

**CUMBERLAND COUNTY INSURANCE COMMISSION**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2021 AND 2020**



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, 2021 and 2020, 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, 2021 and 2020, 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 the 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 6, 2022, 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 6, 2022

**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, 2021, 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 6, 2022.

**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 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,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, professional style.

Bowman & Company LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
October 6, 2022

# 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, 2021, 2020, and 2019. 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, 2021, 2020, and 2019.

Summary Statements of Net Position	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>2020 to 2021 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
<b>Assets</b>					
Cash & Cash Equivalents	\$ 4,629,311	\$ 4,581,588	\$ 4,221,870	\$ 47,723	1.0%
Investments in Joint Ventures	726,035	759,567	753,816	(33,532)	-4.4%
Other Assets & Receivables	19,390	60,336	66,736	(40,946)	-67.9%
<b>Total Assets</b>	<b>5,374,736</b>	<b>5,401,491</b>	<b>5,042,422</b>	<b>(26,755)</b>	<b>-0.5%</b>
<b>Liabilities, Reserves &amp; Net Position</b>					
<b>Liabilities and Reserves</b>					
Loss Reserves	4,547,823	4,950,278	4,089,683	(402,455)	-8.1%
Other Liabilities & Reserves	549,003	334,193	117,853	214,810	64.3%
<b>Total Liabilities and Reserves</b>	<b>5,096,826</b>	<b>5,284,471</b>	<b>4,207,536</b>	<b>(187,645)</b>	<b>-3.6%</b>
<b>Net Position - Unrestricted</b>	<b>\$ 277,910</b>	<b>\$ 117,020</b>	<b>\$ 834,886</b>	<b>\$ 160,890</b>	<b>137.5%</b>

Summary Statements of Revenues, Expenses, and Changes in Net Position	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>2020 to 2021 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
<b>Operating Revenue</b>					
Regular Contributions	\$ 3,439,091	\$ 3,243,183	\$ 3,063,078	\$ 195,908	6.0%
<b>Operating Expenses:</b>					
Provision for Claims and Claims Expense	1,372,789	2,366,547	1,859,483	(993,758)	-42.0%
Insurance Premiums	1,523,471	1,289,774	1,262,636	233,697	18.1%
Administrative and Operating	357,953	345,155	346,993	12,798	3.7%
<b>Total Operating Expenses</b>	<b>3,254,213</b>	<b>4,001,476</b>	<b>3,469,112</b>	<b>(747,263)</b>	<b>-18.7%</b>
<b>Operating Income (Loss)</b>	<b>184,878</b>	<b>(758,293)</b>	<b>(406,034)</b>	<b>943,171</b>	<b>124.4%</b>
<b>Non-Operating Revenue (Expense):</b>					
Investment Income	9,544	34,676	77,960	(25,132)	-72.5%
Change in Investment in Joint Venture New Jersey Counties Excess Joint Insurance Fund Dividend	(33,532)	5,751	56,413	(39,283)	-683.1%
	19,093	36,302	66,737	(17,209)	-47.4%
<b>Total Non-Operating Revenue (Expense)</b>	<b>(4,895)</b>	<b>76,729</b>	<b>201,110</b>	<b>(81,624)</b>	<b>-106.4%</b>
<b>Return of Surplus</b>	<b>19,093</b>	<b>36,302</b>	<b>66,737</b>	<b>(17,209)</b>	<b>-47.4%</b>
<b>Change In Net Position</b>	<b>\$ 160,890</b>	<b>\$ (717,866)</b>	<b>\$ (271,661)</b>	<b>\$ 878,756</b>	<b>122.4%</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 tenth year of operations were \$5,374,736 and total liabilities and reserves were \$5,096,826 resulting in a surplus in unrestricted net position of \$277,910. 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 \$1,523,471. 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 2021, investment income was \$9,544 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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 4,629,311	\$ 4,581,588
Investment in Joint Venture	726,035	759,567
Contributions Receivable	297	-
Surplus Return Receivable	19,093	36,302
Excess Insurance Receivable	-	24,034
	5,374,736	5,401,491
Total Assets	5,374,736	5,401,491
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	14,476	11,156
Authorized Return of Surplus	19,093	36,302
Contributions Payable	-	951
Due to NJCEJIF	515,434	285,784
	549,003	334,193
Total Liabilities	549,003	334,193
Claims Reserves:		
Case Reserves	2,439,209	2,921,173
IBNR Reserves	2,233,263	2,222,261
Less Reserve Discount	(124,649)	(134,829)
Less Excess Recoverable	-	(58,327)
	4,547,823	4,950,278
Total Reserves	4,547,823	4,950,278
Total Liabilities and Reserves	5,096,826	5,284,471
<u>NET POSITION</u>		
Unrestricted	\$ 277,910	\$ 117,020

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating Revenue:		
Regular Contributions	\$ 3,439,091	\$ 3,243,183
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	1,372,789	2,366,547
Premium for Excess Insurance	1,523,471	1,289,774
Administrative Expenses:		
Actuary	5,270	5,170
Attorney	6,746	6,613
Auditor	9,416	6,745
Claims Administrator	53,682	52,118
Fund Administrator	102,542	100,529
Miscellaneous Expenses	1,452	4,097
Risk Management Consultants	173,454	164,607
Secretary Services	2,343	2,297
Treasurer	3,048	2,979
Total Operating Expenses	<u>3,254,213</u>	<u>4,001,476</u>
Operating Income (Loss)	<u>184,878</u>	<u>(758,293)</u>
Non-Operating Revenue (Expense):		
Change in Investment in Joint Venture	(33,532)	5,751
Investment Income	9,544	34,676
New Jersey Counties Excess Joint Insurance Fund Dividend	<u>19,093</u>	<u>36,302</u>
Total Non-Operating Revenue (Expense)	<u>(4,895)</u>	<u>76,729</u>
Change in Net Position	179,983	(681,564)
Net Position - Beginning	<u>117,020</u>	<u>834,886</u>
Return of Surplus	<u>(19,093)</u>	<u>(36,302)</u>
Net Position - Ending	<u>\$ 277,910</u>	<u>\$ 117,020</u>

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Receipts from Regular Contributions	\$ 3,437,843	\$ 3,243,183
Payments for Claim Payments	(1,775,244)	(1,505,952)
Payments for Insurance Premiums	(1,523,471)	(1,289,774)
Payments to Professionals and Suppliers	(100,949)	(122,415)
	<u>38,179</u>	<u>325,042</u>
Net Cash Flows Provided by Operating Activities		
Cash Flows Provided by Investing Activities:		
Investment Income	<u>45,846</u>	<u>101,412</u>
Cash Flows Used in Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(36,302)</u>	<u>(66,736)</u>
Net Increase in Cash and Cash Equivalents	47,723	359,718
Cash and Cash Equivalents - Beginning	<u>4,581,588</u>	<u>4,221,870</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,629,311</u>	<u>\$ 4,581,588</u>
Reconciliation of Operating Loss to		
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 184,878	\$ (758,293)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(297)	-
Contributions Payable	(951)	-
Accrued Administrative Expenses	3,320	(4,160)
Excess Insurance Receivable	24,034	(24,034)
Claims Reserves	(402,455)	860,595
Due to NJCELJIF	229,650	250,934
	<u>38,179</u>	<u>325,042</u>
Net Cash Flows Provided by Operating Activities	<u>\$ 38,179</u>	<u>\$ 325,042</u>
Supplemental Disclosure - Noncash Activity:		
Change in Investment in Joint Venture	<u>\$ (33,532)</u>	<u>\$ 5,751</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 2021, 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 2021 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 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, 2021. 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 \$4,641,122 as of December 31, 2021, \$250,000 was insured while \$4,391,122 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 \$4,591,921 as of December 31, 2020, \$250,000 was insured while \$4,341,921 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, 2021 and 2020 was \$726,035 and \$759,567, 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, 2021 and 2020 and for all open Fund years net of excess insurance recoveries:

	<u>2021</u>	<u>2020</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	\$ 4,950,278	\$ 4,089,683
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	1,464,077	1,610,015
Changes in provision for insured events of prior fund years	<u>(91,288)</u>	<u>756,532</u>
Total incurred claims and claims adjustment expenses all fund years	<u>1,372,789</u>	<u>2,366,547</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	386,057	422,196
Attributable to insured events of prior fund years	<u>1,389,187</u>	<u>1,083,756</u>
Total Payments all fund years	<u>1,775,244</u>	<u>1,505,952</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 4,547,823</u>	<u>\$ 4,950,278</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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total Assets	<u>\$ 33,498,183</u>	<u>\$ 32,619,532</u>
Total Liabilities	<u>\$ 19,092,209</u>	<u>\$ 17,187,382</u>
Net Position	<u>\$ 14,405,974</u>	<u>\$ 15,432,150</u>
Total Revenue	<u>\$ 27,823,315</u>	<u>\$ 25,431,520</u>
Total Expenses	<u>\$ 28,099,491</u>	<u>\$ 24,207,279</u>
Change In Net Position	<u>\$ (1,026,176)</u>	<u>\$ (275,759)</u>
Return of Surplus	<u>\$ 750,000</u>	<u>\$ 1,500,000</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, 2021 and 2020 were \$1,523,471 and \$1,289,774, respectively.

**Note 8: RETURN OF SURPLUS**

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.

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.

**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**

Although there are signs of insurance marketplace stabilization, management expects another increase in excess and reinsurance premiums including cyber liability for 2023.

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

CUMBERLAND COUNTY INSURANCE COMMISSION  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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	\$ 87,298	\$ 2,599,910	\$ 79,460	\$ 2,183,610	\$ 4,950,278
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	210,056	471,707	25,116	757,198	1,464,077
Changes in provision for insured events of prior fund years	8,989	(66,810)	(54,148)	20,681	(91,288)
Total incurred claims and claims adjustment expenses all fund years	219,045	404,897	(29,032)	777,879	1,372,789
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	183,314	7,234	12,077	183,432	386,057
Attributable to insured events of prior fund years	71,927	761,725		555,535	1,389,187
Total payments all fund years	255,241	768,959	12,077	738,967	1,775,244
Total unpaid claims and claim adjustment expenses - Ending	\$ 51,102	\$ 2,235,848	\$ 38,351	\$ 2,222,522	\$ 4,547,823



CUMBERLAND COUNTY INSURANCE COMMISSION  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF DECEMBER 31, 2021

	FUND YEAR ENDED DECEMBER 31									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 524,091	\$ 2,632,153	\$ 2,853,359	\$ 2,869,589	\$ 2,865,621	\$ 2,972,771	\$ 2,991,436	\$ 3,086,629	\$ 3,247,796	\$ 3,440,335
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	1,523,471
	354,241	1,712,043	1,796,447	1,784,878	1,760,346	1,860,273	1,823,975	1,823,993	1,958,022	1,916,864
Unallocated Expenses	23,781	312,792	330,617	324,072	319,927	332,744	326,182	346,972	344,573	361,466
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	1,464,077
Ceded									58,327	
Net Incurred	65,696	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
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	386,057
One Year Later	31,540	407,115	782,315	514,933	537,900	638,304	687,630	224,189	684,518	
Two Years Later	33,942	530,130	893,729	861,434	651,641	942,512	1,013,286	497,805		
Three Years Later	37,078	960,291	998,902	1,196,137	782,684	1,209,920	1,272,360			
Four Years Later	40,743	1,009,993	1,113,658	1,435,030	841,145	1,490,896				
Five Years Later	40,743	1,091,976	1,195,902	1,623,436	996,543					
Six Years Later	40,743	1,122,971	1,237,102	1,666,411						
Seven Years Later	40,743	1,197,568	1,349,348							
Eight Years Later	40,743	1,200,151								
Nine 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	1,464,077
One Year Later	59,974	741,577	1,076,030	1,455,396	869,955	1,635,753	1,417,585	1,355,219	1,775,946	
Two Years Later	54,223	859,751	1,246,517	1,373,356	1,007,578	1,831,590	1,635,388	1,114,888		
Three Years Later	50,614	1,065,348	1,260,795	1,833,714	1,110,139	2,178,247	1,771,463			
Four Years Later	40,743	1,219,053	1,336,113	1,946,933	1,239,668	2,187,437				
Five Years Later	40,473	1,322,524	1,371,311	2,111,904	1,226,592					
Six Years Later	40,473	1,303,347	1,380,312	1,967,598						
Seven Years Later	40,743	1,208,317	1,376,520							
Eight Years Later	40,743	1,207,340								
Nine Years Later	40,743									
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (24,953)	\$ 434,473	\$ 179,039	\$ 1,024,830	\$ 109,196	\$ 1,138,087	\$ 414,107	\$ (256,730)	\$ 165,931	\$ -

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

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

	<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	\$ 206,000	\$ 503,000	\$ 32,000	\$ 784,000	\$ 1,523,471	\$ 390,618	\$ 3,439,089
Incurring Liabilities:							
Claims	210,056	471,707	25,116	757,198			1,464,077
Expenses					1,523,471	361,466	1,884,937
Total Liabilities	210,056	471,707	25,116	757,198	1,523,471	361,466	3,349,014
Underwriting Surplus (Deficit)	(4,056)	31,293	6,884	26,802	-	29,152	90,075
Adjustments:							
Investment Income	130	360	15	468	261	12	1,246
Permanent Transfers							-
Total Adjustments	130	360	15	468	261	12	1,246
Gross Surplus (Deficit)	(3,926)	31,653	6,899	27,270	261	29,164	91,321
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (3,926)	\$ 31,653	\$ 6,899	\$ 27,270	\$ 261	\$ 29,164	91,321
Investment in Joint Venture							5,814
Net Surplus							\$ 97,135

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

	<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	\$ 242,297	\$ 538,100	\$ 42,000	\$ 760,000	\$ 1,289,774	\$ 371,015	\$ 3,243,186
Incurring Liabilities:							
Claims	277,571	604,371	19,460	874,544			1,775,946
Expenses					1,289,774	344,573	1,634,347
Total Liabilities	277,571	604,371	19,460	874,544	1,289,774	344,573	3,410,293
Underwriting Surplus (Deficit)	(35,274)	(66,271)	22,540	(114,544)	-	26,442	(167,107)
Adjustments:							
Investment Income	792	1,665	129	1,698	159	167	4,610
Permanent Transfers							-
Total Adjustments	792	1,665	129	1,698	159	167	4,610
Gross Surplus (Deficit)	(34,482)	(64,606)	22,669	(112,846)	159	26,609	(162,497)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (34,482)	\$ (64,606)	\$ 22,669	\$ (112,846)	\$ 159	\$ 26,609	(162,497)
Investment in Joint Venture							(62,751)
Net Deficit							<u>\$ (225,248)</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2021

	<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
Incurred Liabilities:							
Claims	88,713	310,669	14,302	701,204			1,114,888
Expenses					1,262,636	346,972	1,609,608
Total Liabilities	88,713	310,669	14,302	701,204	1,262,636	346,972	2,724,496
Underwriting Surplus	92,013	57,331	35,698	127,796	-	25,742	338,580
Adjustments:							
Investment Income	2,617	6,034	757	12,925	151	1,069	23,553
Permanent Transfers							-
Total Adjustments	2,617	6,034	757	12,925	151	1,069	23,553
Gross Surplus	94,630	63,365	36,455	140,721	151	26,811	362,133
Return of Surplus							-
Net Surplus							
Before Unallocated Investment	\$ 94,630	\$ 63,365	\$ 36,455	\$ 140,721	\$ 151	\$ 26,811	362,133
Investment in Joint Venture							123,619
Net Surplus							<u>\$ 485,752</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

	<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 &amp; Contingency</u>	
Underwriting Income:							
Regular Contributions	\$ 130,000	\$ 317,000	\$ 49,000	\$ 901,000	\$ 1,167,459	\$ 403,494	\$ 2,967,953
Incurring Liabilities:							
Claims	125,305	343,000	4,239	1,298,920			1,771,464
Expenses					1,167,461	326,182	1,493,643
Total Liabilities	125,305	343,000	4,239	1,298,920	1,167,461	326,182	3,265,107
Underwriting Surplus (Deficit)	4,695	(26,000)	44,761	(397,920)	(2)	77,312	(297,154)
Adjustments:							
Investment Income	697	8,750	1,288	10,292	122	2,334	23,483
Permanent Transfers							-
Total Adjustments	697	8,750	1,288	10,292	122	2,334	23,483
Gross Surplus (Deficit)	5,392	(17,250)	46,049	(387,628)	120	79,646	(273,671)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 5,392	\$ (17,250)	\$ 46,049	\$ (387,628)	\$ 120	\$ 79,646	(273,671)
Investment in Joint Venture							148,069
Net Deficit							<u>\$ (125,602)</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2021

	<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	\$ 127,103	\$ 284,000	\$ 61,664	\$ 967,000	\$ 1,112,498	\$ 397,671	\$ 2,949,936
Incurring Liabilities:							
Claims	81,220	996,987	2,153	1,107,077			2,187,437
Expenses					1,112,498	332,744	1,445,242
Total Liabilities	81,220	996,987	2,153	1,107,077	1,112,498	332,744	3,632,679
Underwriting Surplus (Deficit)	45,883	(712,987)	59,511	(140,077)	-	64,927	(682,743)
Adjustments:							
Investment Income	1,556	4,909	1,882	12,095	185	2,208	22,835
Permanent Transfers							-
Total Adjustments	1,556	4,909	1,882	12,095	185	2,208	22,835
Gross Surplus (Deficit)	47,439	(708,078)	61,393	(127,982)	185	67,135	(659,908)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 47,439	\$ (708,078)	\$ 61,393	\$ (127,982)	\$ 185	\$ 67,135	(659,908)
Investment in Joint Venture							97,556
Net Deficit							\$ (562,352)

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2021

	<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 &amp; Contingency</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	379,922	4,178	606,378			1,226,591
Expenses					1,105,275	319,927	1,425,202
Total Liabilities	236,113	379,922	4,178	606,378	1,105,275	319,927	2,651,793
Underwriting Surplus (Deficit)	(136,743)	(101,620)	43,947	341,409	-	66,835	213,828
Adjustments:							
Investment Income		5,936	1,550	21,625	11	3,507	32,629
Permanent Transfers							-
NJCEJIF Dividend					25,826		25,826
Total Adjustments	-	5,936	1,550	21,625	25,837	3,507	58,455
Gross Surplus (Deficit)	(136,743)	(95,684)	45,497	363,034	25,837	70,342	272,283
Return of Surplus					25,826		25,826
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (136,743)	\$ (95,684)	\$ 45,497	\$ 363,034	\$ 11	\$ 70,342	246,457
Investment in Joint Venture							94,547
Net Surplus							\$ 341,004



CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2021

	<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	\$ 100,883	\$ 282,540	\$ 48,858	\$ 927,435	\$ 1,084,710	\$ 391,469	\$ 2,835,895
Incurring Liabilities:							
Claims	19,974	1,141,106	28,241	778,277			1,967,598
Expenses					1,084,711	324,072	1,408,783
Total Liabilities	19,974	1,141,106	28,241	778,277	1,084,711	324,072	3,376,381
Underwriting Surplus (Deficit)	80,909	(858,566)	20,617	149,158	(1)	67,397	(540,486)
Adjustments:							
Investment Income	3,120	1,525	725	14,235	163	3,321	23,089
Permanent Transfers							-
NJCEJIF Dividend					10,605		10,605
Total Adjustments	3,120	1,525	725	14,235	10,768	3,321	33,694
Gross Surplus (Deficit)	84,029	(857,041)	21,342	163,393	10,767	70,718	(506,792)
Return of Surplus					10,605		10,605
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 84,029	\$ (857,041)	\$ 21,342	\$ 163,393	\$ 162	\$ 70,718	(517,397)
Investment in Joint Venture							83,803
Net Deficit							\$ (433,594)

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2021

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
Incurred Liabilities:							
Claims	402,443	404,189	53,488	516,402			1,376,522
Expenses					1,056,912	330,616	1,387,528
Total Liabilities	402,443	404,189	53,488	516,402	1,056,912	330,616	2,764,050
Underwriting Surplus (Deficit)	(303,538)	(127,189)	(5,588)	392,848	-	56,648	13,181
Adjustments:							
Investment Income		4,404	170	18,107	55	2,844	25,580
Permanent Transfers							-
NJCEJIF Dividend					50,548		50,548
Total Adjustments	-	4,404	170	18,107	50,603	2,844	76,128
Gross Surplus (Deficit)	(303,538)	(122,785)	(5,418)	410,955	50,603	59,492	89,309
Return of Surplus		-	-	-	50,548	-	50,548
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (303,538)	\$ (122,785)	\$ (5,418)	\$ 410,955	\$ 55	\$ 59,492	38,761
Investment in Joint Venture							131,549
Net Surplus							\$ 170,310

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 ACCOUNT OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2021

	<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 &amp; Contingency</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	883,975			1,207,340
Expenses					920,110	312,792	1,232,902
Total Liabilities	40,274	270,541	12,550	883,975	920,110	312,792	2,440,242
Underwriting Surplus	32,212	3,959	33,350	3,525	-	58,045	131,091
Adjustments:							
Investment Income	1,394	1,922	1,532	8,271	147	2,772	16,038
Permanent Transfers							-
NJCEJIF Dividend					44,782		44,782
Total Adjustments	1,394	1,922	1,532	8,271	44,929	2,772	60,820
Gross Surplus	33,606	5,881	34,882	11,796	44,929	60,817	191,911
Return of Surplus					44,782		44,782
Net Surplus							
Before Unallocated Investment	\$ 33,606	\$ 5,881	\$ 34,882	\$ 11,796	\$ 147	\$ 60,817	147,129
Investment in Joint Venture							93,083
Net Surplus							\$ 240,212

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, 2021

	<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 &amp; Contingency</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	559	2,522	336	5,991	15	2,221	11,644
Permanent Transfers							-
NJCEJIF Dividend					10,441		10,441
Total Adjustments	559	2,522	336	5,991	10,456	2,221	22,085
Gross Surplus	13,596	61,312	8,152	144,322	10,456	52,149	289,987
Return of Surplus					10,441		10,441
Net Surplus							
Before Unallocated Investment	\$ 13,596	\$ 61,312	\$ 8,152	\$ 144,322	\$ 15	\$ 52,149	279,546
Investment in Joint Venture							10,744
Net Surplus							\$ 290,290

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

	<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)	\$ 183,314	\$ 7,234	\$ 12,077	\$ 183,432	\$ 386,057
Case Reserves	1,240	115,516	8,985	308,293	434,034
IBNR Reserves	26,437	380,250	4,665	292,278	703,630
Reserve Discount	(935)	(31,293)	(611)	(26,805)	(59,644)
Subtotal	210,056	471,707	25,116	757,198	1,464,077
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 210,056</u>	<u>\$ 471,707</u>	<u>\$ 25,116</u>	<u>\$ 757,198</u>	<u>\$ 1,464,077</u>
Number of Claims	<u>4</u>	<u>46</u>	<u>7</u>	<u>90</u>	<u>147</u>
Average Cost Per Claim	<u>\$ 52,514</u>	<u>\$ 10,255</u>	<u>\$ 3,588</u>	<u>\$ 8,413</u>	<u>\$ 9,960</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

	<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	\$ 41,225	\$ 1,691	\$ 388,391	\$ 684,518
Case Reserves		126,305		386,393	512,698
IBNR Reserves	24,839	465,899	18,328	114,952	624,018
Reserve Discount	(479)	(29,058)	(559)	(15,192)	(45,288)
Subtotal	<u>277,571</u>	<u>604,371</u>	<u>19,460</u>	<u>874,544</u>	<u>1,775,946</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 277,571</u>	<u>\$ 604,371</u>	<u>\$ 19,460</u>	<u>\$ 874,544</u>	<u>\$ 1,775,946</u>
Number of Claims	<u>1</u>	<u>64</u>	<u>6</u>	<u>116</u>	<u>187</u>
Average Cost Per Claim	<u>\$ 277,571</u>	<u>\$ 9,443</u>	<u>\$ 3,243</u>	<u>\$ 7,539</u>	<u>\$ 9,497</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2021

	<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	\$ 259,277	\$ 6,759	\$ 143,056	\$ 497,805
Case Reserves		11,923		44,725	56,648
IBNR Reserves		41,322	7,665	522,359	571,346
Reserve Discount		(1,853)	(122)	(8,936)	(10,911)
Subtotal	88,713	310,669	14,302	701,204	1,114,888
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 88,713</u>	<u>\$ 310,669</u>	<u>\$ 14,302</u>	<u>\$ 701,204</u>	<u>\$ 1,114,888</u>
Number of Claims	<u>10</u>	<u>58</u>	<u>11</u>	<u>61</u>	<u>140</u>
Average Cost Per Claim	<u>\$ 8,871</u>	<u>\$ 5,356</u>	<u>\$ 1,300</u>	<u>\$ 11,495</u>	<u>\$ 7,963</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

	<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	\$ 84,940	\$ 4,239	\$ 1,057,876	\$ 1,272,360
Case Reserves		231,910		126,892	358,802
IBNR Reserves		31,505		114,390	145,895
Reserve Discount		(5,355)		(238)	(5,593)
Subtotal	125,305	343,000	4,239	1,298,920	1,771,464
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 125,305</u>	<u>\$ 343,000</u>	<u>\$ 4,239</u>	<u>\$ 1,298,920</u>	<u>\$ 1,771,464</u>
Number of Claims	<u>16</u>	<u>53</u>	<u>14</u>	<u>92</u>	<u>175</u>
Average Cost Per Claim	<u>\$ 7,832</u>	<u>\$ 6,472</u>	<u>\$ 303</u>	<u>\$ 14,119</u>	<u>\$ 10,123</u>



CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2021

	<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	\$ 421,070	\$ 2,153	\$ 986,453	\$ 1,490,896
Case Reserves		521,307		93,494	614,801
IBNR Reserves		57,872		27,130	85,002
Reserve Discount		(3,262)			(3,262)
Subtotal	81,220	996,987	2,153	1,107,077	2,187,437
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 81,220</u>	<u>\$ 996,987</u>	<u>\$ 2,153</u>	<u>\$ 1,107,077</u>	<u>\$ 2,187,437</u>
Number of Claims	<u>13</u>	<u>56</u>	<u>8</u>	<u>97</u>	<u>174</u>
Average Cost Per Claim	<u>\$ 6,248</u>	<u>\$ 17,803</u>	<u>\$ 269</u>	<u>\$ 11,413</u>	<u>\$ 12,571</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2021

	<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	\$ 316,003	\$ 4,178	\$ 440,249	\$ 996,543
Case Reserves		63,919		137,254	201,173
IBNR Reserves				28,875	28,875
Reserve Discount					-
Subtotal	236,113	379,922	4,178	606,378	1,226,591
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 236,113</u>	<u>\$ 379,922</u>	<u>\$ 4,178</u>	<u>\$ 606,378</u>	<u>\$ 1,226,591</u>
Number of Claims	<u>15</u>	<u>43</u>	<u>8</u>	<u>96</u>	<u>162</u>
Average Cost Per Claim	<u>\$ 15,741</u>	<u>\$ 8,835</u>	<u>\$ 522</u>	<u>\$ 6,316</u>	<u>\$ 7,572</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2021

	<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	\$ 904,372	\$ 28,241	\$ 713,824	\$ 1,666,411
Case Reserves		215,213		11,477	226,690
IBNR Reserves		21,521		52,976	74,497
Reserve Discount					-
Subtotal	19,974	1,141,106	28,241	778,277	1,967,598
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 19,974</u>	<u>\$ 1,141,106</u>	<u>\$ 28,241</u>	<u>\$ 778,277</u>	<u>\$ 1,967,598</u>
Number of Claims	<u>6</u>	<u>68</u>	<u>10</u>	<u>110</u>	<u>194</u>
Average Cost Per Claim	<u>\$ 3,329</u>	<u>\$ 16,781</u>	<u>\$ 2,824</u>	<u>\$ 7,075</u>	<u>\$ 10,142</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2021

	<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	\$ 381,982	\$ 53,488	\$ 511,435	\$ 1,349,348
Case Reserves		22,207		4,967	27,174
IBNR Reserves					-
Reserve Discount					-
Subtotal	402,443	404,189	53,488	516,402	1,376,522
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 402,443</u>	<u>\$ 404,189</u>	<u>\$ 53,488</u>	<u>\$ 516,402</u>	<u>\$ 1,376,522</u>
Number of Claims	<u>20</u>	<u>65</u>	<u>15</u>	<u>100</u>	<u>200</u>
Average Cost Per Claim	<u>\$ 20,122</u>	<u>\$ 6,218</u>	<u>\$ 3,566</u>	<u>\$ 5,164</u>	<u>\$ 6,883</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2021

	<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	\$ 876,786	\$ 1,200,151
Case Reserves				7,189	7,189
IBNR Reserves					-
Reserve Discount					-
Subtotal	40,274	270,541	12,550	883,975	1,207,340
Excess Insurance Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	<u>\$ 40,274</u>	<u>\$ 270,541</u>	<u>\$ 12,550</u>	<u>\$ 883,975</u>	<u>\$ 1,207,340</u>
Number of Claims	<u>16</u>	<u>40</u>	<u>5</u>	<u>97</u>	<u>158</u>
Average Cost Per Claim	<u>\$ 2,517</u>	<u>\$ 6,764</u>	<u>\$ 2,510</u>	<u>\$ 9,113</u>	<u>\$ 7,641</u>

CUMBERLAND COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS  
FOR THE PERIOD SEPTEMBER 25, 2012 (DATE OF INCEPTION) TO DECEMBER 31, 2021

	<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	<u>\$ -</u>	<u>\$ 2,796</u>	<u>\$ -</u>	<u>\$ 37,947</u>	<u>\$ 40,743</u>
Number of Claims	-	11	-	13	24
Average Cost Per Claim	<u>\$ -</u>	<u>\$ 254</u>	<u>\$ -</u>	<u>\$ 2,919</u>	<u>\$ 1,698</u>

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

	<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)	\$ 210,056	\$ 471,707	\$ 25,116	\$ 757,198
Administrative Expenses (1)	48,828	119,225	7,585	185,829
	<u>\$ 258,884</u>	<u>\$ 590,932</u>	<u>\$ 32,701</u>	<u>\$ 943,027</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, 2021

	<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)	\$ 277,571	\$ 604,371	\$ 19,460	\$ 874,544
Administrative Expenses (1)	52,761	117,173	9,146	165,493
	<u>\$ 330,332</u>	<u>\$ 721,544</u>	<u>\$ 28,606</u>	<u>\$ 1,040,037</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, 2021

	<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-3)	\$ 88,713	\$ 310,669	\$ 14,302	\$ 701,204
Administrative Expenses (1)	43,921	89,433	12,151	201,467
	<u>\$ 132,634</u>	<u>\$ 400,102</u>	<u>\$ 26,453</u>	<u>\$ 902,671</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, 2021

	<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-4)	\$ 125,305	\$ 343,000	\$ 4,239	\$ 1,298,920
Administrative Expenses (1)	30,353	74,016	11,441	210,372
	<u>\$ 155,658</u>	<u>\$ 417,016</u>	<u>\$ 15,680</u>	<u>\$ 1,509,292</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, 2021

	<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-5)	\$ 81,220	\$ 996,987	\$ 2,153	\$ 1,107,077
Administrative Expenses (1)	29,375	65,635	14,251	223,483
	<u>\$ 110,595</u>	<u>\$ 1,062,622</u>	<u>\$ 16,404</u>	<u>\$ 1,330,560</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, 2021

	<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-6)	\$ 236,113	\$ 379,922	\$ 4,178	\$ 606,379
Administrative Expenses (1)	23,145	64,820	11,209	220,753
	<u>\$ 259,258</u>	<u>\$ 444,742</u>	<u>\$ 15,387</u>	<u>\$ 827,132</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, 2021

	<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-7)	\$ 19,974	\$ 1,141,106	\$ 28,241	\$ 778,277
Administrative Expenses (1)	24,044	67,340	11,645	221,043
	<u>\$ 44,018</u>	<u>\$ 1,208,446</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, 2021

	<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-8)	\$ 402,443	\$ 404,189	\$ 53,488	\$ 516,400
Administrative Expenses (1)	24,530	68,700	11,880	225,507
	<u>\$ 426,973</u>	<u>\$ 472,889</u>	<u>\$ 65,368</u>	<u>\$ 741,907</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, 2021

	<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-9)	\$ 40,274	\$ 270,541	\$ 12,550	\$ 883,975
Administrative Expenses (1)	17,708	67,059	11,213	216,812
	<u>\$ 57,982</u>	<u>\$ 337,600</u>	<u>\$ 23,763</u>	<u>\$ 1,100,787</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, 2021

	<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-10)	\$ -	\$ 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, 2021**

**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