

CUMBERLAND COUNTY INSURANCE COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022



CUMBERLAND COUNTY INSURANCE COMMISSION

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Cumberland County Insurance Commission
9 Campus Drive
Suite 216
Parsippany, NJ 07054

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Cumberland County Insurance Commission (the "Commission"), a component unit of Cumberland County, New Jersey as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

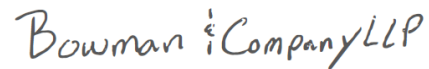
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 3, 2024

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Cumberland County Insurance Commission
9 Campus Drive
Suite 216
Parsippany, NJ 07054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Cumberland County Insurance Commission (the "Commission"), a component unit of Cumberland County, New Jersey as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 3, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

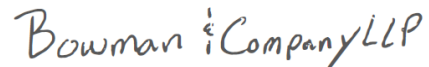
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 3, 2024

CUMBERLAND COUNTY INSURANCE COMMISSION

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Cumberland County Insurance Commission (the "Commission") presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2023, 2022, and 2021. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Commission's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Commission is to provide property and casualty insurance coverage for Cumberland County Proper and its' inter-agencies that are members of the Commission. The Commission maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Comparative Statements of Net Position – These statements present information reflecting the Commission's assets, liabilities, and net position. Net position represents the amount of total assets, less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – These statements reflect the Commission's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The comparative statements of cash flows are presented on the direct method of reporting, which reflects cash flows from operating, noncapital financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the year.

Financial Highlights

The following tables summarize the net position and results of operations for the Commission as of and for the years ended December 31, 2023, 2022, and 2021.

Summary Statements of Net Position	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>2022 to 2023 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$ 3,645,741	\$ 3,364,062	\$ 4,629,311	\$ 281,679	8.4%
Investments in Joint Ventures	541,223	784,462	726,035	(243,239)	-31.0%
Other Assets & Receivables	3,294	31,691	19,390	(28,397)	-89.6%
Total Assets	4,190,258	4,180,215	5,374,736	10,043	0.2%
Liabilities, Reserves, & Net Position					
Liabilities and Reserves					
Loss Reserves	4,880,347	4,062,978	4,547,823	817,369	20.1%
Other Liabilities & Reserves	12,294	193,053	549,003	(180,759)	-93.6%
Total Liabilities and Reserves	4,892,641	4,256,031	5,096,826	636,610	15.0%
Net Position - Unrestricted (Deficit)	\$ (702,383)	\$ (75,816)	\$ 277,910	\$ (626,567)	-826.4%

Summary Statements of Revenues, Expenses, and Changes in Net Position	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>2022 to 2023 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions	\$ 4,012,947	\$ 3,722,522	\$ 3,439,091	\$ 290,425	7.8%
Operating Expenses:					
Provision for Claims and Claims Expense	2,192,574	1,984,773	1,372,789	207,801	10.5%
Insurance Premiums	1,944,325	1,795,393	1,523,471	148,932	8.3%
Administrative and Operating	374,861	375,007	357,953	(146)	0.0%
Total Operating Expenses	4,511,760	4,155,173	3,254,213	356,587	8.6%
Operating Income (Loss)	(498,813)	(432,651)	184,878	(66,162)	-15.3%
Non-Operating Revenue (Expense):					
Investment Income	115,485	20,498	9,544	94,987	463.4%
Change in Investment in Joint Venture	(243,239)	58,427	(33,532)	(301,666)	-516.3%
New Jersey Counties Excess Joint Insurance Fund Dividend	-	31,691	19,093	(31,691)	-100.0%
Total Non-Operating Revenue (Expense)	(127,754)	110,616	(4,895)	(238,370)	-215.5%
Return of Surplus	-	31,691	19,093	(31,691)	-100.0%
Change In Net Position	\$ (626,567)	\$ (353,726)	\$ 160,890	\$ (272,841)	-77.1%

Financial Highlights Continued

On September 25, 2012, the Cumberland County Board of County Commissioners adopted a resolution, which authorized the establishment of the Cumberland County Insurance Commission. The Commission was established under N.J.S.A. 40A:10-6, which authorizes a governing body of any local unit to establish an Insurance Commission for the purposes provided by law. This was based on the County's determination that cost savings and efficiencies can be achieved if the County Proper and its inter-agencies share the cost of insurance, claim management and services, a safety and loss control program, and consolidation of insurance policies.

The Cumberland County Insurance Commission's total assets at the end of the twelfth year of operations were \$4,190,258 and total liabilities and reserves were \$4,892,641 resulting in a deficit in unrestricted net position of \$702,383. The Investment in Joint Ventures represents the Commission's share of net position in the New Jersey Counties Excess Joint Insurance Fund.

Insurance premiums, representing the assessment paid to the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"), were \$1,944,325. The NJCEJIF is a cost-sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund that consists of the Atlantic County Insurance Commission, Burlington County Insurance Commission, Camden County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Mercer County Insurance Fund Commission, Monmouth County, Ocean County Insurance Fund Commission, and Union County Insurance Fund Commission.

In 2023, investment income was \$115,485 during the reporting period.

Economic Conditions

The future financial position of the Commission will be impacted by trends in medical costs, which affect workers compensation costs. The Commission will attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management.

Contacting the Commission's Management

This financial report is designed to provide the Cumberland County Insurance Commission members and the Division of Local Government Services, Department of Community Affairs, State of New Jersey with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Cumberland County Insurance Commission office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

CUMBERLAND COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,645,741	\$ 3,364,062
Investment in Joint Venture	541,223	784,462
Surplus Return Receivable	-	31,691
Due from NJCEJIF	3,294	-
	4,190,258	4,180,215
Total Assets	4,190,258	4,180,215
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	10,407	14,934
Authorized Return of Surplus	1,732	31,691
Contributions Payable	155	155
Due to NJCEJIF	-	146,273
	12,294	193,053
Total Liabilities	12,294	193,053
Claims Reserves:		
Case Reserves	2,759,312	2,324,941
IBNR Reserves	2,616,954	1,881,413
Less Reserve: Discount	(495,919)	(143,376)
	4,880,347	4,062,978
Total Reserves	4,880,347	4,062,978
Total Liabilities and Reserves	4,892,641	4,256,031
<u>NET POSITION</u>		
Unrestricted (Deficit)	\$ (702,383)	\$ (75,816)

The accompanying Notes to Financial Statements are an integral part of these statements.

CUMBERLAND COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenue:		
Regular Contributions	\$ 4,012,947	\$ 3,722,522
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	2,192,574	1,984,773
Premium for Excess Insurance	1,944,325	1,795,393
Administrative Expenses:		
Actuary	5,483	5,375
Attorney	7,018	6,881
Auditor	10,404	10,200
Claims Administrator	56,952	55,292
EPL Training	2,500	-
Fund Administrator	106,673	104,606
Miscellaneous Expenses	5,976	13,922
Risk Management Consultants	174,256	173,242
Secretary Services	2,438	2,390
Treasurer	3,161	3,099
Total Operating Expenses	<u>4,511,760</u>	<u>4,155,173</u>
Operating Loss	<u>(498,813)</u>	<u>(432,651)</u>
Non-Operating Revenue (Expense):		
Change in Investment in Joint Venture	(243,239)	58,427
Investment Income	115,485	20,498
New Jersey Counties Excess Joint Insurance Fund Dividend	<u>-</u>	<u>31,691</u>
Total Non-Operating Revenue (Expense)	<u>(127,754)</u>	<u>110,616</u>
Change in Net Position	(626,567)	(322,035)
Net Position - Beginning	<u>(75,816)</u>	<u>277,910</u>
Return of Surplus	<u>-</u>	<u>(31,691)</u>
Net Position - Ending	<u>\$ (702,383)</u>	<u>\$ (75,816)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CUMBERLAND COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Receipts from Regular Contributions	\$ 4,012,947	\$ 3,722,974
Payments for Claim Payments	(1,375,205)	(2,469,618)
Payments for Insurance Premiums	(1,944,325)	(1,795,393)
Payments to Professionals and Suppliers	<u>(528,955)</u>	<u>(743,710)</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>164,462</u>	<u>(1,285,747)</u>
Cash Flows Provided by Investing Activities:		
Investment Income	<u>147,176</u>	<u>39,591</u>
Cash Flows Used in Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(29,959)</u>	<u>(19,093)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	281,679	(1,265,249)
Cash and Cash Equivalents - Beginning	<u>3,364,062</u>	<u>4,629,311</u>
Cash and Cash Equivalents - Ending	<u>\$ 3,645,741</u>	<u>\$ 3,364,062</u>
Reconciliation of Operating Loss to		
Cash Flows from Operating Activities:		
Operating Loss	\$ (498,813)	\$ (432,651)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	-	297
Contributions Payable	-	155
Due from NJCEJIF	(3,294)	-
Accrued Administrative Expenses	(4,527)	458
Claims Reserves	817,369	(484,845)
Due to NJCEJIF	<u>(146,273)</u>	<u>(369,161)</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>\$ 164,462</u>	<u>\$ (1,285,747)</u>
Supplemental Disclosure - Non-cash Activity:		
Change in Investment in Joint Venture	<u>\$ (243,239)</u>	<u>\$ 58,427</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

Effective September 25, 2012, the Cumberland County Insurance Commission (the "Commission") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government," and supplementing Chapter 10 of Title 40A:10-6. The Commission is operated in accordance with regulations of the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost, as well as providing stability in coverage.

The Board of County Commissioners may approve subsequent membership by a majority vote of the Commissioners or may terminate any member by a majority vote, after proper notice has been given. Early terminations require prior approval by the Commissioners.

During 2023, members of the Commission included Cumberland County, Cumberland County Improvement Authority and Cumberland County Utility Authority.

All members' assessments, including a reserve for contingencies, are based on annual actuarial assumptions determined by the Commission's actuary. The Commissioners may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission offers the following primary insurance coverage to its members:

- Workers' Compensation including Employers' Liability.
- General Liability other than motor vehicles.
- Property damage other than motor vehicles.
- Automobile Liability and damage.

Through membership in the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"), the Commission offers the following ancillary insurance coverage to its members:

- Public Officials Liability/Employment Practices Liability
- Crime
- Pollution Liability
- Medical Professional Liability
- Employed Lawyers Liability
- Cyber Liability

The Commission provides coverage on a self-insured basis and secures excess insurance in a form and an amount from an insurance company acceptable to the Commissioner of Insurance.

PROPERTY AND CASUALTY INSURANCE

The limits of Commission liability per occurrence for property and casualty coverages net of member entity deductibles for 2023 were as follows:

Property	\$250,000
Auto	\$250,000
General Liability	\$250,000
Workers' Compensation	\$300,000

Coverage in excess of the Commission's retention limits is provided through the Commission's membership in the NJCEJIF.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Cumberland County Insurance Commission in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

The basic, but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Commission has no component units and is a component unit of Cumberland County, New Jersey.

Basis of Presentation

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the comparative statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of governmental unit of which the local unit is a part or within which the governmental unit is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally-insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Commission has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Annual Contributions

Annual contributions are based on loss funds as determined by the Commission's actuary and are received in three installments. Total contributions are recognized as earned revenue evenly over the contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Commissioners.

Supplemental Contributions

The Board of County Commissioners shall, by majority vote, levy upon the participating county agencies additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Commission's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interest Income Allocation

Interest income was allocated based on the ratio of monthly average invested cash balances by line of coverage to the total amount invested applied to interest income credited for the month.

Unpaid Claims Liabilities

The Commission establishes property and casualty claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved.

Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. **Reported Claims Case Reserves**

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Inservco, Inc.

B. **Claims Incurred But Not Reported ("IBNR") Reserve**

In order to recognize claims incurred but not reported, a reserve is calculated by the Commission's actuary, SG Risk LLC.

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Commission plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Commission and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2023. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency, and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

Excess Coverage

Coverage in excess of the Commission's self-insured retention limit is provided through the Commission's membership in the NJCEJIF as described in Note 6.

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Refunds

As per Article VIII of the Commission's Rules and Regulations, any monies for a fund year in excess of the amount necessary to fund all obligations for that year as certified by an actuary may be declared to be refundable by the Commission. A refund for any year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual contribution.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations submitted and approved by a majority of the Commissioners. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

The Commission is exempt from income taxes under Section 115 of the Internal Revenue Code.

Net Position

In accordance with the provisions of the GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," the Commission has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Commissioners.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and positive changes in the Commission's investment in the NJCEJIF.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance, and administrative expenses. Non-operating expenses include negative changes in the Commission's investment in the NJCEJIF.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation ("FDIC"). Public funds owned by the Commission in excess of FDIC-insured amounts are protected by GUDPA.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 3: CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk Related to Deposits (Cont'd)

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Commission's bank balance of \$3,655,942 as of December 31, 2023, \$250,000 was insured while \$3,405,942 was collateralized under GUDPA.

Of the Commission's bank balance of \$4,129,288 as of December 31, 2022, \$250,000 was insured while \$3,879,288 was collateralized under GUDPA.

Note 4: INVESTMENT IN JOINT VENTURE

As discussed in Note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"). The NJCEJIF is carrying the individual fund year surplus as unrestricted net position on the Comparative Statements of Net Position. The allocations of those funds attributed to the NJCEJIF's individual members are based on the member's percentage of assessments. The Commission's allocated share of surplus for the years ended December 31, 2023 and 2022 was \$541,223 and \$784,462, respectively.

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

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

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the years ended December 31, 2023 and 2022 and for all open Fund years net of excess insurance recoveries:

	<u>2023</u>	<u>2022</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 4,062,978</u>	<u>\$ 4,547,823</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	1,888,695	1,537,564
Changes in provision for insured events of prior fund years	<u>303,879</u>	<u>447,209</u>
Total incurred claims and claims adjustment expenses all fund years	<u>2,192,574</u>	<u>1,984,773</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	386,450	472,821
Attributable to insured events of prior fund years	<u>988,755</u>	<u>1,996,797</u>
Total payments all fund years	<u>1,375,205</u>	<u>2,469,618</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 4,880,347</u>	<u>\$ 4,062,978</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

New Jersey Counties Excess Joint Insurance Fund

Effective September 25, 2012, the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"). The NJCEJIF is a risk-sharing public entity risk pool that is a self-administered group of county insurance fund commissions established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective insurance fund commission for the purpose of creating a governing body from which officers for the NJCEJIF are elected.

As a member of the NJCEJIF, the Commission could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJCEJIF were to be exhausted, members would become jointly and severally liable for the NJCEJIF's liabilities.

The NJCEJIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

Selected Financial Information

Selected, summarized financial information for the NJCEJIF as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Total Assets	\$ 37,123,804	\$ 35,971,605
Total Liabilities & Reserves	\$ 26,445,980	\$ 20,549,381
Net Position	\$ 10,677,824	\$ 15,422,224
Total Revenue	\$ 36,924,490	\$ 32,398,337
Total Expenses	\$ 41,118,890	\$ 30,532,087
Change In Net Position	\$ (4,744,400)	\$ 1,016,250
Surplus Transfer	\$ 550,000	\$ -
Return of Surplus	\$ -	\$ 850,000

Financial statements for the NJCEJIF are available at the office of the Commission's Executive Director:

PERMA
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

Note 7: RELATED-PARTY TRANSACTIONS

As disclosed in note 6, the Commission is a member of the NJCEJIF and, accordingly has an ownership interest in the NJCEJIF. Excess insurance premiums paid to the NJCEJIF for the years ended December 31, 2023 and 2022 were \$1,944,325 and \$1,795,393, respectively.

The Commission is due \$3,294 as of December 31, 2023 from the NJCEJIF for property claim payments refunds. The NJCEJIF was also due \$146,273 as of December 31, 2022 from the Commission for the reimbursement of property claim payments.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 8: RETURN OF SURPLUS

The Board of Commissioners did not approve a dividend in 2023. During 2022, The Board of County Commissioners approved the payment of dividends to the Commission's members in the amount of \$31,691 from the fund years 2013, 2014, 2016, and 2019.

Note 9: SUBSEQUENT EVENTS

COVID-19 Pandemic - While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the Commission and its affiliated excess insurer, the New Jersey Counties Excess Joint Insurance Fund, are in a strong position because of years of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation on the Commission.

Claims Activity - Workers' compensation claims are also expected to increase because of recent changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. The Commission's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply.

CUMBERLAND COUNTY INSURANCE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

CUMBERLAND COUNTY INSURANCE COMMISSION
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - Beginning	\$ 25,068	\$ 1,848,835	\$ 45,342	\$ 2,143,733	\$ 4,062,978
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	174,453	492,346	81,352	1,140,544	1,888,695
Changes in provision for insured events of prior fund years	(28,221)	398,884	(27,219)	(39,565)	303,879
Total incurred claims and claims adjustment expenses all fund years	146,232	891,230	54,133	1,100,979	2,192,574
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	41,012	100		345,338	386,450
Attributable to insured events of prior fund years	(12,824)	565,680		435,899	988,755
Total payments all fund years	28,188	565,780		781,237	1,375,205
Total unpaid claims and claim adjustment expenses - Ending	\$ 143,112	\$ 2,174,285	\$ 99,475	\$ 2,463,475	\$ 4,880,347

CUMBERLAND COUNTY INSURANCE COMMISSION
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 2,876,318	\$ 2,877,800	\$ 2,865,621	\$ 2,976,471	\$ 2,994,604	\$ 3,110,028	\$ 3,257,425	\$ 3,456,161	\$ 3,746,380	\$ 4,033,511
Ceded	1,056,912	1,084,711	1,105,275	1,112,498	1,167,461	1,262,636	1,289,774	1,523,471	1,795,393	1,944,325
	1,819,406	1,793,089	1,760,346	1,863,973	1,827,143	1,847,392	1,967,651	1,932,690	1,950,987	2,089,186
Unallocated Expenses	330,616	324,072	319,927	332,744	326,182	346,972	344,572	361,489	373,987	375,863
Estimated Claims and Expenses, End of Policy Year:										
Incurred	1,197,481	942,768	1,117,396	1,049,350	1,357,356	1,371,618	1,668,342	1,464,077	1,537,564	1,888,695
Ceded							58,327			
Net Incurred	1,197,481	942,768	1,117,396	1,049,350	1,357,356	1,371,618	1,610,015	1,464,077	1,537,564	1,888,695
Paid (Cumulative) as of:										
End of Policy Year	605,627	263,386	398,955	331,698	494,414	96,111	422,196	386,057	472,821	386,450
One Year Later	782,315	514,933	537,900	638,304	687,630	224,189	684,518	744,193	610,651	
Two Years Later	893,729	861,434	651,641	942,512	1,013,286	497,805	1,102,953	926,187		
Three Years Later	998,902	1,196,137	782,684	1,209,920	1,272,360	532,692	1,295,850			
Four Years Later	1,113,658	1,435,030	841,145	1,490,896	1,776,363	680,900				
Five Years Later	1,195,902	1,623,436	996,543	1,942,904	1,997,112					
Six Years Later	1,237,102	1,666,411	1,013,397	2,017,972						
Seven Years Later	1,349,348	1,855,665	1,020,992							
Eight Years Later	1,371,191	1,866,130								
Nine Years Later	1,371,331									
Reestimated Incurred Claims and Expenses:										
End of Policy Year	1,197,481	942,768	1,117,396	1,049,350	1,357,356	1,371,618	1,610,015	1,464,077	1,537,564	1,888,695
One Year Later	1,076,030	1,455,396	869,955	1,635,753	1,417,585	1,355,219	1,775,946	1,601,222	1,373,187	
Two Years Later	1,246,517	1,373,356	1,007,578	1,831,590	1,635,388	1,114,888	1,969,805	2,102,905		
Three Years Later	1,260,795	1,833,714	1,110,139	2,178,247	1,771,463	995,328	1,967,723			
Four Years Later	1,336,113	1,946,933	1,239,668	2,187,437	2,277,965	912,154				
Five Years Later	1,371,311	2,111,904	1,226,592	2,053,724	2,263,109					
Six Years Later	1,380,312	1,967,598	1,155,954	2,146,978						
Seven Years Later	1,376,520	1,890,233	1,152,935							
Eight Years Later	1,371,190	1,874,913								
Nine Years Later	1,371,330									
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 173,849	\$ 932,145	\$ 35,539	\$ 1,097,628	\$ 905,753	\$ (459,464)	\$ 357,708	\$ 638,828	\$ (164,377)	\$ -

CUMBERLAND COUNTY INSURANCE COMMISSION
SUPPLEMENTARY INFORMATION

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2023 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	
Underwriting Income:							
Regular Contributions	\$ 185,000	\$ 587,000	\$ 35,000	\$ 862,000	\$ 1,944,325	\$ 399,622	\$ 4,012,947
Incurred Liabilities:							
Claims	174,453	492,346	81,352	1,140,544			1,888,695
Expenses					1,944,325	375,863	2,320,188
Total Liabilities	174,453	492,346	81,352	1,140,544	1,944,325	375,863	4,208,883
Underwriting Surplus (Deficit)	10,547	94,654	(46,352)	(278,544)	-	23,759	(195,936)
Adjustments:							
Investment Income	1,713	6,220	370	6,326	5,388	547	20,564
Permanent Transfers							-
Total Adjustments	1,713	6,220	370	6,326	5,388	547	20,564
Gross Surplus (Deficit)	12,260	100,874	(45,982)	(272,218)	5,388	24,306	(175,372)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 12,260	\$ 100,874	\$ (45,982)	\$ (272,218)	\$ 5,388	\$ 24,306	(175,372)
Investment in Joint Venture							(228,549)
Net Deficit							\$ (403,921)

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 192,855	\$ 495,913	\$ 35,422	\$ 808,810	\$ 1,795,393	\$ 394,128	\$ 3,722,521
Incurred Liabilities:							
Claims	276,468	325,529	17,509	753,681			1,373,187
Expenses					1,795,393	373,987	2,169,380
Total Liabilities	276,468	325,529	17,509	753,681	1,795,393	373,987	3,542,567
Underwriting Surplus (Deficit)	(83,613)	170,384	17,913	55,129	-	20,141	179,954
Adjustments:							
Investment Income	369	10,061	396	11,637	615	781	23,859
Permanent Transfers							-
Total Adjustments	369	10,061	396	11,637	615	781	23,859
Gross Surplus (Deficit)	(83,244)	180,445	18,309	66,766	615	20,922	203,813
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (83,244)	\$ 180,445	\$ 18,309	\$ 66,766	\$ 615	\$ 20,922	203,813
Investment in Joint Venture							77,420
Net Surplus							\$ 281,233

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 206,000	\$ 503,000	\$ 32,000	\$ 784,000	\$ 1,523,471	\$ 390,618	\$ 3,439,089
Incurred Liabilities:							
Claims	188,115	1,009,300	34,938	870,552			2,102,905
Expenses					1,523,471	361,489	1,884,960
Total Liabilities	188,115	1,009,300	34,938	870,552	1,523,471	361,489	3,987,865
Underwriting Surplus (Deficit)	17,885	(506,300)	(2,938)	(86,552)	-	29,129	(548,776)
Adjustments:							
Investment Income	740	7,853	335	7,226	266	652	17,072
Permanent Transfers							-
Total Adjustments	740	7,853	335	7,226	266	652	17,072
Gross Surplus (Deficit)	18,625	(498,447)	(2,603)	(79,326)	266	29,781	(531,704)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 18,625	\$ (498,447)	\$ (2,603)	\$ (79,326)	\$ 266	\$ 29,781	(531,704)
Investment in Joint Venture							(15,701)
Net Deficit							\$ (547,405)

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 242,297	\$ 538,100	\$ 42,000	\$ 760,000	\$ 1,289,774	\$ 371,015	\$ 3,243,186
Incurring Liabilities:							
Claims	253,215	668,728	1,691	1,044,089			1,967,723
Expenses					1,289,774	344,572	1,634,346
Total Liabilities	253,215	668,728	1,691	1,044,089	1,289,774	344,572	3,602,069
Underwriting Surplus (Deficit)	(10,918)	(130,628)	40,309	(284,089)	-	26,443	(358,883)
Adjustments:							
Investment Income	1,212	8,618	978	2,542	163	726	14,239
Permanent Transfers							-
Total Adjustments	1,212	8,618	978	2,542	163	726	14,239
Gross Surplus (Deficit)	(9,706)	(122,010)	41,287	(281,547)	163	27,169	(344,644)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (9,706)	\$ (122,010)	\$ 41,287	\$ (281,547)	\$ 163	\$ 27,169	(344,644)
Investment in Joint Venture							(2,165)
Net Deficit							<u>\$ (346,809)</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 180,726	\$ 368,000	\$ 50,000	\$ 829,000	\$ 1,262,636	\$ 372,714	\$ 3,063,076
Incurring Liabilities:							
Claims	88,713	572,049	6,759	244,633			912,154
Expenses					1,262,636	346,972	1,609,608
Total Liabilities	88,713	572,049	6,759	244,633	1,262,636	346,972	2,521,762
Underwriting Surplus (Deficit)	92,013	(204,049)	43,241	584,367	-	25,742	541,314
Adjustments:							
Investment Income	4,693	6,926	1,681	27,737	162	1,632	42,831
Permanent Transfers							-
Total Adjustments	4,693	6,926	1,681	27,737	162	1,632	42,831
Gross Surplus (Deficit)	96,706	(197,123)	44,922	612,104	162	27,374	584,145
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 96,706	\$ (197,123)	\$ 44,922	\$ 612,104	\$ 162	\$ 27,374	584,145
Investment in Joint Venture							106,230
Net Surplus							\$ 690,375

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 130,000	\$ 317,000	\$ 49,000	\$ 901,000	\$ 1,167,459	\$ 403,494	\$ 2,967,953
Incurring Liabilities:							
Claims	125,255	705,516	4,239	1,428,099			2,263,109
Expenses					1,167,461	326,182	1,493,643
Total Liabilities	125,255	705,516	4,239	1,428,099	1,167,461	326,182	3,756,752
Underwriting Surplus (Deficit)	4,745	(388,516)	44,761	(527,099)	(2)	77,312	(788,799)
Adjustments:							
Investment Income	811	9,163	2,255	10,292	124	4,006	26,651
Permanent Transfers							-
Total Adjustments	811	9,163	2,255	10,292	124	4,006	26,651
Gross Surplus (Deficit)	5,556	(379,353)	47,016	(516,807)	122	81,318	(762,148)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 5,556	\$ (379,353)	\$ 47,016	\$ (516,807)	\$ 122	\$ 81,318	(762,148)
Investment in Joint Venture							126,998
Net Deficit							<u>\$ (635,150)</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 127,103	\$ 284,000	\$ 61,664	\$ 967,000	\$ 1,112,498	\$ 397,671	\$ 2,949,936
Incurring Liabilities:							
Claims	81,220	844,409	2,153	1,219,196			2,146,978
Expenses					1,112,498	332,744	1,445,242
Total Liabilities	81,220	844,409	2,153	1,219,196	1,112,498	332,744	3,592,220
Underwriting Surplus (Deficit)	45,883	(560,409)	59,511	(252,196)	-	64,927	(642,284)
Adjustments:							
Investment Income	2,552	4,909	3,172	12,095	189	3,618	26,535
Permanent Transfers							-
Total Adjustments	2,552	4,909	3,172	12,095	189	3,618	26,535
Gross Surplus (Deficit)	48,435	(555,500)	62,683	(240,101)	189	68,545	(615,749)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 48,435	\$ (555,500)	\$ 62,683	\$ (240,101)	\$ 189	\$ 68,545	(615,749)
Investment in Joint Venture							141,947
Net Deficit							\$ (473,802)

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 99,370	\$ 278,302	\$ 48,125	\$ 947,787	\$ 1,105,275	\$ 386,762	\$ 2,865,621
Incurred Liabilities:							
Claims	236,113	322,646	4,178	589,998			1,152,935
Expenses					1,105,275	319,927	1,425,202
Total Liabilities	236,113	322,646	4,178	589,998	1,105,275	319,927	2,578,137
Underwriting Surplus (Deficit)	(136,743)	(44,344)	43,947	357,789	-	66,835	287,484
Adjustments:							
Investment Income		5,936	2,505	32,473	30	4,984	45,928
Permanent Transfers							-
NJCEJIF Dividend					34,195		34,195
Total Adjustments	-	5,936	2,505	32,473	34,225	4,984	80,123
Gross Surplus (Deficit)	(136,743)	(38,408)	46,452	390,262	34,225	71,819	367,607
Return of Surplus					34,195		34,195
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (136,743)	\$ (38,408)	\$ 46,452	\$ 390,262	\$ 30	\$ 71,819	333,412
Investment in Joint Venture							87,350
Net Surplus							<u>\$ 420,762</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	
Underwriting Income:							
Regular Contributions	\$ 100,883	\$ 282,540	\$ 48,858	\$ 927,435	\$ 1,084,710	\$ 391,469	\$ 2,835,895
Incurred Liabilities:							
Claims	19,974	1,088,103	28,241	738,595			1,874,913
Expenses					1,084,711	324,072	1,408,783
Total Liabilities	19,974	1,088,103	28,241	738,595	1,084,711	324,072	3,283,696
Underwriting Surplus (Deficit)	80,909	(805,563)	20,617	188,840	(1)	67,397	(447,801)
Adjustments:							
Investment Income	4,884	1,525	1,176	18,743	166	4,806	31,300
Permanent Transfers							-
NJCEJIF Dividend					10,605		10,605
Total Adjustments	4,884	1,525	1,176	18,743	10,771	4,806	41,905
Gross Surplus (Deficit)	85,793	(804,038)	21,793	207,583	10,770	72,203	(405,896)
Return of Surplus					10,605		10,605
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 85,793	\$ (804,038)	\$ 21,793	\$ 207,583	\$ 165	\$ 72,203	(416,501)
Investment in Joint Venture							71,861
Net Deficit							<u>\$ (344,640)</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2023

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 98,905	\$ 277,000	\$ 47,900	\$ 909,250	\$ 1,056,912	\$ 387,264	\$ 2,777,231
Incurred Liabilities:							
Claims	402,443	382,759	53,488	532,640			1,371,330
Expenses					1,056,912	330,616	1,387,528
Total Liabilities	402,443	382,759	53,488	532,640	1,056,912	330,616	2,758,858
Underwriting Surplus (Deficit)	(303,538)	(105,759)	(5,588)	376,610	-	56,648	18,373
Adjustments:							
Investment Income		4,404	170	26,416	86	4,094	35,170
Permanent Transfers							-
NJCEJIF Dividend					63,917		63,917
Total Adjustments	-	4,404	170	26,416	64,003	4,094	99,087
Gross Surplus (Deficit)	(303,538)	(101,355)	(5,418)	403,026	64,003	60,742	117,460
Return of Surplus		-	-	-	63,917	-	63,917
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (303,538)	\$ (101,355)	\$ (5,418)	\$ 403,026	\$ 86	\$ 60,742	53,543
Investment in Joint Venture							91,956
Net Surplus							\$ 145,499

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2023

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 72,486	\$ 274,500	\$ 45,900	\$ 887,500	\$ 920,110	\$ 370,837	\$ 2,571,333
Incurred Liabilities:							
Claims	40,274	270,541	12,550	891,909			1,215,274
Expenses					920,110	312,792	1,232,902
Total Liabilities	40,274	270,541	12,550	891,909	920,110	312,792	2,448,176
Underwriting Surplus (Deficit)	32,212	3,959	33,350	(4,409)	-	58,045	123,157
Adjustments:							
Investment Income	2,099	2,045	2,265	8,409	158	4,049	19,025
Permanent Transfers							-
NJCEJIF Dividend					50,614		50,614
Total Adjustments	2,099	2,045	2,265	8,409	50,772	4,049	69,639
Gross Surplus	34,311	6,004	35,615	4,000	50,772	62,094	192,796
Return of Surplus					50,614		50,614
Net Surplus							
Before Unallocated Investment	\$ 34,311	\$ 6,004	\$ 35,615	\$ 4,000	\$ 158	\$ 62,094	142,182
Investment in Joint Venture							77,322
Net Surplus							\$ 219,504

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD SEPTEMBER 25, 2012 (DATE OF INCEPTION) TO DECEMBER 31, 2023

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 13,037	\$ 61,586	\$ 7,816	\$ 176,278	\$ 169,580	\$ 73,709	\$ 502,006
Incurred Liabilities:							
Claims		2,796		37,947			40,743
Expenses					169,580	23,781	193,361
Total Liabilities	-	2,796	-	37,947	169,580	23,781	234,104
Underwriting Surplus	13,037	58,790	7,816	138,331	-	49,928	267,902
Adjustments:							
Investment Income	844	3,810	507	9,021	15	3,316	17,513
Permanent Transfers							-
NJCEJIF Dividend					10,441		10,441
Total Adjustments	844	3,810	507	9,021	10,456	3,316	27,954
Gross Surplus	13,881	62,600	8,323	147,352	10,456	53,244	295,856
Return of Surplus					10,441		10,441
Net Surplus							
Before Unallocated Investment	\$ 13,881	\$ 62,600	\$ 8,323	\$ 147,352	\$ 15	\$ 53,244	285,415
Investment in Joint Venture							6,552
Net Surplus							\$ 291,967

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2023 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 41,012	\$ 100		\$ 345,338	\$ 386,450
Case Reserves	69,934	30,050	\$ 5,750	483,972	589,706
IBNR Reserves	74,054	556,850	84,103	412,210	1,127,217
Reserve Discount	(10,547)	(94,654)	(8,501)	(100,976)	(214,678)
Subtotal	174,453	492,346	81,352	1,140,544	1,888,695
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 174,453</u>	<u>\$ 492,346</u>	<u>\$ 81,352</u>	<u>\$ 1,140,544</u>	<u>\$ 1,888,695</u>
Number of Claims	-	44	14	109	167
Average Cost Per Claim	<u>\$ 174,453</u>	<u>\$ 11,190</u>	<u>\$ 5,811</u>	<u>\$ 10,464</u>	<u>\$ 11,310</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 266,799	\$ 10,943	\$ 17,509	\$ 315,400	\$ 610,651
Case Reserves	5,001	271,179		161,102	437,282
IBNR Reserves	5,175	94,644		320,644	420,463
Reserve Discount	(507)	(51,237)		(43,465)	(95,209)
Subtotal	276,468	325,529	17,509	753,681	1,373,187
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 276,468</u>	<u>\$ 325,529</u>	<u>\$ 17,509</u>	<u>\$ 753,681</u>	<u>\$ 1,373,187</u>
Number of Claims	<u>11</u>	<u>48</u>	<u>13</u>	<u>132</u>	<u>204</u>
Average Cost Per Claim	<u>\$ 25,133</u>	<u>\$ 6,782</u>	<u>\$ 1,347</u>	<u>\$ 5,710</u>	<u>\$ 6,731</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 188,113	\$ 224,525	\$ 16,815	\$ 496,734	\$ 926,187
Case Reserves	2	582,234	9,500	130,228	721,964
IBNR Reserves	-	303,778	9,454	268,694	581,926
Reserve Discount	-	(101,237)	(831)	(25,104)	(127,172)
Subtotal	188,115	1,009,300	34,938	870,552	2,102,905
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 188,115</u>	<u>\$ 1,009,300</u>	<u>\$ 34,938</u>	<u>\$ 870,552</u>	<u>\$ 2,102,905</u>
Number of Claims	<u>7</u>	<u>69</u>	<u>13</u>	<u>117</u>	<u>206</u>
Average Cost Per Claim	<u>\$ 26,874</u>	<u>\$ 14,628</u>	<u>\$ 2,688</u>	<u>\$ 7,441</u>	<u>\$ 10,208</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 253,215	\$ 264,561	\$ 1,691	\$ 776,383	\$ 1,295,850
Case Reserves		266,842		143,329	410,171
IBNR Reserves		176,173		134,034	310,207
Reserve Discount		(38,848)		(9,657)	(48,505)
Subtotal	253,215	668,728	1,691	1,044,089	1,967,723
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 253,215</u>	<u>\$ 668,728</u>	<u>\$ 1,691</u>	<u>\$ 1,044,089</u>	<u>\$ 1,967,723</u>
Number of Claims	<u>6</u>	<u>71</u>	<u>6</u>	<u>116</u>	<u>199</u>
Average Cost Per Claim	<u>\$ 42,203</u>	<u>\$ 9,419</u>	<u>\$ 282</u>	<u>\$ 9,001</u>	<u>\$ 9,888</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 88,713	\$ 449,997	\$ 6,759	\$ 135,431	\$ 680,900
Case Reserves		119,280		24,731	144,011
IBNR Reserves		10,606		85,113	95,719
Reserve Discount		(7,834)		(642)	(8,476)
Subtotal	88,713	572,049	6,759	244,633	912,154
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 88,713</u>	<u>\$ 572,049</u>	<u>\$ 6,759</u>	<u>\$ 244,633</u>	<u>\$ 912,154</u>
Number of Claims	<u>12</u>	<u>59</u>	<u>16</u>	<u>61</u>	<u>148</u>
Average Cost Per Claim	<u>\$ 7,393</u>	<u>\$ 9,696</u>	<u>\$ 422</u>	<u>\$ 4,010</u>	<u>\$ 6,163</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 125,255	\$ 649,057	\$ 4,239	\$ 1,218,561	\$ 1,997,112
Case Reserves		34,675		187,169	221,844
IBNR Reserves		23,658		22,369	46,027
Reserve Discount		(1,874)			(1,874)
Subtotal	125,255	705,516	4,239	1,428,099	2,263,109
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 125,255</u>	<u>\$ 705,516</u>	<u>\$ 4,239</u>	<u>\$ 1,428,099</u>	<u>\$ 2,263,109</u>
Number of Claims	<u>11</u>	<u>53</u>	<u>16</u>	<u>92</u>	<u>172</u>
Average Cost Per Claim	<u>\$ 11,387</u>	<u>\$ 13,312</u>	<u>\$ 265</u>	<u>\$ 15,523</u>	<u>\$ 13,158</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 81,220	\$ 844,409	\$ 2,153	\$ 1,090,190	\$ 2,017,972
Case Reserves				114,868	114,868
IBNR Reserves				14,138	14,138
Reserve Discount					-
Subtotal	81,220	844,409	2,153	1,219,196	2,146,978
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 81,220</u>	<u>\$ 844,409</u>	<u>\$ 2,153</u>	<u>\$ 1,219,196</u>	<u>\$ 2,146,978</u>
Number of Claims	<u>11</u>	<u>54</u>	<u>10</u>	<u>97</u>	<u>172</u>
Average Cost Per Claim	<u>\$ 7,384</u>	<u>\$ 15,637</u>	<u>\$ 215</u>	<u>\$ 12,569</u>	<u>\$ 12,482</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 236,113	\$ 322,646	\$ 4,178	\$ 458,055	\$ 1,020,992
Case Reserves				119,448	119,448
IBNR Reserves				12,494	12,494
Reserve Discount				1	1
Subtotal	236,113	322,646	4,178	589,998	1,152,935
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 236,113</u>	<u>\$ 322,646</u>	<u>\$ 4,178</u>	<u>\$ 589,998</u>	<u>\$ 1,152,935</u>
Number of Claims	<u>8</u>	<u>43</u>	<u>15</u>	<u>96</u>	<u>162</u>
Average Cost Per Claim	<u>\$ 29,514</u>	<u>\$ 7,503</u>	<u>\$ 279</u>	<u>\$ 6,146</u>	<u>\$ 7,117</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 19,974	\$ 1,088,103	\$ 28,241	\$ 729,812	\$ 1,866,130
Case Reserves				20	20
IBNR Reserves				8,763	8,763
Reserve Discount					-
Subtotal	19,974	1,088,103	28,241	738,595	1,874,913
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 19,974</u>	<u>\$ 1,088,103</u>	<u>\$ 28,241</u>	<u>\$ 738,595</u>	<u>\$ 1,874,913</u>
Number of Claims	<u>5</u>	<u>65</u>	<u>10</u>	<u>110</u>	<u>190</u>
Average Cost Per Claim	<u>\$ 3,995</u>	<u>\$ 16,740</u>	<u>\$ 2,824</u>	<u>\$ 6,715</u>	<u>\$ 9,868</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 402,443	\$ 382,759	\$ 53,488	\$ 532,641	\$ 1,371,331
Case Reserves					-
IBNR Reserves				(1)	(1)
Reserve Discount					-
Subtotal	402,443	382,759	53,488	532,640	1,371,330
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 402,443</u>	<u>\$ 382,759</u>	<u>\$ 53,488</u>	<u>\$ 532,640</u>	<u>\$ 1,371,330</u>
Number of Claims	<u>9</u>	<u>64</u>	<u>25</u>	<u>100</u>	<u>198</u>
Average Cost Per Claim	<u>\$ 44,716</u>	<u>\$ 5,981</u>	<u>\$ 2,140</u>	<u>\$ 5,326</u>	<u>\$ 6,926</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2013

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 40,274	\$ 270,541	\$ 12,550	\$ 891,909	\$ 1,215,274
Case Reserves					-
IBNR Reserves					-
Reserve Discount					-
Subtotal	40,274	270,541	12,550	891,909	1,215,274
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 40,274</u>	<u>\$ 270,541</u>	<u>\$ 12,550</u>	<u>\$ 891,909</u>	<u>\$ 1,215,274</u>
Number of Claims	<u>12</u>	<u>40</u>	<u>9</u>	<u>97</u>	<u>158</u>
Average Cost Per Claim	<u>\$ 3,356</u>	<u>\$ 6,764</u>	<u>\$ 1,394</u>	<u>\$ 9,195</u>	<u>\$ 7,692</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS
FOR THE PERIOD SEPTEMBER 25, 2012 (DATE OF INCEPTION) TO DECEMBER 31, 2023

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ -	\$ 2,796	\$ -	\$ 37,947	\$ 40,743
Case Reserves					-
IBNR Reserves					-
Reserve Discount					-
Subtotal	-	2,796	-	37,947	40,743
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 2,796	\$ -	\$ 37,947	\$ 40,743
Number of Claims	-	11	-	13	24
Average Cost Per Claim	\$ -	\$ 254	\$ -	\$ 2,919	\$ 1,698

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2023 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$250,000	\$250,000	\$250,000	\$300,000
Excess Insurers	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-1)	\$ 174,453	\$ 492,346	\$ 81,352	\$ 1,140,544
Administrative Expenses (1)	41,662	132,194	7,882	194,125
	<u>\$ 216,115</u>	<u>\$ 624,540</u>	<u>\$ 89,234</u>	<u>\$ 1,334,669</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2022 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$250,000	\$250,000	\$250,000	\$300,000
Excess Insurers	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-2)	\$ 276,468	\$ 325,529	\$ 17,509	\$ 753,681
Administrative Expenses (1)	47,048	120,982	8,641	197,315
	<u>\$ 323,516</u>	<u>\$ 446,511</u>	<u>\$ 26,150</u>	<u>\$ 950,996</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$250,000	\$250,000	\$250,000	\$300,000
Excess Insurers	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-3)	\$ 188,115	\$ 1,009,300	\$ 34,938	\$ 870,552
Administrative Expenses (1)	48,831	119,232	7,585	185,841
	<u>\$ 236,946</u>	<u>\$ 1,128,532</u>	<u>\$ 42,523</u>	<u>\$ 1,056,393</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2020 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$250,000	\$250,000	\$250,000	\$300,000
Excess Insurers	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-4)	\$ 253,215	\$ 668,728	\$ 1,691	\$ 1,044,089
Administrative Expenses (1)	52,761	117,173	9,146	165,492
	<u>\$ 305,976</u>	<u>\$ 785,901</u>	<u>\$ 10,837</u>	<u>\$ 1,209,581</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-5)	\$ 88,713	\$ 572,049	\$ 6,759	\$ 244,633
Administrative Expenses (1)	43,921	89,433	12,151	201,467
	<u>\$ 132,634</u>	<u>\$ 661,482</u>	<u>\$ 18,910</u>	<u>\$ 446,100</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers	Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-6)	\$ 125,255	\$ 705,516	\$ 4,239	\$ 1,428,099
Administrative Expenses (1)	30,353	74,016	11,441	210,372
	<u>\$ 155,608</u>	<u>\$ 779,532</u>	<u>\$ 15,680</u>	<u>\$ 1,638,471</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers	Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-7)	\$ 81,220	\$ 844,409	\$ 2,153	\$ 1,219,196
Administrative Expenses (1)	29,375	65,635	14,251	223,483
	<u>\$ 110,595</u>	<u>\$ 910,044</u>	<u>\$ 16,404</u>	<u>\$ 1,442,679</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers	Zurich Mitsui Sumitomo Scottsdale Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-8)	\$ 236,113	\$ 322,646	\$ 4,178	\$ 589,998
Administrative Expenses (1)	23,145	64,820	11,209	220,753
	<u>\$ 259,258</u>	<u>\$ 387,466</u>	<u>\$ 15,387</u>	<u>\$ 810,751</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000 / \$25,500,000	\$20,500,000 / \$25,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich Mitsui Sumitomo Scottsdale Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule C-9)	\$ 19,974	\$ 1,088,103	\$ 28,241	\$ 738,595
Administrative Expenses (1)	24,044	67,340	11,645	221,043
	<u>\$ 44,018</u>	<u>\$ 1,155,443</u>	<u>\$ 39,886</u>	<u>\$ 959,638</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI Scottsdale Underwriters at Lloyds	NJCEJIF Underwriters at Lloyds National Casualty Markel	NJCEJIF Underwriters at Lloyds National Casualty Markel	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-10)	\$ 402,443	\$ 382,759	\$ 53,488	\$ 532,640
Administrative Expenses (1)	24,530	68,700	11,880	225,507
	<u>\$ 426,973</u>	<u>\$ 451,459</u>	<u>\$ 65,368</u>	<u>\$ 758,147</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2013

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-11)	\$ 40,274	\$ 270,541	\$ 12,550	\$ 891,909
Administrative Expenses (1)	17,709	67,059	11,213	216,811
	<u>\$ 57,983</u>	<u>\$ 337,600</u>	<u>\$ 23,763</u>	<u>\$ 1,108,720</u>

(1) Allocated on the basis of assessments and transfers by coverage.

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 PROGRAM SUMMARY
FOR THE PERIOD SEPTEMBER 25, 2012 (DATE OF INCEPTION) TO DECEMBER 31, 2023

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-12)	\$ -	\$ 2,796	\$ -	\$ 37,947
Administrative Expenses (1)	1,198	5,661	718	16,203
	<u>\$ 1,198</u>	<u>\$ 8,457</u>	<u>\$ 718</u>	<u>\$ 54,150</u>

(1) Allocated on the basis of assessments and transfers by coverage.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, and contracts related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

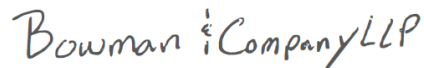
This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,



BOWMAN & COMPANY
LLP Certified Public
Accountants & Consultants



Dennis J. Skalkowski
Certified Public Accountant