

**CUMBERLAND COUNTY INSURANCE COMMISSION**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2022 AND 2021**



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, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2022 and 2021, 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 in compliance with 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.

***Responsibilities of Management for the Financial Statements (Cont'd)***

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.

***Required Supplementary Information (Cont'd)***

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 5, 2023, 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 grant agreements 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 5, 2023

**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, 2022, 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 5, 2023.

**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 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 or significant deficiencies may exist that have not been identified.

Board of County Commissioners  
Cumberland County Insurance Commission

**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*

Bowman & Company LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
October 5, 2023

# 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, 2022, 2021, and 2020. 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 (Deficit) – This statement presents information reflecting the Commission's assets, liabilities, and net position (deficit). Net position (deficit) represents the amount of total assets, less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position (Deficit) – 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 (deficit) 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 (deficit) and results of operations for the Commission as of and for the years ended December 31, 2022, 2021, and 2020.

Summary Statements of Net Position (Deficit)	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>2021 to 2022 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
<b>Assets</b>					
Cash & Cash Equivalents	\$ 3,364,062	\$ 4,629,311	\$ 4,581,588	\$(1,265,249)	-27.3%
Investments in Joint Ventures	784,462	726,035	759,567	58,427	8.0%
Other Assets & Receivables	31,691	19,390	60,336	12,301	63.4%
<b>Total Assets</b>	<b>4,180,215</b>	<b>5,374,736</b>	<b>5,401,491</b>	<b>(1,194,521)</b>	<b>-22.2%</b>
<b>Liabilities, Reserves, &amp; Net Position</b>					
<b>Liabilities and Reserves</b>					
Loss Reserves	4,062,978	4,547,823	4,950,278	(484,845)	-10.7%
Other Liabilities & Reserves	193,053	549,003	334,193	(355,950)	-64.8%
<b>Total Liabilities and Reserves</b>	<b>4,256,031</b>	<b>5,096,826</b>	<b>5,284,471</b>	<b>(840,795)</b>	<b>-16.5%</b>
<b>Net Position (Deficit) - Unrestricted</b>	<b>\$ (75,816)</b>	<b>\$ 277,910</b>	<b>\$ 117,020</b>	<b>\$ (353,726)</b>	<b>-127.3%</b>

Summary Statements of Revenues, Expenses, and Changes in Net Position (Deficit)	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>2021 to 2022 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
<b>Operating Revenue</b>					
Regular Contributions	\$ 3,722,522	\$ 3,439,091	\$ 3,243,183	\$ 283,431	8.2%
<b>Operating Expenses:</b>					
Provision for Claims and Claims Expense	1,984,773	1,372,789	2,366,547	611,984	44.6%
Insurance Premiums	1,795,393	1,523,471	1,289,774	271,922	17.8%
Administrative and Operating	375,007	357,953	345,155	17,054	4.8%
<b>Total Operating Expenses</b>	<b>4,155,173</b>	<b>3,254,213</b>	<b>4,001,476</b>	<b>900,960</b>	<b>27.7%</b>
<b>Operating Income (Loss)</b>	<b>(432,651)</b>	<b>184,878</b>	<b>(758,293)</b>	<b>(617,529)</b>	<b>-334.0%</b>
<b>Non-Operating Revenue (Expense):</b>					
Investment Income	20,498	9,544	34,676	10,954	114.8%
Change in Investment in Joint Venture	58,427	(33,532)	5,751	91,959	274.2%
New Jersey Counties Excess Joint Insurance Fund Dividend	31,691	19,093	36,302	12,598	66.0%
<b>Total Non-Operating Revenue (Expense)</b>	<b>110,616</b>	<b>(4,895)</b>	<b>76,729</b>	<b>115,511</b>	<b>2359.8%</b>
<b>Return of Surplus</b>	<b>31,691</b>	<b>19,093</b>	<b>36,302</b>	<b>12,598</b>	<b>66.0%</b>
<b>Change In Net Positon (Deficit)</b>	<b>\$ (353,726)</b>	<b>\$ 160,890</b>	<b>\$ (717,866)</b>	<b>\$ (514,616)</b>	<b>-319.9%</b>

## **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 eleventh year of operations were \$4,180,215 and total liabilities and reserves were \$4,256,031 resulting in a deficit in unrestricted net deficit of \$75,816. 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 \$1,795,393. 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 2022, investment income was \$20,498 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 (DEFICIT)  
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,364,062	\$ 4,629,311
Investment in Joint Venture	784,462	726,035
Contributions Receivable	-	297
Surplus Return Receivable	31,691	19,093
	<u>4,180,215</u>	<u>5,374,736</u>
Total Assets		
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	14,934	14,476
Authorized Return of Surplus	31,691	19,093
Contributions Payable	155	-
Due to NJCEJIF	146,273	515,434
	<u>193,053</u>	<u>549,003</u>
Total Liabilities		
Claims Reserves:		
Case Reserves	2,324,941	2,439,209
IBNR Reserves	1,881,413	2,233,263
Less Reserve: Discount	(143,376)	(124,649)
	<u>4,062,978</u>	<u>4,547,823</u>
Total Reserves		
Total Liabilities and Reserves	<u>4,256,031</u>	<u>5,096,826</u>
<u>NET POSITION (DEFICIT)</u>		
Unrestricted	<u>\$ (75,816)</u>	<u>\$ 277,910</u>

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 (DEFICIT)  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating Revenue:		
Regular Contributions	\$ 3,722,522	\$ 3,439,091
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	1,984,773	1,372,789
Premium for Excess Insurance	1,795,393	1,523,471
Administrative Expenses:		
Actuary	5,375	5,270
Attorney	6,881	6,746
Auditor	10,200	9,416
Claims Administrator	55,292	53,682
Fund Administrator	104,606	102,542
Miscellaneous Expenses	13,922	1,452
Risk Management Consultants	173,242	173,454
Secretary Services	2,390	2,343
Treasurer	3,099	3,048
Total Operating Expenses	4,155,173	3,254,213
Operating Income (Loss)	(432,651)	184,878
Non-Operating Revenue (Expense):		
Change in Investment in Joint Venture	58,427	(33,532)
Investment Income	20,498	9,544
New Jersey Counties Excess Joint Insurance Fund Dividend	31,691	19,093
Total Non-Operating Revenue (Expense)	110,616	(4,895)
Change in Net Position	(322,035)	179,983
Net Position - Beginning	277,910	117,020
Return of Surplus	(31,691)	(19,093)
Net Position (Deficit) - Ending	\$ (75,816)	\$ 277,910

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Receipts from Regular Contributions	\$ 3,722,974	\$ 3,437,843
Payments for Claim Payments	(2,469,618)	(1,775,244)
Payments for Insurance Premiums	(1,795,393)	(1,523,471)
Payments to Professionals and Suppliers	<u>(743,710)</u>	<u>(100,949)</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>(1,285,747)</u>	<u>38,179</u>
Cash Flows Provided by Investing Activities:		
Investment Income	<u>39,591</u>	<u>45,846</u>
Cash Flows Used in Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(19,093)</u>	<u>(36,302)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,265,249)	47,723
Cash and Cash Equivalents - Beginning	<u>4,629,311</u>	<u>4,581,588</u>
Cash and Cash Equivalents - Ending	<u>\$ 3,364,062</u>	<u>\$ 4,629,311</u>
Reconciliation of Operating Income (Loss) to		
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (432,651)	\$ 184,878
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	297	(297)
Contributions Payable	155	(951)
Accrued Administrative Expenses	458	3,320
Excess Insurance Receivable	-	24,034
Claims Reserves	(484,845)	(402,455)
Due to NJCELJIF	<u>(369,161)</u>	<u>229,650</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>\$ (1,285,747)</u>	<u>\$ 38,179</u>
Supplemental Disclosure - Non-cash Activity:		
Change in Investment in Joint Venture	<u>\$ 58,427</u>	<u>\$ (33,532)</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 2022, 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 2022 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 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. 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 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.



**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 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.

**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, 2022. 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 (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. 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 \$4,129,288 as of December 31, 2022, \$250,000 was insured while \$3,879,288 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 \$4,641,122 as of December 31, 2021, \$250,000 was insured while \$4,391,122 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, 2022 and 2021 was \$784,462 and \$726,035, 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, 2022 and 2021 and for all open Fund years net of excess insurance recoveries:

	<u>2022</u>	<u>2021</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 4,547,823</u>	<u>\$ 4,950,278</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	1,537,564	1,464,077
Changes in provision for insured events of prior fund years	<u>447,209</u>	<u>(91,288)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>1,984,773</u>	<u>1,372,789</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	472,821	386,057
Attributable to insured events of prior fund years	<u>1,996,797</u>	<u>1,389,187</u>
Total payments all fund years	<u>2,469,618</u>	<u>1,775,244</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 4,062,978</u>	<u>\$ 4,547,823</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, 2022 and 2021 are as follows:

	<u>2021</u>	<u>2020</u>
Total Assets	<u>\$ 35,971,605</u>	<u>\$33,498,183</u>
Total Liabilities	<u>\$ 20,549,381</u>	<u>\$ 19,092,209</u>
Net Position	<u>\$ 15,422,224</u>	<u>\$ 14,405,974</u>
Total Revenue	<u>\$ 32,398,337</u>	<u>\$27,823,315</u>
Total Expenses	<u>\$ 30,532,087</u>	<u>\$28,099,491</u>
Change In Net Position	<u>\$ 1,016,250</u>	<u>\$ (1,026,176)</u>
Return of Surplus	<u>\$ 850,000</u>	<u>\$ 750,000</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, 2022 and 2021 were \$1,795,393 and \$1,523,471, respectively.

**Note 8: RETURN OF SURPLUS**

As of December 31, 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.

As of December 31, 2021, The Board of County Commissioners approved the payment of dividends to the Commission's members in the amount of \$19,093 from the fund years 2012, 2013, 2014, 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 judgments when Title 59 immunities should apply.

Excess Reinsurance Premiums

Although there are signs of insurance marketplace stabilization, Management also expects an increase in excess and reinsurance premiums, especially for cyber liability insurance. To mitigate the increase, the New Jersey Counties Excess Joint Insurance Fund is planning a rate adjustment beginning in 2023.

**CUMBERLAND COUNTY INSURANCE COMMISSION**  
**REQUIRED SUPPLEMENTARY INFORMATION**

CUMBERLAND COUNTY INSURANCE COMMISSION  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<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	\$ 51,102	\$ 2,235,848	\$ 38,351	\$ 2,222,522	\$ 4,547,823
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	299,610	425,895	32,373	779,686	1,537,564
Changes in provision for insured events of prior fund years	(41,218)	442,309	(3,135)	49,253	447,209
Total incurred claims and claims adjustment expenses all fund years	258,392	868,204	29,238	828,939	1,984,773
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	279,013	1,067	17,509	175,232	472,821
Attributable to insured events of prior fund years	5,413	1,254,150	4,738	732,496	1,996,797
Total payments all fund years	284,426	1,255,217	22,247	907,728	2,469,618
Total unpaid claims and claim adjustment expenses - Ending	\$ 25,068	\$ 1,848,835	\$ 45,342	\$ 2,143,733	\$ 4,062,978



CUMBERLAND COUNTY INSURANCE COMMISSION  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF DECEMBER 31, 2022

	<u>2013</u>	<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>
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 2,638,486	\$ 2,868,230	\$ 2,870,893	\$ 2,865,621	\$ 2,973,344	\$ 2,992,276	\$ 3,093,939	\$ 3,250,278	\$ 3,443,528	\$ 3,726,429
Ceded	920,110	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
	1,718,376	1,811,318	1,786,182	1,760,346	1,860,846	1,824,815	1,831,303	1,960,504	1,920,057	1,931,036
Unallocated Expenses	312,792	330,616	324,072	319,927	332,744	326,182	346,972	344,572	361,489	374,987
Estimated Claims and Expenses, End of Policy Year:										
Incurred	772,867	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
Ceded								58,327		
Net Incurred	772,867	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
Paid (Cumulative) as of:										
End of Policy Year	197,321	605,627	263,386	398,955	331,698	494,414	96,111	422,196	386,057	472,821
One Year Later	407,115	782,315	514,933	537,900	638,304	687,630	224,189	684,518	744,193	
Two Years Later	530,130	893,729	861,434	651,641	942,512	1,013,286	497,805	1,102,953		
Three Years Later	960,291	998,902	1,196,137	782,684	1,209,920	1,272,360	532,692			
Four Years Later	1,009,993	1,113,658	1,435,030	841,145	1,490,896	1,776,363				
Five Years Later	1,091,976	1,195,902	1,623,436	996,543	1,942,904					
Six Years Later	1,122,971	1,237,102	1,666,411	1,013,397						
Seven Years Later	1,197,568	1,349,348	1,855,665							
Eight Years Later	1,200,151	1,371,191								
Nine Years Later	1,201,467									
Reestimated Incurred Claims and Expenses:										
End of Policy Year	772,867	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
One Year Later	741,577	1,076,030	1,455,396	869,955	1,635,753	1,417,585	1,355,219	1,775,946	1,601,222	
Two Years Later	859,751	1,246,517	1,373,356	1,007,578	1,831,590	1,635,388	1,114,888	1,969,805		
Three Years Later	1,065,348	1,260,795	1,833,714	1,110,139	2,178,247	1,771,463	995,328			
Four Years Later	1,219,053	1,336,113	1,946,933	1,239,668	2,187,437	2,277,965				
Five Years Later	1,322,524	1,371,311	2,111,904	1,226,592	2,053,724					
Six Years Later	1,303,347	1,380,312	1,967,598	1,155,954						
Seven Years Later	1,208,317	1,376,520	1,890,233							
Eight Years Later	1,207,340	1,371,190								
Nine Years Later	1,213,644									
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ 440,777	\$ 173,709	\$ 947,465	\$ 38,558	\$ 1,004,374	\$ 920,609	\$ (376,290)	\$ 359,790	\$ 137,145	\$ -

**CUMBERLAND COUNTY INSURANCE COMMISSION**  
**SUPPLEMENTARY INFORMATION**

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

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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	299,610	425,895	32,373	779,686			1,537,564
Expenses					1,795,393	374,987	2,170,380
Total Liabilities	299,610	425,895	32,373	779,686	1,795,393	374,987	3,707,944
Underwriting Surplus (Deficit)	(106,755)	70,018	3,049	29,124	-	19,141	14,577
Adjustments:							
Investment Income	195	1,194	66	1,662	615	176	3,908
Permanent Transfers							-
Total Adjustments	195	1,194	66	1,662	615	176	3,908
Gross Surplus (Deficit)	(106,560)	71,212	3,115	30,786	615	19,317	18,485
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (106,560)	\$ 71,212	\$ 3,115	\$ 30,786	\$ 615	\$ 19,317	18,485
Investment in Joint Venture							73,615
Net Surplus							\$ 92,100

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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	193,198	479,338	47,293	881,393			1,601,222
Expenses					1,523,471	361,489	1,884,960
Total Liabilities	193,198	479,338	47,293	881,393	1,523,471	361,489	3,486,182
Underwriting Surplus (Deficit)	12,802	23,662	(15,293)	(97,393)	-	29,129	(47,093)
Adjustments:							
Investment Income	338	1,829	66	1,810	262	134	4,439
Permanent Transfers							-
Total Adjustments	338	1,829	66	1,810	262	134	4,439
Gross Surplus (Deficit)	13,140	25,491	(15,227)	(95,583)	262	29,263	(42,654)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 13,140	\$ 25,491	\$ (15,227)	\$ (95,583)	\$ 262	\$ 29,263	(42,654)
Investment in Joint Venture							(11,122)
Net Deficit							\$ (53,776)

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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	253,211	683,848	1,691	1,031,055			1,969,805
Expenses					1,289,774	344,572	1,634,346
Total Liabilities	253,211	683,848	1,691	1,031,055	1,289,774	344,572	3,604,151
Underwriting Surplus (Deficit)	(10,914)	(145,748)	40,309	(271,055)	-	26,443	(360,965)
Adjustments:							
Investment Income	1,058	3,119	261	2,240	160	254	7,092
Permanent Transfers							-
Total Adjustments	1,058	3,119	261	2,240	160	254	7,092
Gross Surplus (Deficit)	(9,856)	(142,629)	40,570	(268,815)	160	26,697	(353,873)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (9,856)	\$ (142,629)	\$ 40,570	\$ (268,815)	\$ 160	\$ 26,697	(353,873)
Investment in Joint Venture							(35,569)
Net Deficit							\$ (389,442)

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<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 &amp; 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	529,842	6,759	370,014			995,328
Expenses					1,262,636	346,972	1,609,608
Total Liabilities	88,713	529,842	6,759	370,014	1,262,636	346,972	2,604,936
Underwriting Surplus (Deficit)	92,013	(161,842)	43,241	458,986	-	25,742	458,140
Adjustments:							
Investment Income	3,013	6,317	900	15,205	151	1,156	26,742
Permanent Transfers							-
Total Adjustments	3,013	6,317	900	15,205	151	1,156	26,742
Gross Surplus (Deficit)	95,026	(155,525)	44,141	474,191	151	26,898	484,882
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 95,026	\$ (155,525)	\$ 44,141	\$ 474,191	\$ 151	\$ 26,898	484,882
Investment in Joint Venture							115,485
Net Surplus							<u>\$ 600,367</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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	753,455	4,239	1,395,016			2,277,965
Expenses					1,167,461	326,182	1,493,643
Total Liabilities	125,255	753,455	4,239	1,395,016	1,167,461	326,182	3,771,608
Underwriting Surplus (Deficit)	4,745	(436,455)	44,761	(494,016)	(2)	77,312	(803,655)
Adjustments:							
Investment Income	715	9,163	1,438	10,292	122	2,593	24,323
Permanent Transfers							-
Total Adjustments	715	9,163	1,438	10,292	122	2,593	24,323
Gross Surplus (Deficit)	5,460	(427,292)	46,199	(483,724)	120	79,905	(779,332)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 5,460	\$ (427,292)	\$ 46,199	\$ (483,724)	\$ 120	\$ 79,905	(779,332)
Investment in Joint Venture							127,235
Net Deficit							\$ (652,097)

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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	1,125,942			2,053,724
Expenses					1,112,498	332,744	1,445,242
Total Liabilities	81,220	844,409	2,153	1,125,942	1,112,498	332,744	3,498,966
Underwriting Surplus (Deficit)	45,883	(560,409)	59,511	(158,942)	-	64,927	(549,030)
Adjustments:							
Investment Income	1,710	4,909	2,082	12,095	185	2,427	23,408
Permanent Transfers							-
Total Adjustments	1,710	4,909	2,082	12,095	185	2,427	23,408
Gross Surplus (Deficit)	47,593	(555,500)	61,593	(146,847)	185	67,354	(525,622)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 47,593	\$ (555,500)	\$ 61,593	\$ (146,847)	\$ 185	\$ 67,354	(525,622)
Investment in Joint Venture							136,732
Net Deficit							\$ (388,890)



CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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	593,017			1,155,954
Expenses					1,105,275	319,927	1,425,202
Total Liabilities	236,113	322,646	4,178	593,017	1,105,275	319,927	2,581,156
Underwriting Surplus (Deficit)	(136,743)	(44,344)	43,947	354,770	-	66,835	284,465
Adjustments:							
Investment Income		5,936	1,698	23,339	12	3,736	34,721
Permanent Transfers							-
NJCEJIF Dividend					34,195		34,195
Total Adjustments	-	5,936	1,698	23,339	34,207	3,736	68,916
Gross Surplus (Deficit)	(136,743)	(38,408)	45,645	378,109	34,207	70,571	353,381
Return of Surplus					34,195		34,195
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (136,743)	\$ (38,408)	\$ 45,645	\$ 378,109	\$ 12	\$ 70,571	319,186
Investment in Joint Venture							88,572
Net Surplus							\$ 407,758

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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
Incurred Liabilities:							
Claims	19,974	1,088,103	28,241	753,915			1,890,233
Expenses					1,084,711	324,072	1,408,783
Total Liabilities	19,974	1,088,103	28,241	753,915	1,084,711	324,072	3,299,016
Underwriting Surplus (Deficit)	80,909	(805,563)	20,617	173,520	(1)	67,397	(463,121)
Adjustments:							
Investment Income	3,393	1,525	795	14,965	164	3,551	24,393
Permanent Transfers							-
NJCEJIF Dividend					10,605		10,605
Total Adjustments	3,393	1,525	795	14,965	10,769	3,551	34,998
Gross Surplus (Deficit)	84,302	(804,038)	21,412	188,485	10,768	70,948	(428,123)
Return of Surplus					10,605		10,605
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 84,302	\$ (804,038)	\$ 21,412	\$ 188,485	\$ 163	\$ 70,948	(438,728)
Investment in Joint Venture							85,953
Net Deficit							\$ (352,775)

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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
Incurring Liabilities:							
Claims	402,443	382,619	53,488	532,640			1,371,190
Expenses					1,056,912	330,616	1,387,528
Total Liabilities	402,443	382,619	53,488	532,640	1,056,912	330,616	2,758,718
Underwriting Surplus (Deficit)	(303,538)	(105,619)	(5,588)	376,610	-	56,648	18,513
Adjustments:							
Investment Income		4,404	170	19,414	56	3,038	27,082
Permanent Transfers							-
NJCEJIF Dividend					63,917		63,917
Total Adjustments	-	4,404	170	19,414	63,973	3,038	90,999
Gross Surplus (Deficit)	(303,538)	(101,215)	(5,418)	396,024	63,973	59,686	109,512
Return of Surplus		-	-	-	63,917	-	63,917
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (303,538)	\$ (101,215)	\$ (5,418)	\$ 396,024	\$ 56	\$ 59,686	45,595
Investment in Joint Venture							117,660
Net Surplus							<u>\$ 163,255</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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	890,279			1,213,644
Expenses					920,110	312,792	1,232,902
Total Liabilities	40,274	270,541	12,550	890,279	920,110	312,792	2,446,546
Underwriting Surplus (Deficit)	32,212	3,959	33,350	(2,779)	-	58,045	124,787
Adjustments:							
Investment Income	1,503	1,941	1,646	8,330	148	2,971	16,539
Permanent Transfers							-
NJCEJIF Dividend					50,614		50,614
Total Adjustments	1,503	1,941	1,646	8,330	50,762	2,971	67,153
Gross Surplus	33,715	5,900	34,996	5,551	50,762	61,016	191,940
Return of Surplus					50,614		50,614
Net Surplus							
Before Unallocated Investment	\$ 33,715	\$ 5,900	\$ 34,996	\$ 5,551	\$ 148	\$ 61,016	141,326
Investment in Joint Venture							76,747
Net Surplus							\$ 218,073

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, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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		12,796		37,947			50,743
Expenses					169,580	23,781	193,361
Total Liabilities	-	12,796	-	37,947	169,580	23,781	244,104
Underwriting Surplus	13,037	48,790	7,816	138,331	-	49,928	257,902
Adjustments:							
Investment Income	603	2,722	362	6,462	15	2,391	12,555
Permanent Transfers							-
NJCEJIF Dividend					10,441		10,441
Total Adjustments	603	2,722	362	6,462	10,456	2,391	22,996
Gross Surplus	13,640	51,512	8,178	144,793	10,456	52,319	280,898
Return of Surplus					10,441		10,441
Net Surplus							
Before Unallocated Investment	\$ 13,640	\$ 51,512	\$ 8,178	\$ 144,793	\$ 15	\$ 52,319	270,457
Investment in Joint Venture							9,153
Net Surplus							\$ 279,610

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

	<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)	\$ 279,013	\$ 1,067	\$ 17,509	\$ 175,232	\$ 472,821
Case Reserves	10,604	43,000	12,343	291,834	357,781
IBNR Reserves	10,604	414,687	3,086	341,746	770,123
Reserve Discount	(611)	(32,859)	(565)	(29,126)	(63,161)
Subtotal	299,610	425,895	32,373	779,686	1,537,564
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 299,610</u>	<u>\$ 425,895</u>	<u>\$ 32,373</u>	<u>\$ 779,686</u>	<u>\$ 1,537,564</u>
Number of Claims	<u>14</u>	<u>38</u>	<u>6</u>	<u>131</u>	<u>189</u>
Average Cost Per Claim	<u>\$ 21,401</u>	<u>\$ 11,208</u>	<u>\$ 5,396</u>	<u>\$ 5,952</u>	<u>\$ 8,135</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<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)	\$ 188,727	\$ 94,124	\$ 16,815	\$ 444,527	\$ 744,193
Case Reserves	3	279,188	9,500	166,970	455,661
IBNR Reserves	4,532	129,688	21,669	284,180	440,069
Reserve Discount	(64)	(23,662)	(691)	(14,284)	(38,701)
Subtotal	193,198	479,338	47,293	881,393	1,601,222
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 193,198</u>	<u>\$ 479,338</u>	<u>\$ 47,293</u>	<u>\$ 881,393</u>	<u>\$ 1,601,222</u>
Number of Claims	<u>11</u>	<u>66</u>	<u>8</u>	<u>117</u>	<u>202</u>
Average Cost Per Claim	<u>\$ 17,563</u>	<u>\$ 7,263</u>	<u>\$ 5,912</u>	<u>\$ 7,533</u>	<u>\$ 7,927</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<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)	\$ 253,211	\$ 165,090	\$ 1,691	\$ 682,961	\$ 1,102,953
Case Reserves		360,886		244,479	605,365
IBNR Reserves		181,599		109,684	291,283
Reserve Discount		(23,727)		(6,069)	(29,796)
Subtotal	253,211	683,848	1,691	1,031,055	1,969,805
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 253,211</u>	<u>\$ 683,848</u>	<u>\$ 1,691</u>	<u>\$ 1,031,055</u>	<u>\$ 1,969,805</u>
Number of Claims	<u>7</u>	<u>70</u>	<u>5</u>	<u>116</u>	<u>198</u>
Average Cost Per Claim	<u>\$ 36,173</u>	<u>\$ 9,769</u>	<u>\$ 338</u>	<u>\$ 8,888</u>	<u>\$ 9,949</u>



CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<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	\$ 301,877	\$ 6,759	\$ 135,343	\$ 532,692
Case Reserves		205,278		42,915	248,193
IBNR Reserves		29,590		192,317	221,907
Reserve Discount		(6,903)		(561)	(7,464)
Subtotal	88,713	529,842	6,759	370,014	995,328
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 88,713</u>	<u>\$ 529,842</u>	<u>\$ 6,759</u>	<u>\$ 370,014</u>	<u>\$ 995,328</u>
Number of Claims	<u>17</u>	<u>59</u>	<u>11</u>	<u>61</u>	<u>148</u>
Average Cost Per Claim	<u>\$ 5,218</u>	<u>\$ 8,980</u>	<u>\$ 614</u>	<u>\$ 6,066</u>	<u>\$ 6,725</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<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	\$ 471,385	\$ 4,239	\$ 1,175,484	\$ 1,776,363
Case Reserves		211,087		193,318	404,405
IBNR Reserves		75,231		26,214	101,445
Reserve Discount		(4,248)			(4,248)
Subtotal	125,255	753,455	4,239	1,395,016	2,277,965
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 125,255</u>	<u>\$ 753,455</u>	<u>\$ 4,239</u>	<u>\$ 1,395,016</u>	<u>\$ 2,277,965</u>
Number of Claims	<u>16</u>	<u>54</u>	<u>11</u>	<u>92</u>	<u>173</u>
Average Cost Per Claim	<u>\$ 7,828</u>	<u>\$ 13,953</u>	<u>\$ 385</u>	<u>\$ 15,163</u>	<u>\$ 13,167</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

	<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	\$ 1,015,122	\$ 1,942,904
Case Reserves				93,621	93,621
IBNR Reserves				17,199	17,199
Reserve Discount					-
Subtotal	81,220	844,409	2,153	1,125,942	2,053,724
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 81,220</u>	<u>\$ 844,409</u>	<u>\$ 2,153</u>	<u>\$ 1,125,942</u>	<u>\$ 2,053,724</u>
Number of Claims	<u>13</u>	<u>55</u>	<u>8</u>	<u>97</u>	<u>173</u>
Average Cost Per Claim	<u>\$ 6,248</u>	<u>\$ 15,353</u>	<u>\$ 269</u>	<u>\$ 11,608</u>	<u>\$ 11,871</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

	<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	\$ 450,460	\$ 1,013,397
Case Reserves				127,042	127,042
IBNR Reserves				15,514	15,514
Reserve Discount				1	1
Subtotal	236,113	322,646	4,178	593,017	1,155,954
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 236,113</u>	<u>\$ 322,646</u>	<u>\$ 4,178</u>	<u>\$ 593,017</u>	<u>\$ 1,155,954</u>
Number of Claims	<u>15</u>	<u>47</u>	<u>8</u>	<u>96</u>	<u>166</u>
Average Cost Per Claim	<u>\$ 15,741</u>	<u>\$ 6,865</u>	<u>\$ 522</u>	<u>\$ 6,177</u>	<u>\$ 6,964</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

	<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	\$ 719,347	\$ 1,855,665
Case Reserves				12,771	12,771
IBNR Reserves				21,797	21,797
Reserve Discount					-
Subtotal	19,974	1,088,103	28,241	753,915	1,890,233
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 19,974</u>	<u>\$ 1,088,103</u>	<u>\$ 28,241</u>	<u>\$ 753,915</u>	<u>\$ 1,890,233</u>
Number of Claims	<u>6</u>	<u>68</u>	<u>9</u>	<u>110</u>	<u>193</u>
Average Cost Per Claim	<u>\$ 3,329</u>	<u>\$ 16,002</u>	<u>\$ 3,138</u>	<u>\$ 6,854</u>	<u>\$ 9,794</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2022

	<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	\$ 382,619	\$ 53,488	\$ 532,641	\$ 1,371,191
Case Reserves					
IBNR Reserves				(1)	(1)
Reserve Discount					-
Subtotal	402,443	382,619	53,488	532,640	1,371,190
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 402,443</u>	<u>\$ 382,619</u>	<u>\$ 53,488</u>	<u>\$ 532,640</u>	<u>\$ 1,371,190</u>
Number of Claims	<u>19</u>	<u>65</u>	<u>15</u>	<u>100</u>	<u>199</u>
Average Cost Per Claim	<u>\$ 21,181</u>	<u>\$ 5,886</u>	<u>\$ 3,566</u>	<u>\$ 5,326</u>	<u>\$ 6,890</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2022

	<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	\$ 878,102	\$ 1,201,467
Case Reserves				10,101	10,101
IBNR Reserves				2,076	2,076
Reserve Discount					-
Subtotal	40,274	270,541	12,550	890,279	1,213,644
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 40,274</u>	<u>\$ 270,541</u>	<u>\$ 12,550</u>	<u>\$ 890,279</u>	<u>\$ 1,213,644</u>
Number of Claims	<u>16</u>	<u>45</u>	<u>5</u>	<u>97</u>	<u>163</u>
Average Cost Per Claim	<u>\$ 2,517</u>	<u>\$ 6,012</u>	<u>\$ 2,510</u>	<u>\$ 9,178</u>	<u>\$ 7,446</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS  
FOR THE PERIOD SEPTEMBER 25, 2012 (DATE OF INCEPTION) TO DECEMBER 31, 2022

	<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		10,000			10,000
IBNR Reserves					-
Reserve Discount					-
Subtotal	-	12,796	-	37,947	50,743
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ -	\$ 12,796	\$ -	\$ 37,947	\$ 50,743
Number of Claims	-	11	-	13	24
Average Cost Per Claim	\$ -	\$ 1,163	\$ -	\$ 2,919	\$ 2,114



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

	<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)	\$ 299,610	\$ 425,895	\$ 32,373	\$ 779,686
Administrative Expenses (1)	47,174	121,305	8,665	197,843
	<u>\$ 346,784</u>	<u>\$ 547,200</u>	<u>\$ 41,038</u>	<u>\$ 977,529</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, 2022

	<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)	\$ 193,198	\$ 479,338	\$ 47,293	\$ 881,393
Administrative Expenses (1)	48,831	119,232	7,585	185,841
	<u>\$ 242,029</u>	<u>\$ 598,570</u>	<u>\$ 54,878</u>	<u>\$ 1,067,234</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, 2022

	<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)	\$ 253,211	\$ 683,848	\$ 1,691	\$ 1,031,055
Administrative Expenses (1)	52,761	117,173	9,146	165,492
	<u>\$ 305,972</u>	<u>\$ 801,021</u>	<u>\$ 10,837</u>	<u>\$ 1,196,547</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, 2022

	<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-4)	\$ 88,713	\$ 529,842	\$ 6,759	\$ 370,014
Administrative Expenses (1)	43,921	89,433	12,151	201,467
	<u>\$ 132,634</u>	<u>\$ 619,275</u>	<u>\$ 18,910</u>	<u>\$ 571,481</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, 2022

	<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-5)	\$ 125,255	\$ 753,455	\$ 4,239	\$ 1,395,016
Administrative Expenses (1)	30,353	74,016	11,441	210,372
	<u>\$ 155,608</u>	<u>\$ 827,471</u>	<u>\$ 15,680</u>	<u>\$ 1,605,388</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, 2022

	<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-6)	\$ 81,220	\$ 844,409	\$ 2,153	\$ 1,125,942
Administrative Expenses (1)	29,375	65,635	14,251	223,483
	<u>\$ 110,595</u>	<u>\$ 910,044</u>	<u>\$ 16,404</u>	<u>\$ 1,349,425</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, 2022

	<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-7)	\$ 236,113	\$ 322,646	\$ 4,178	\$ 593,017
Administrative Expenses (1)	23,145	64,820	11,209	220,753
	<u>\$ 259,258</u>	<u>\$ 387,466</u>	<u>\$ 15,387</u>	<u>\$ 813,770</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, 2022

	<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-8)	\$ 19,974	\$ 1,088,103	\$ 28,241	\$ 753,915
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>\$ 974,958</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, 2022

	<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-9)	\$ 402,443	\$ 382,619	\$ 53,488	\$ 532,640
Administrative Expenses (1)	24,530	68,700	11,880	225,507
	<u>\$ 426,973</u>	<u>\$ 451,319</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, 2022

	<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-10)	\$ 40,274	\$ 270,541	\$ 12,550	\$ 890,279
Administrative Expenses (1)	17,708	67,059	11,213	216,812
	<u>\$ 57,982</u>	<u>\$ 337,600</u>	<u>\$ 23,763</u>	<u>\$ 1,107,091</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, 2022

	<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-11)	\$ -	\$ 12,796	\$ -	\$ 37,947
Administrative Expenses (1)	1,198	5,661	718	16,203
	<u>\$ 1,198</u>	<u>\$ 18,457</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, 2022**

**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 in compliance with audit requirements as 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