, the 2024 Proposed Budget for the Central Jersey Joint Insurance Fund, as introduced at the Public Meeting of the Fund held October 18, 2023.

The Public Hearing for the proposed 2024 Budget is scheduled for **Monday, November 13, 2023, at 10:30AM** and will take place via Zoom.

The Central Jersey Joint Insurance Fund is a member in 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, EJIF and NJ Cyber JIF enclosed budgets.

MEL – 2024 budget introduced October 18th and to be adopted November 15th at Sheraton, Steel Pier Room, Atlantic City at 12:30PM.

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 September 15th and adopted on October 18, 2023.

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

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

Join Zoom Meeting (please choose one option)

Via Computer

<https://permainc.zoom.us/j/95135675641>

Meeting ID: 951 3567 5641

(A passcode is not required for this meeting)

Via Telephone

Dial: (929) 205 6099

Meeting ID: 951 3567 5641# *((A passcode is not required for this meeting))*

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 do not hesitate to contact the Fund office.

bcc: Honorable Mayor & Council, Fund Commissioners, Risk Management Consultants Fund Professionals *(via email)*

CENTRAL MUNICIPAL JOINT INSURANCE FUND						
2024 PROPOSED BUDGET -						
Print Date:		27-Oct-23				
APPROPRIATIONS				CHANGE		
I. Claims and Excess Insurance		Projected Budget SIR	Annualized 2023	Projected 2024	\$	%
Claims						
1	Property	100K	1,137,153	1,273,260	136,107	11.97%
2	Liability	300K	1,749,783	1,732,550	(17,233)	-0.98%
3	Auto	300K	548,500	572,867	24,367	4.44%
4	Workers' Comp.	300K	4,743,487	5,823,322	1,079,835	22.76%
5	Workers' Comp. Pension		273,000	0	(273,000)	-100.00%
6						
7						
8	Subtotal - Claims		8,451,923	9,401,999	950,076	11.24%
9	Premiums					
10	Crime		21,601	21,957	356	1.65%
11	Environmental Fund		475,424	482,992	7,568	1.59%
12	EJIF Dividend		(383,306)	(300,544)	82,762	-21.59%
13	Cyber JIF		197,769	243,845	46,076	23.30%
14	MEL		5,231,881	6,409,530	1,177,649	22.51%
15						
16	SubTotal Premiums		5,543,369	6,857,780	1,314,411	23.71%
17	Total Loss Fund		13,995,292	16,259,779	2,264,487	16.18%
18						
19	II. Expenses, Fees & Contingency					
20						
21	Claims Adjustment		638,934	651,713	12,779	2.00%
22	Managed Care		221,513	225,943	4,430	2.00%
23	Litigation Mangement		46,362	47,289	927	2.00%
24	WC Litigation Mangement		23,558	24,029	471	2.00%
25	Safety Director		160,506	163,716	3,210	2.00%
26	Law Enforcement Service		18,668	19,041	373	2.00%
27	Safety Incentive Program		122,002	124,442	2,440	2.00%
28	Right to Know		55,750	56,865	1,115	2.00%
29	MEL Safety Institute		112,199	114,244	2,045	1.82%
30	Administration		705,390	719,498	14,108	2.00%
31	Actuary		41,928	42,767	839	2.00%
32	Auditor		46,451	47,380	929	2.00%
33	Attorney		54,947	56,046	1,099	2.00%
34	Treasurer		21,738	22,173	435	2.00%
35	Marketing Manager		172,384	175,832	3,448	2.00%
36	Underwriting Manager		0	20,000	20,000	100.00%
37	Police Accreditation		26,875	27,413	538	2.00%
38	CDL Testing		43,547	44,418	871	2.00%
39	Cyber Security		59,964	0	(59,964)	-100.00%
40	Cyber Gap Assessment		49,000	49,000	0	0.00%
41	Property Appraisals		0	27,900	27,900	100.00%
42	Misc. Expense & Contingency		25,359	43,235	17,876	70.49%
43						
44	Total Fund Exp & Contingency		2,647,075	2,702,944	55,869	2.11%
45	Risk Managers		1,062,278	1,210,387	148,109	13.94%
46						
47	Total JIF Disbursements		17,704,645	20,173,110	2,468,465	13.94%
48	RCF		15,000	15,000	0	0.00%
49	Revised Total		17,719,645	20,188,110	2,468,465	13.93%
50						
51	XL POL/EPL PREMIUM					
52	POL/EPL Premium		1,691,017	1,946,136	255,119	15.09%
53	Land Use		93,722	97,308	3,586	3.83%
54	RMC Fees		113,920	130,433	16,513	14.50%
55	Total XL POL/EPL Premium		1,898,659	2,173,877	275,218	14.50%
56	Total Incl XL POLEPL PREMIUM		19,618,304	22,361,987	2,743,683	13.99%

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%
MEL Safety Institute					
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				
2024 ADOPTED BUDGET				
	2023 ANNUALIZED	2024 PROPOSED	\$	%
	BUDGET	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	<i>*LFC = Members not based on population (i.e. Parking Auth, Health Commissions, Fire Dept, OMUA)</i>				

Cyber Risk Management Fund						
Proposed FY2024 Budget						
					Change	
	E x	Annualized FY2023	Proposed Limits	Proposed FY2024	\$	%
<u>Claims Fund</u>						
1	Retained Claims	3(\$ 2,379,986	300K x 50K	\$ 2,447,086	\$ 67,100	2.82%
2	Excess Insurance	\$ 1,915,883		\$ 1,954,201	\$ 38,318	2.00%
3	Loss Fund Contingency	\$ 151,269		\$ 151,269	\$ -	0.00%
4	Total Claims Fund	\$ 4,447,138		\$ 4,552,556	\$ 105,418	2.37%
5						
6	<u>Expenses</u>					
7	Risk Control Services					
8	Cyber Training/Phishing/Testing	\$ 622,227		\$ 634,672	\$ 12,445	2.00%
9	External Scanning	\$ 274,083		\$ 279,565	\$ 5,482	2.00%
10	Consulting	\$ 60,710		\$ 61,924	\$ 1,214	2.00%
11	Local JIF Coordination	\$ 151,771		\$ 154,806	\$ 3,035	2.00%
12	Sub Total Risk Control	\$ 1,108,791		\$ 1,130,967	\$ 22,176	2.00%
13	Administration					
14	Executive Director	\$ 125,000		\$ 127,500	\$ 2,500	2.00%
15	Deputy Ex Director	\$ 50,000		\$ 51,000	\$ 1,000	2.00%
16	Planning Consultant	\$ 30,000		\$ 30,600	\$ 600	2.00%
17	Attorney	\$ 50,000		\$ 51,000	\$ 1,000	2.00%
18	Underwriting Manager	\$ 50,000		\$ 51,000	\$ 1,000	2.00%
19	Treasurer	\$ 25,000		\$ 25,500	\$ 500	2.00%
20	Actuary	\$ 25,000		\$ 25,500	\$ 500	2.00%
21	Auditor	\$ 25,000		\$ 25,500	\$ 500	2.00%
22	Claims Adjuster	\$ 25,000		\$ 25,500	\$ 500	2.00%
23	QPA	\$ 15,000		\$ 15,300	\$ 300	2.00%
24						
25	Sub Total Administration	\$ 420,000		\$ 428,400	\$ 8,400	2.00%
26						
27	General Contingency	\$ 347,170		\$ 336,919	\$ (10,251)	-2.95%
28						
29	Total Expenses & Contingency	\$ 1,875,961		\$ 1,896,286	\$ 20,325	1.08%
30						
31	Total Budget	\$ 6,323,099		\$ 6,448,842	\$ 125,743	1.99%