

CUMBERLAND COUNTY INSURANCE COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019



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 Financial Statements

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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2020 and 2019 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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, 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.

Other 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.

Board of County Commissioners
Cumberland County Insurance Commission

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2021 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 7, 2021

**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 in compliance with 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, 2020, 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 7, 2021.

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) to determine the 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 may exist that have not been identified.

Board of County Commissioners
Cumberland County Insurance Commission

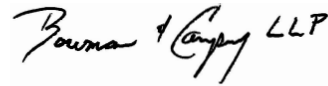
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free of 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 entity’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 entity’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 7, 2021

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, 2020, 2019, and 2018. 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 – This statement presents 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 – This statement reflects 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, investing, and noncapital financing 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, 2020, 2019, and 2018.

Summary Statements of Net Position	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>2019 to 2020 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$ 4,581,588	\$ 4,221,870	\$ 3,715,770	\$ 359,718	8.5%
Investments in Joint Ventures	759,567	753,816	697,403	5,751	0.8%
Other Assets & Receivables	60,336	66,736	29,250	(6,400)	-9.6%
Total Assets	5,401,491	5,042,422	4,442,423	359,069	7.1%
Liabilities, Reserves & Net Position					
Liabilities and Reserves					
Loss Reserves	4,950,278	4,089,683	3,306,909	860,595	21.0%
Other Liabilities & Reserves	334,193	117,853	28,967	216,340	183.6%
Total Liabilities and Reserves	5,284,471	4,207,536	3,335,876	1,076,935	25.6%
Net Position - Unrestricted	\$ 117,020	\$ 834,886	\$ 1,106,547	\$ (717,866)	-86.0%

Summary Statements of Revenues, Expenses, and Changes in Net Position	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>2019 to 2020 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions	\$ 3,243,183	\$ 3,063,078	\$ 2,967,953	\$ 180,105	5.9%
Operating Expenses:					
Provision for Claims and Claims Expense	2,366,547	1,859,483	2,720,528	507,064	27.3%
Insurance Premiums	1,289,774	1,262,636	1,167,461	27,138	2.1%
Administrative and Operating	345,155	346,993	324,049	(1,838)	-0.5%
Total Operating Expenses	4,001,476	3,469,112	4,212,038	532,364	15.3%
Operating Loss	(758,293)	(406,034)	(1,244,085)	(352,259)	-86.8%
Non-Operating Revenue:					
Investment Income	34,676	77,960	23,385	(43,284)	-55.5%
Change in Investment in Joint Venture	5,751	56,413	214,801	(50,662)	-89.8%
New Jersey Counties Excess Joint					.
Insurance Fund Dividend	36,302	66,737	17,961	(30,435)	-45.6%
Total Non-Operating Revenue	76,729	201,110	256,147	(124,381)	-61.8%
Return of Surplus	36,302	66,737	17,961	(30,435)	-45.6%
Change In Net Position	\$ (717,866)	\$ (271,661)	\$ (1,005,899)	\$ (446,205)	-164.3%

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 ninth year of operations were \$5,401,491 and total liabilities and reserves were \$5,284,471 resulting in a surplus in unrestricted net position of \$117,020. 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 \$1,289,774. 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 2020, investment income was \$34,676 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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 4,581,588	\$ 4,221,870
Investment in Joint Venture	759,567	753,816
Surplus Return Receivable	36,302	66,736
Excess Insurance Receivable	24,034	-
	5,401,491	5,042,422
Total Assets	5,401,491	5,042,422
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	11,156	15,316
Authorized Return of Surplus	36,302	66,736
Contributions Payable	951	951
Due to NJCEJIF	285,784	34,850
	334,193	117,853
Total Liabilities	334,193	117,853
Claims Reserves:		
Case Reserves	2,921,173	2,532,113
IBNR Reserves	2,222,261	1,681,595
Less Reserve Discount	(134,829)	(124,025)
Less Excess Recoverable	(58,327)	-
	4,950,278	4,089,683
Total Reserves	4,950,278	4,089,683
Total Liabilities and Reserves	5,284,471	4,207,536
<u>NET POSITION</u>		
Unrestricted	\$ 117,020	\$ 834,886

The accompanying Notes to Financial Statements are an integral part of this statement.

CUMBERLAND COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Operating Revenue:		
Regular Contributions	\$ 3,243,183	\$ 3,063,078
	<hr/>	<hr/>
Total Operating Revenue	3,243,183	3,063,078
	<hr/>	<hr/>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	2,366,547	1,859,483
Premium for Excess Insurance	1,289,774	1,262,636
Administrative Expenses:		
Actuary	5,170	5,069
Attorney	6,613	6,484
Auditor	6,745	6,615
Claims Administrator	52,118	51,865
Fund Administrator	100,529	98,482
Miscellaneous Expenses	4,097	13,595
Risk Management Consultants	164,607	159,711
Secretary Services	2,297	2,252
Treasurer	2,979	2,920
	<hr/>	<hr/>
Total Operating Expenses	4,001,476	3,469,112
	<hr/>	<hr/>
Operating Loss	(758,293)	(406,034)
	<hr/>	<hr/>
Non-Operating Revenue:		
Change in Investment in Joint Venture	5,751	56,413
Investment Income	34,676	77,960
New Jersey Counties Excess Joint Insurance		
Fund Dividend	36,302	66,737
	<hr/>	<hr/>
Total Non-Operating Revenue	76,729	201,110
	<hr/>	<hr/>
Change in Net Position	(681,564)	(204,924)
	<hr/>	<hr/>
Net Position - Beginning	834,886	1,106,547
	<hr/>	<hr/>
Return of Surplus	(36,302)	(66,737)
	<hr/>	<hr/>
Net Position - Ending	\$ 117,020	\$ 834,886
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The accompanying Notes to Financial Statements are an integral part of this statement.

CUMBERLAND COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Receipts from Regular Contributions	\$ 3,243,183	\$ 3,071,432
Payments for Claim Payments	(1,505,952)	(1,076,709)
Payments for Insurance Premiums	(1,289,774)	(1,262,636)
Payments to Professionals and Suppliers	<u>(122,415)</u>	<u>(303,947)</u>
Net Cash Flows Provided by Operating Activities	<u>325,042</u>	<u>428,140</u>
Cash Flows Provided by Investing Activities:		
Investment Income	<u>101,412</u>	<u>95,922</u>
Cash Flows Used in Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(66,736)</u>	<u>(17,962)</u>
Net Increase in Cash and Cash Equivalents	359,718	506,100
Cash and Cash Equivalents - Beginning	<u>4,221,870</u>	<u>3,715,770</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,581,588</u>	<u>\$ 4,221,870</u>
Reconciliation of Operating Loss to		
Cash Flows from Operating Activities:		
Operating Loss	\$ (758,293)	\$ (406,034)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	-	7,403
Contributions Payable	-	951
Prepaid Insurance	-	3,886
Accrued Administrative Expenses	(4,160)	4,310
Excess Insurance Receivable	(24,034)	-
Claims Reserves	860,595	782,774
Due to NJCEL	<u>250,934</u>	<u>34,850</u>
Net Cash Flows Provided by Operating Activities	<u>\$ 325,042</u>	<u>\$ 428,140</u>
Supplemental Disclosure - Noncash Activity:		
Change in Investment in Joint Venture	<u>\$ 5,751</u>	<u>\$ 56,413</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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 2020, 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 2020 were as follows:

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

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION (CONT'D)

Coverage in excess of the Commission's retention limits is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund.

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 GASB Statements 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 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. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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.

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 obligation of the fund of which the local unit is a part or within which the fund 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.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Cash, Cash Equivalents and Investments (Cont'd)

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.

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 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.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities (Cont'd)

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, 2020. 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 New Jersey Counties Excess Joint Insurance Fund as described in Note 6.

Subrogation

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

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.

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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 Governmental Accounting Standards Board 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 New Jersey Counties Excess Joint Insurance Fund.

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 New Jersey Counties Excess Joint Insurance Fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. 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 \$4,591,921 as of December 31, 2020, \$250,000 was insured while \$4,341,921 was collateralized under 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)

Of the Commission's bank balance of \$4,228,783 as of December 31, 2019, \$250,000 was insured while \$3,978,783 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 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, 2020 and 2019 was \$759,567 and \$753,816, 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, 2020 and 2019 and for all open Fund years net of excess insurance recoveries:

	<u>2020</u>	<u>2019</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 4,089,683</u>	<u>\$ 3,306,909</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	1,610,015	1,371,618
Changes in provision for insured events of prior fund years	<u>756,532</u>	<u>487,865</u>
Total incurred claims and claims adjustment expenses all fund years	<u>2,366,547</u>	<u>1,859,483</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	422,196	96,111
Attributable to insured events of prior fund years	<u>1,083,756</u>	<u>980,598</u>
Total Payments all fund years	<u>1,505,952</u>	<u>1,076,709</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 4,950,278</u>	<u>\$ 4,089,683</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 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 New Jersey Counties Excess Joint Insurance Fund as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total Assets	<u>\$ 32,619,532</u>	<u>\$31,940,315</u>
Total Liabilities	<u>\$ 17,187,382</u>	<u>\$ 16,232,406</u>
Net Position	<u>\$ 15,432,150</u>	<u>\$ 15,707,909</u>
Total Revenue	<u>\$ 25,431,520</u>	<u>\$24,290,142</u>
Total Expenses	<u>\$ 24,207,279</u>	<u>\$21,501,453</u>
Change In Net Position	<u>\$ (275,759)</u>	<u>\$ 788,689</u>
Return of Surplus	<u>\$ 1,500,000</u>	<u>\$ 2,000,000</u>

Financial statements for the New Jersey Counties Excess Joint Insurance Fund are available at the office of the Commission's Executive Director:

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

CUMBERLAND COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 7: RELATED PARTY TRANSACTIONS

As disclosed in note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund and accordingly has an ownership interest in the NJCEJIF. Excess insurance premiums paid to the NJCEJIF for the years ended December 31, 2020 and 2019 were \$1,289,774 and \$1,262,636, respectively.

Note 8: RETURN OF SURPLUS

As of December 31, 2020, The Board of County Commissioners approved the payment of dividends to the Commission's members in the amount of \$36,302 from the fund years 2012, 2014, and 2016.

As of December 31, 2019, The Board of County Commissioners approved the payment of dividends to the Commission's members in the amount of \$66,737 from the fund years 2012, 2013, 2014, 2015, and 2016.

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 an exceptionally 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 judgements when Title 59 immunities should apply.

Excess Reinsurance Premiums

Management also expects a sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance.

CUMBERLAND COUNTY INSURANCE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

CUMBERLAND COUNTY INSURANCE COMMISSION
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 132,548	\$ 2,078,522	\$ 39,040	\$ 1,839,573	\$ 4,089,683
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	205,306	577,716	44,488	782,505	1,610,015
Changes in provision for insured events of prior fund years	(13,727)	272,668	(892)	498,483	756,532
Total incurred claims and claims adjustment expenses all fund years	191,579	850,384	43,596	1,280,988	2,366,547
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	181,284	2,103	1,691	237,118	422,196
Attributable to insured events of prior fund years	55,545	326,893	1,485	699,833	1,083,756
Total payments all fund years	236,829	328,996	3,176	936,951	1,505,952
Total unpaid claims and claim adjustment expenses - Ending	\$ 87,298	\$ 2,599,910	\$ 79,460	\$ 2,183,610	\$ 4,950,278

CUMBERLAND COUNTY INSURANCE COMMISSION
NINE-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2020

	FUND YEAR ENDED DECEMBER 31								
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net Earned Required Contribution and Investment Revenue:									
Earned	\$ 522,652	\$ 2,627,383	\$ 2,845,492	\$ 2,868,947	\$ 2,865,879	\$ 2,972,393	\$ 2,990,782	\$ 3,084,616	\$ 3,245,791
Ceded	169,850	920,110	1,056,912	1,084,711	1,105,275	1,112,498	1,167,461	1,262,636	1,289,774
	<u>352,802</u>	<u>1,707,273</u>	<u>1,788,580</u>	<u>1,784,236</u>	<u>1,760,604</u>	<u>1,859,895</u>	<u>1,823,321</u>	<u>1,821,980</u>	<u>1,956,017</u>
Unallocated Expenses	<u>23,781</u>	<u>312,792</u>	<u>330,617</u>	<u>324,072</u>	<u>319,927</u>	<u>332,744</u>	<u>329,110</u>	<u>346,972</u>	<u>345,157</u>
Estimated Claims and Expenses, End of Policy Year:									
Incurred	65,696	772,867	1,197,481	942,768	1,117,396	1,049,350	1,357,356	1,371,618	1,668,342
Ceded									58,327
Net Incurred	<u>65,696</u>	<u>772,867</u>	<u>1,197,481</u>	<u>942,768</u>	<u>1,117,396</u>	<u>1,049,350</u>	<u>1,357,356</u>	<u>1,371,618</u>	<u>1,610,015</u>
Paid (Cumulative) as of:									
End of Policy Year	1,302	197,321	605,627	263,386	398,955	331,698	494,414	96,111	422,196
One Year Later	31,540	407,115	782,315	514,933	537,900	638,304	687,630	224,189	
Two Years Later	33,942	530,130	893,729	861,434	651,641	942,512	1,013,286		
Three Years Later	37,078	960,291	998,902	1,196,137	782,684	1,209,920			
Four Years Later	40,743	1,009,993	1,113,658	1,435,030	841,145				
Five Years Later	40,743	1,091,976	1,195,902	1,623,436					
Six Years Later	40,743	1,122,971	1,237,102						
Seven Years Later	40,743	1,197,568							
Eight Years Later	40,743								
Reestimated Incurred Claims and Expenses:									
End of Policy Year	65,696	772,867	1,197,481	942,768	1,117,396	1,049,350	1,357,356	1,371,618	1,610,015
One Year Later	59,974	741,577	1,076,030	1,455,396	869,955	1,635,753	1,417,585	1,355,219	
Two Years Later	54,223	859,751	1,246,517	1,373,356	1,007,578	1,831,590	1,635,388		
Three Years Later	50,614	1,065,348	1,260,795	1,833,714	1,110,139	2,178,247			
Four Years Later	40,743	1,219,053	1,336,113	1,946,933	1,239,668				
Five Years Later	40,473	1,322,524	1,371,311	2,111,904					
Six Years Later	40,473	1,303,347	1,380,312						
Seven Years Later	40,743	1,208,317							
Eight Years Later	40,743								
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<u>\$ (24,953)</u>	<u>\$ 435,450</u>	<u>\$ 182,831</u>	<u>\$ 1,169,136</u>	<u>\$ 122,272</u>	<u>\$ 1,128,897</u>	<u>\$ 278,032</u>	<u>\$ (16,399)</u>	<u>\$ -</u>

CUMBERLAND COUNTY INSURANCE COMMISSION
SUPPLEMENTARY INFORMATION

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

	<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
Incurred Liabilities:							
Claims	205,306	577,716	44,488	782,505			1,610,015
Expenses					1,289,774	345,157	1,634,931
Total Liabilities	205,306	577,716	44,488	782,505	1,289,774	345,157	3,244,946
Underwriting Surplus (Deficit)	36,991	(39,616)	(2,488)	(22,505)	-	25,858	(1,760)
Adjustments:							
Investment Income	389	843	66	1,033	159	115	2,605
Permanent Transfers							-
Total Adjustments	389	843	66	1,033	159	115	2,605
Gross Surplus (Deficit)	37,380	(38,773)	(2,422)	(21,472)	159	25,973	845
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 37,380	\$ (38,773)	\$ (2,422)	\$ (21,472)	\$ 159	\$ 25,973	845
Investment in Joint Venture							27,023
Net Surplus							\$ 27,868

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2020

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	\$ 180,726	\$ 368,000	\$ 50,000	\$ 829,000	\$ 1,262,636	\$ 372,714	\$ 3,063,076
Incurred Liabilities:							
Claims	141,692	360,639	43,422	809,466			1,355,219
Expenses					1,262,636	346,972	1,609,608
Total Liabilities	141,692	360,639	43,422	809,466	1,262,636	346,972	2,964,827
Underwriting Surplus	39,034	7,361	6,578	19,534	-	25,742	98,249
Adjustments:							
Investment Income	2,327	5,557	688	11,791	150	1,027	21,540
Permanent Transfers							-
Total Adjustments	2,327	5,557	688	11,791	150	1,027	21,540
Gross Surplus	41,361	12,918	7,266	31,325	150	26,769	119,789
Return of Surplus							-
Net Surplus							
Before Unallocated Investment	\$ 41,361	\$ 12,918	\$ 7,266	\$ 31,325	\$ 150	\$ 26,769	119,789
Investment in Joint Venture							86,302
Net Surplus							\$ 206,091

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2020

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	\$ 130,000	\$ 317,000	\$ 49,000	\$ 901,000	\$ 1,167,459	\$ 403,494	\$ 2,967,953
Incurred Liabilities:							
Claims	135,602	251,412	4,239	1,244,135			1,635,388
Expenses					1,167,461	329,110	1,496,571
Total Liabilities	135,602	251,412	4,239	1,244,135	1,167,461	329,110	3,131,959
Underwriting Surplus (Deficit)	(5,602)	65,588	44,761	(343,135)	(2)	74,384	(164,006)
Adjustments:							
Investment Income	689	8,327	1,216	10,263	122	2,212	22,829
Permanent Transfers							-
Total Adjustments	689	8,327	1,216	10,263	122	2,212	22,829
Gross Surplus (Deficit)	(4,913)	73,915	45,977	(332,872)	120	76,596	(141,177)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (4,913)	\$ 73,915	\$ 45,977	\$ (332,872)	\$ 120	\$ 76,596	(141,177)
Investment in Joint Venture							122,102
Net Deficit							\$ (19,075)

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2020

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	\$ 127,103	\$ 284,000	\$ 61,664	\$ 967,000	\$ 1,112,498	\$ 397,671	\$ 2,949,936
Incurred Liabilities:							
Claims	81,220	984,217	2,153	1,110,657			2,178,247
Expenses					1,112,498	332,744	1,445,242
Total Liabilities	81,220	984,217	2,153	1,110,657	1,112,498	332,744	3,623,489
Underwriting Surplus (Deficit)	45,883	(700,217)	59,511	(143,657)	-	64,927	(673,553)
Adjustments:							
Investment Income	1,482	4,902	1,786	11,999	185	2,103	22,457
Permanent Transfers							-
Total Adjustments	1,482	4,902	1,786	11,999	185	2,103	22,457
Gross Surplus (Deficit)	47,365	(695,315)	61,297	(131,658)	185	67,030	(651,096)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 47,365	\$ (695,315)	\$ 61,297	\$ (131,658)	\$ 185	\$ 67,030	(651,096)
Investment in Joint Venture							66,370
Net Deficit							\$ (584,726)

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2020

	<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	\$ 99,370	\$ 278,302	\$ 48,125	\$ 947,787	\$ 1,105,275	\$ 386,762	\$ 2,865,621
Incurring Liabilities:							
Claims	236,113	383,916	4,178	615,461			1,239,668
Expenses					1,105,275	319,927	1,425,202
Total Liabilities	236,113	383,916	4,178	615,461	1,105,275	319,927	2,664,870
Underwriting Surplus (Deficit)	(136,743)	(105,614)	43,947	332,326	-	66,835	200,751
Adjustments:							
Investment Income		5,787	1,478	20,785	11	3,397	31,458
Permanent Transfers							-
NJCELJIF Dividend					19,370		19,370
Total Adjustments	-	5,787	1,478	20,785	19,381	3,397	50,828
Gross Surplus (Deficit)	(136,743)	(99,827)	45,425	353,111	19,381	70,232	251,579
Return of Surplus					19,370		19,370
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (136,743)	\$ (99,827)	\$ 45,425	\$ 353,111	\$ 11	\$ 70,232	232,209
Investment in Joint Venture							135,440
Net Surplus							\$ 367,649

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2020

	<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	\$ 100,883	\$ 282,540	\$ 48,858	\$ 927,435	\$ 1,084,710	\$ 391,469	\$ 2,835,895
Incurring Liabilities:							
Claims	19,974	1,285,412	28,241	778,277			2,111,904
Expenses					1,084,711	324,072	1,408,783
Total Liabilities	19,974	1,285,412	28,241	778,277	1,084,711	324,072	3,520,687
Underwriting Surplus (Deficit)	80,909	(1,002,872)	20,617	149,158	(1)	67,397	(684,792)
Adjustments:							
Investment Income	2,988	1,525	692	13,870	163	3,210	22,448
Permanent Transfers							-
NJCELJIF Dividend					10,605		10,605
Total Adjustments	2,988	1,525	692	13,870	10,768	3,210	33,053
Gross Surplus (Deficit)	83,897	(1,001,347)	21,309	163,028	10,767	70,607	(651,739)
Return of Surplus					10,605		10,605
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 83,897	\$ (1,001,347)	\$ 21,309	\$ 163,028	\$ 162	\$ 70,607	(662,344)
Investment in Joint Venture							75,012
Net Deficit							\$ (587,332)

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2020

	<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	\$ 98,905	\$ 277,000	\$ 47,900	\$ 909,250	\$ 1,056,912	\$ 387,264	\$ 2,777,231
Incurred Liabilities:							
Claims	402,443	403,742	53,488	520,639			1,380,312
Expenses					1,056,912	330,617	1,387,529
Total Liabilities	402,443	403,742	53,488	520,639	1,056,912	330,617	2,767,841
Underwriting Surplus (Deficit)	(303,538)	(126,742)	(5,588)	388,611	-	56,647	9,390
Adjustments:							
Investment Income		4,393	170	17,453	55	2,751	24,822
Permanent Transfers							-
NJCELJIF Dividend					43,439		43,439
Total Adjustments	-	4,393	170	17,453	43,494	2,751	68,261
Gross Surplus (Deficit)	(303,538)	(122,349)	(5,418)	406,064	43,494	59,398	77,651
Return of Surplus		-	-	-	43,439	-	43,439
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (303,538)	\$ (122,349)	\$ (5,418)	\$ 406,064	\$ 55	\$ 59,398	34,212
Investment in Joint Venture							134,243
Net Surplus							\$ 168,455

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2020

	<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
Incurring Liabilities:							
Claims	40,274	270,541	12,550	884,952			1,208,317
Expenses					920,110	312,792	1,232,902
Total Liabilities	40,274	270,541	12,550	884,952	920,110	312,792	2,441,219
Underwriting Surplus	32,212	3,959	33,350	2,548	-	58,045	130,114
Adjustments:							
Investment Income	1,341	1,913	1,478	8,240	147	2,677	15,796
Permanent Transfers							-
NJCELJIF Dividend					40,254		40,254
Total Adjustments	1,341	1,913	1,478	8,240	40,401	2,677	56,050
Gross Surplus	33,553	5,872	34,828	10,788	40,401	60,722	186,164
Return of Surplus					40,254		40,254
Net Surplus							
Before Unallocated Investment	\$ 33,553	\$ 5,872	\$ 34,828	\$ 10,788	\$ 147	\$ 60,722	145,910
Investment in Joint Venture							100,999
Net Surplus							\$ 246,909

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, 2020

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
Incurring 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	537	2,426	323	5,765	15	2,139	11,205
Permanent Transfers							-
NJCELJIF Dividend					9,441		9,441
Total Adjustments	537	2,426	323	5,765	9,456	2,139	20,646
Gross Surplus	13,574	61,216	8,139	144,096	9,456	52,067	288,548
Return of Surplus					9,441		9,441
Net Surplus							
Before Unallocated Investment	\$ 13,574	\$ 61,216	\$ 8,139	\$ 144,096	\$ 15	\$ 52,067	279,107
Investment in Joint Venture							12,074
Net Surplus							\$ 291,181

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

	<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)	\$ 181,284	\$ 2,103	\$ 1,691	\$ 237,118	\$ 422,196
Case Reserves	6,034	51,832	500	337,849	396,215
IBNR Reserves	18,732	562,065	44,809	292,036	917,642
Reserve Discount	(744)	(38,284)	(2,512)	(26,171)	(67,711)
Subtotal	205,306	577,716	44,488	840,832	1,668,342
Excess Insurance Received Recoverable				58,327	-
Subtotal	-	-	-	58,327	58,327
Limited Incurred Claims	\$ 205,306	\$ 577,716	\$ 44,488	\$ 782,505	\$ 1,610,015
Number of Claims	8	41	5	98	152
Average Cost Per Claim	\$ 25,663	\$ 14,091	\$ 8,898	\$ 7,985	\$ 10,592

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2020

	<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	\$ 18,553	\$ 6,759	\$ 110,164	\$ 224,189
Case Reserves		92,647		26,531	119,178
IBNR Reserves	53,814	266,800	38,241	692,303	1,051,158
Reserve Discount	(835)	(17,361)	(1,578)	(19,532)	(39,306)
Subtotal	141,692	360,639	43,422	809,466	1,355,219
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 141,692	\$ 360,639	\$ 43,422	\$ 809,466	\$ 1,355,219
Number of Claims	10	55	11	61	137
Average Cost Per Claim	\$ 14,169	\$ 6,557	\$ 3,947	\$ 13,270	\$ 9,892

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2020

	<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)	\$ 125,305	\$ 39,922	\$ 4,239	\$ 843,820	\$ 1,013,286
Case Reserves	7,729	155,773		360,019	523,521
IBNR Reserves	2,568	63,166		45,395	111,129
Reserve Discount		(7,449)		(5,099)	(12,548)
Subtotal	135,602	251,412	4,239	1,244,135	1,635,388
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 135,602	\$ 251,412	\$ 4,239	\$ 1,244,135	\$ 1,635,388
Number of Claims	16	52	11	92	171
Average Cost Per Claim	\$ 8,475	\$ 4,835	\$ 385	\$ 13,523	\$ 9,564

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2020

	<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	\$ 268,303	\$ 2,153	\$ 858,244	\$ 1,209,920
Case Reserves		689,368		232,422	921,790
IBNR Reserves		40,808		19,991	60,799
Reserve Discount		(14,262)			(14,262)
Subtotal	81,220	984,217	2,153	1,110,657	2,178,247
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 81,220	\$ 984,217	\$ 2,153	\$ 1,110,657	\$ 2,178,247
Number of Claims	13	17	46	97	173
Average Cost Per Claim	\$ 6,248	\$ 57,895	\$ 47	\$ 11,450	\$ 12,591

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2020

	<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	\$ 177,431	\$ 4,178	\$ 423,423	\$ 841,145
Case Reserves		202,492		162,729	365,221
IBNR Reserves		4,994		29,308	34,302
Reserve Discount		(1,001)		1	(1,000)
Subtotal	236,113	383,916	4,178	615,461	1,239,668
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 236,113	\$ 383,916	\$ 4,178	\$ 615,461	\$ 1,239,668
Number of Claims	15	47	8	96	166
Average Cost Per Claim	\$ 15,741	\$ 8,168	\$ 522	\$ 6,411	\$ 7,468

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2020

	<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	\$ 868,674	\$ 28,241	\$ 706,547	\$ 1,623,436
Case Reserves		398,682		47,820	446,502
IBNR Reserves		18,056		23,910	41,966
Reserve Discount					-
Subtotal	19,974	1,285,412	28,241	778,277	2,111,904
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 19,974	\$ 1,285,412	\$ 28,241	\$ 778,277	\$ 2,111,904
Number of Claims	6	69	8	110	193
Average Cost Per Claim	\$ 3,329	\$ 18,629	\$ 3,530	\$ 7,075	\$ 10,943

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2020

	<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	\$ 272,158	\$ 53,488	\$ 509,013	\$ 1,237,102
Case Reserves		131,584		7,390	138,974
IBNR Reserves				4,237	4,237
Reserve Discount				(1)	(1)
Subtotal	402,443	403,742	53,488	520,639	1,380,312
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 402,443	\$ 403,742	\$ 53,488	\$ 520,639	\$ 1,380,312
Number of Claims	19	65	15	100	199
Average Cost Per Claim	\$ 21,181	\$ 6,211	\$ 3,566	\$ 5,206	\$ 6,936

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2020

	<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) \$	40,274	\$ 270,541	\$ 12,550	\$ 874,203	\$ 1,197,568
Case Reserves				9,772	9,772
IBNR Reserves				977	977
Reserve Discount					-
Subtotal	40,274	270,541	12,550	884,952	1,208,317
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 40,274	\$ 270,541	\$ 12,550	\$ 884,952	\$ 1,208,317
Number of Claims	16	45	5	97	163
Average Cost Per Claim	\$ 2,517	\$ 6,012	\$ 2,510	\$ 9,123	\$ 7,413

CUMBERLAND COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS
FOR THE PERIOD SEPTEMBER 25, 2012 (DATE OF INCEPTION) TO DECEMBER 31, 2020

	<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	-	10	-	13	23
Average Cost Per Claim	\$ -	\$ 280	\$ -	\$ 2,919	\$ 1,771

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

	<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)	\$ 205,306	\$ 577,716	\$ 44,488	\$ 782,505
Administrative Expenses (1)	52,851	117,372	9,161	165,773
	<u>\$ 258,157</u>	<u>\$ 695,088</u>	<u>\$ 53,649</u>	<u>\$ 948,278</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, 2020

	<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-2)	\$ 141,692	\$ 360,639	\$ 43,422	\$ 809,466
Administrative Expenses (1)	43,921	89,433	12,151	201,467
	<u>\$ 185,613</u>	<u>\$ 450,072</u>	<u>\$ 55,573</u>	<u>\$ 1,010,933</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, 2020

	<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-3)	\$ 135,602	\$ 251,412	\$ 4,239	\$ 1,244,135
Administrative Expenses (1)	30,626	74,680	11,544	212,261
	<u>\$ 166,228</u>	<u>\$ 326,092</u>	<u>\$ 15,783</u>	<u>\$ 1,456,396</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, 2020

	<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-4)	\$ 81,220	\$ 984,217	\$ 2,153	\$ 1,110,657
Administrative Expenses (1)	29,375	65,635	14,251	223,483
	<u>\$ 110,595</u>	<u>\$ 1,049,852</u>	<u>\$ 16,404</u>	<u>\$ 1,334,140</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, 2020

	<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-5)	\$ 236,113	\$ 383,916	\$ 4,178	\$ 615,461
Administrative Expenses (1)	23,145	64,820	11,209	220,753
	<u>\$ 259,258</u>	<u>\$ 448,736</u>	<u>\$ 15,387</u>	<u>\$ 836,214</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, 2020

	<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-6)	\$ 19,974	\$ 1,285,412	\$ 28,241	\$ 778,277
Administrative Expenses (1)	24,044	67,340	11,645	221,043
	<u>\$ 44,018</u>	<u>\$ 1,352,752</u>	<u>\$ 39,886</u>	<u>\$ 999,320</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, 2020

	<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-7)	\$ 402,443	\$ 403,742	\$ 53,488	\$ 520,639
Administrative Expenses (1)	24,530	68,700	11,880	225,507
	<u>\$ 426,973</u>	<u>\$ 472,442</u>	<u>\$ 65,368</u>	<u>\$ 746,146</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, 2020

	<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-8)	\$ 40,274	\$ 270,541	\$ 12,550	\$ 884,952
Administrative Expenses (1)	17,708	67,059	11,213	216,812
	<u>\$ 57,982</u>	<u>\$ 337,600</u>	<u>\$ 23,763</u>	<u>\$ 1,101,764</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, 2020

	<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-9)	\$ -	\$ 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, 2020

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.

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



James J. Miles, Jr.
Certified Public Accountant