



## SOME FACTS ABOUT THE TRICO JIF

March 2012

The TRICO JIF was formed on January 1, 1991 and is one of the earliest examples of shared services in Gloucester County. Charter members saved 18% of their insurance premiums that year and the savings have continued to this date. In addition to the many millions of dollars saved upon entry into the JIF, TRICO JIF members have received over \$9,000,000 in dividends including a recent payment of \$750,000. The TRICO JIF has recovered over \$3,000,000 in recoveries against parties that have injured municipal employees or destroyed municipal property.

### **Member Savings Example:**

As an example of the savings generated by the JIF, a Member Municipality paid their insurance company \$477,718 in 1990 just prior to entering the JIF. In 1991, they paid the JIF \$391,410 a savings of \$86,308. If you multiply that savings by the 20 years they have remained in the JIF, their savings amount to \$1,726,160. In addition, they have received \$1,285,077 in dividends. Added together, one could say that this member has benefited to the tune of \$3,011,237 because of the JIF. On a statewide basis, the JIFs have saved New Jersey taxpayers over \$800,000,000.

### **Member Savings Example:**

Another member, who joined more recently, was paying \$345,587 for insurance prior to joining the JIF in 2010. They paid the JIF \$208,951 saving some \$136,636.

### **Member Savings Example:**

A Township in Gloucester County looked into joining the JIF back in 1990 at the time we were forming the program. Their insurance premiums at that time were \$388,244. The JIF offered to save them \$64,590 at an annual premium of \$323,654. Last year, according to the Township's Annual Financial Audit, they paid almost \$1,300,000 in premiums. And for all those years, they never received the benefit of JIF dividends.

The JIF works because the member municipalities are involved in the governance of the JIF and in the programs that it offers. Member participation on working committees such as finance, claims, and safety make the JIF a member driven program dedicated to meeting the needs of local municipalities. Unlike the insurance companies that preceded it, the JIF focus on municipal issues of loss prevention, risk management and claims management. Every member of the JIF appoints a Safety Coordinator, a Claims Coordinator, and a



Fund Commissioner from within its organization and these people are specially trained to interact with the JIF Professionals as they manage safety, claims and organizational issues.

Probably the most important aspect of the JIF is its safety programs. The JIF has an Executive Safety Committee comprised of representatives from member towns. They meet on a quarterly basis to review claims statistics, hear reports from fund professionals, and develop or refine programs designed to prevent injuries to employees and members of the public. The highlight of the JIF safety calendar is the annual safety awards breakfast where highlights from the past year are reviewed and municipalities are rewarded for their safety participation. This year, almost \$100,000 was awarded to members for their exemplary safety efforts.

There has been some concern of late regarding the process followed by the TRICO JIF for the appointment of professionals. The JIF has followed the letter of the law in all of its professional appointments and has received the approval of the Department of Banking and Insurance and the Department of Community Affairs which closely monitor all JIF operations. Nevertheless, the TRICO JIF has created a committee to explore the process for the appointment of professional service providers.

Because of the complexities involved in managing the JIF, the professionals appointed by the JIF require special knowledge and expertise. For example, the JIF **Actuary** must be familiar with the property and casualty actuarial sciences and capable of extrapolating many years of claims, exposure, and socio-economic data in projecting JIF loss funds and ultimate claims payouts. Their experience must include data from the entire state of New Jersey in order to apply the "Law of Large Numbers" to increase the predictability of their loss picks. The **Claims Adjusting Company (TPA)** must have specific knowledge of New Jersey Workers Compensation laws and the laws governing liability claims against public entities. Similar experience is required for each professional serving the JIF including the Administrator, Underwriter, Auditor, Attorney, Treasurer, etc. Our panel of defense attorneys must have extensive trial experience and broad knowledge of the New Jersey Tort Claims Act as well as Federal laws that are often used to bring litigation against our member municipalities including police, fire, EMS, and public works operations. A proven track record in Federal as well as Superior Court is a pre-requisite.

The success of the TRICO JIF over the past 20 years is self-evident. Every member of the JIF appoints a representative (Fund Commissioner). The Fund Commissioners serve on a variety of sub-committees whose responsibilities include the preparation of the annual budget, the recommendation of professional appointments, and JIF governance in accordance with the JIF Bylaws, the Administrative Code, and the laws and regulations of the State of New Jersey that govern our operations.

Our performance has been beyond reproach. In fact, the TRICO JIF was among seven New Jersey agencies -- out of 587 -- to be able to answer affirmatively to six basic questions related to how much information about their operations was immediately available to the public.



The JIF was very supportive of a package of bills that had the potential to save New Jersey taxpayers millions of dollars but did not come to fruition.

The referenced bills are:

1. ***Resolution Supporting S-2404 Capping Attorney Fees in Litigation Against Public Entities***
2. ***Resolution Supporting S-2333 and A-3432 to Amend Title 59 to Provide Immunities for Beaches, Boardwalks and Similar Property***
3. ***Resolution Supporting A-3431 to Amend Title 59 by Granting Immunity to Public Entities for Sidewalk Injuries Where the Homeowner is Responsible for Sidewalk Maintenance by Ordinance***
4. ***Resolution Supporting a Repeal of Sick Leave Injury***
5. ***Resolution Supporting A-3430 to Amend Title 59 by Strengthening Weather Immunity***

As new challenges are encountered, the existing JIF programs are being modified and perfected to make our communities safer. Municipalities are being proactive, more involved and in better control of the cost of risk. The JIF has established itself as the premier risk transfer vehicle for municipal government and the evidence is illustrated through the dollars saved and the dividends returned to members both in dollars and in a safe community.

If you would like to learn more, please contact:

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