



## 2025 TRICO JIF Budget Message

### ***FUND YEAR 2025 DRAFT BUDGET OVERVIEW***

The Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (TRICO JIF) Proposed Budget for Fund Year 2025 is \$19,192,787 which includes assessments for excess coverages provided by the MEL, Cyber JIF, EPL/POL/Land Use, and E-JIF. The Proposed Budget for 2025 reflects a 5.51% (\$1,001,758) increase over last year's combined annualized Budget of \$18,191,029 and is based upon the known renewal data at the time the draft Budget was prepared. Of particular note are adjustments to the Budget resulting from one member (Oldmans Township) not renewing their membership in the TRICO JIF effective January 01, 2025, and a specific Loss Funding adjustment for Logan Township. Logan Township has had significant exposure growth over the last few years due to entering contracts with surrounding municipalities to provide refuse collection services. As a result, the 2025 Actuarial Valuation for Logan Township is being utilized to determine the adjustment to the Township's Loss Funding assessment resulting from these expanded operations. The overall \$59,469 Loss Funding differential over 2024 will be phased-in over three (3) years with a Loss Funding increase of \$19,820 annually, which for 2025 is an increase of \$9,415 over the approved Assessment Strategy Allocation increase of \$10,405. These two factors resulted in a 5.13% increase in the TRICO JIF Budget over expiring. As in years past, individual member assessments will fluctuate above or below the renewal Budget increase based on member claims experience as outlined in the accompanying *JIF Assessment Allocation Policy*. The Loss Funding, Operating Expense and Member Benefits portions of the Proposed Budget for 2025 is \$11,351,428 represents an increase of 3.15% (\$346,565) over last year's \$11,004,863 annualized Budget. The 2025 Draft JIF Budget of \$19,124,062 represents an increase of 5.13% (\$933,033).

Highlights of the 2025 Renewal Budget (prior to above noted adjustments) are as follows:

- Budgeted Loss Funds increased by \$311,987 (3.81%)
- Operating Expenses (Fund Professional fees, Meeting Expenses, Postage/Copies, etc.) increased \$30,417 (1.56%)
- Member Benefits (Safety Programs, EPL/Cyber Programs, Wellness, etc.) increased \$4,161 (0.49%)
- Excess and Standalone premiums, inclusive of the MEL, Cyber JIF, EPL/POL/Land Use, and E-JIF policies increased \$655,193 (9.12%)
- The JIF's *Revaluation Program* was applied to the twelve (12) members renewing their membership effective January 1, 2025. As a result, five (5) members qualified. This program is thoroughly explained in the accompanying *Assessment Allocation Policy*.
- All members' performance is reviewed for inclusion in the JIF's *Retrospective Program*. One member (Deptford Township) met the Policy's criteria for inclusion in the Program. This program is thoroughly explained in the accompanying *Assessment Allocation Policy*.

### ***JIF BUDGET FACTORS***

Loss Funds represent money used for the payment of member claims within the Fund's self-insured retention. Assuming no change in the SIR for Fund Year 2025, the Actuary recommended a 4.2% increase in the overall Loss Funding Budget utilizing anticipated exposure growth of 0% for Auto & General Liability and Workers' Compensation and 4% for Property. As customary, the Actuary provided three confidence levels of Loss Funding: low (40% confidence level), central (55% confidence level), and high (70% confidence level). The Finance Committee opted to fund the central Loss Funding recommendation as they have done historically. They recognized that failure to fund at the central confidence level will have a negative impact on the Fund's surplus position and could potentially result in multiple years of large Loss Funding increases or additional assessments in future years. Due to the impact of the Retrospective Program, overall, Loss Funding was reduced by \$31,216 as this funding is now the contractual obligation of the member on the Retrospective Program resulting in an overall Loss Funding increase of 3.81%.

The specific JIF coverage lines (prior to above noted adjustments) were impacted as follows:

- **Workers' Compensation** Loss Funding is increasing by 4.81% (\$217,027). There are many factors that are driving this increase including growing pressure on health care costs (medical inflation), the lingering impact of the pandemic, rising indemnity costs, and an increase in the overall number of "re-opener" claims. Additional cost drivers identified by the Fund Actuary, includes \$293,000 in Loss Funding directly attributable to the "pension offset" regulatory change. Some initiatives the JIF is utilizing to control Workers' Compensation costs include:
  - The utilization of PPO & EPO networks has led to the repricing of over 95% of all medical expenses, resulting in savings of \$1,518,377 or 59% as of September 30, 2024
  - The use of 61% of available transitional duty days by the members resulted in the savings of \$281,337 as of September 30, 2024.
  - The continued strong participation in Safety Training by all members.
  - The Fund is actively monitoring the effects of broadened compensability definitions, both from legislative changes and court rulings, on accidental disability claims and "reopeners" within this coverage line.
  
- **General Liability** Loss Funding is decreasing by 3.16% (\$37,205). This decrease is reflective of outstanding work done by the JIF's Defense Panel in defending member liability claims and the relative low number of new claims. As of September 30, 2024, there were 40 active General & Auto Liability claims for 36 members being brought against the JIF in recent years. Some additional initiatives the JIF is utilizing to control General Liability claims costs include:
  - Members use of the various liability risk control programs offered by the Fund including the recently updated model indemnification, defense, and hold harmless language in all municipal contracts including inter-local service agreements.
  - The TULIP (Tenant User Liability Insurance Program) is offered to the Members as a resource which allows residents and other entities to secure short-term, low cost, liability insurance policies via the internet when utilizing municipally owned facilities for private use. These policies automatically name the municipality as an *Additional Insured* and provide an added layer of protection to the members.
  - The funding of a Police Risk Management Consultant to assist member Police Departments in the adoption, training, and implementation of the most critical policies as identified by the JIF Defense Panel members who defend Police related claims.
  - The recent hiring of retired Police personnel by the JIF Safety Director to develop tailored programs to address police safety related matters.
  
- **Auto Liability** Loss Funding is decreasing by 3.28% (\$11,512). While a relatively small portion of the overall JIF Budget, the JIF has placed added emphasis over the past several years to try and control auto liability claims. Some initiatives the JIF is utilizing to control Auto Liability Claims costs include:
  - The Fund's *Safety Incentive Program* includes a requirement that ALL emergency responders complete the S:ERVE Training program.
  - The Fund continues to promote the *Coaching of Emergency Vehicle Operators* training.
  - The Fund continues to promote annual Motor Vehicle Records check of all drivers of municipally owned vehicles.
  - The Fund Administrator is receiving a quarterly report that tracks at fault accidents involving police vehicles to track the costs of these accidents from both a property and workers' compensation perspective.
  
- **Property** Loss Funding is increasing by 10.45% (\$96,879). This increase is driven by the escalating costs of labor and materials involved in recovering from a property loss. Some initiatives the JIF is utilizing to control Property Claims costs include:

- Ongoing property appraisals of each member's buildings at least once every four (4) years.
- An ongoing review of member's property and equipment schedules to ensure that coverage for all municipally owned property is properly designated within Origami while ensuring previously owned equipment is removed from their schedule.
- The implementation of the *JIF Preferred Auto Shop Program* to make sure that all auto repair shops working on municipally owned vehicles are following stringent guidelines regarding documentation of repairs, the use of appropriate aftermarket/OEM parts, the approval process for additional unforeseen repairs, and storage fees.
- **Loss Fund Contingency** funding is at \$9,415. Normally, this line item is utilized by the Finance Committee to prevent the Loss Funding from decreasing and/or in anticipation of unexpected claims arising from legislative changes. As a result of the Loss Funding adjustment outlined above regarding Logan Township, the JIF Budget is adjusted to reflect the additional \$9,415.

#### ***JIF LOSS FUNDING ASSESSMENT STRATEGY***

In consideration of the aforementioned factors affecting the 2025 JIF Loss Funding Budget, the Finance Committee is recommending that the 2025 JIF Loss Funding assessments range from a decrease of 4.0% for renewing members, with a six-year average loss ratio below 25%, to an increase of 4.19% for newer members who have less than three years loss experience with the TRICO JIF. Members with six-year average loss ratios above 200% will receive a 10.0% increase in their Loss Funding assessment. Details outlining the assessment strategy are documented in the accompanying *2025 Assessment Allocation Strategy*.

#### ***OPERATING EXPENSES/MEMBER BENEFITS***

Operating Expenses (i.e. Fund Professional fees, Meeting Expenses, Postage/Copies, etc.) represent approximately 10% of the overall JIF Budget. Member Benefits (i.e. Safety Programs, EPL/Cyber Programs, Wellness, etc.) represent approximately 4% of the combined JIF Budget. Factors impacting the JIF operating expenses and Member Benefits include:

- Operating Expenses increased by \$30,417 (1.56%) with increases in professional fees averaging 2.00% except for the Safety Director and the JIF Website. The Safety Director's fee increased by \$8,160 (3.52%) and the JIF Website Manager's line item increased by \$800 (12.90%) due to the addition of a "members only" side to the JIF Website, resulting in the maintenance of two websites.
- Member Benefits increased by \$4,161 (0.49%) due to a 5.00% increase for the Law Enforcement Consultant's fee, and a 3.50% increase for the Right to Know Coordinator.

#### ***EXCESS INSURANCE BUDGET - NJMEL***

The 2025 MEL Budget is projecting a 7.7% Budget increase (\$5,726,008) over 2024 which continues to be driven by a difficult worldwide excess insurance market in addition to the MEL funding various portions of their Loss Funding Budget at the high confidence level within the MEL SIR. The TRICO JIF is Budgeting an increase of \$583,069 (12.65%) inclusive of rate increases and exposure growth. The excess carrier and the MEL are now including Group 1 vehicle values and Valuable Paper values in their premium calculations, which were not previously included: therefore, contributing to the overall increase. Over the last 24 months, the worldwide insurance market has been challenging due to ongoing natural disasters (i.e., hurricanes & wildfires), the lingering effects from the COVID-19 pandemic, the impact of law enforcement related claims, regulatory & statutory changes, and the impact of social inflation. The financial strength of the MEL continues to provide some protection to its members against the ravages of the hardening market. A copy of the proposed 2025 MEL Budget and rate table are attached. Some factors influencing the 2025 JIF MEL Budget include:

- The MEL continues to utilize the experience rating process which is based on the JIF's claims experience for Workers Compensation and Liability at the MEL layer for the prior ten (10) years.

- The TRICO JIF has been a net “giver” to the MEL over the prior ten years with a 10-year average loss ratio of 84.3%; however, is above the MEL wide 67.3% average loss ratio. As a result, the BURLCO JIF receive a 12.2% experience-rating penalty applied to its WC and Liability claims funding.
- The Finance Committee has opted to fund an additional \$100,000 in anticipation of future MEL Surplus Trigger Assessments due to the available balance in the *Closed MEL Unencumbered Surplus Contingency Account*. Additional details are included in the accompanying *Assessment Allocation Strategy*.

### **CYBER JIF**

In recognition of the difficulty in securing Cyber Liability coverage for public entities in the commercial insurance market, the need for all members to implement stringent cyber security protocols, the volatile nature of cyber related losses and the recent poor loss experience for members in the Cyber line of coverage; the MEL affiliated JIFs formed the Cyber Risk Management Joint Insurance Fund (Cyber JIF) to provide Cyber related services and coverage for all MEL affiliated JIFs effective January 1, 2023. The Cyber JIF carries a self-insured retention of \$350,000 per claim and purchases specific and aggregate excess coverage for each member JIF from XL Insurance and Cowbell Insurance.

The Cyber JIF premium is allocated to members utilizing population tiers to create size categories, which is detailed in the accompanying *Assessment Allocation Strategy*. The members with smaller populations will have a lower premium than those members with large populations. This recognizes the complexity of larger towns that may have greater exposures than smaller towns. The Cyber JIF Budget increased by 4.09% (\$264,804) for 2025. The impact to the TRICO JIF is a Budget increase of 4.09% (\$16,977) due to the rate increase and year 3 of a 3-year phase-in of the 2020 census results. A copy of the proposed 2025 Cyber JIF Budget is attached. In addition, the Cyber JIF has implemented a Risk Management Program that includes incentives in the form of lower out of pocket costs for members that make investments in their cyber security profile as outlined below:

- The Cyber JIF Risk Management Plan currently consists of three “tiers.” The three tiers of cyber security compliance are “basic”, “intermediate”, and “advanced”.
- Those members that do not meet the minimum cyber security standards will have a \$50,000 deductible and a 20% coinsurance requirement of the next \$300,000 of a claim, members in compliance with the “basic” cyber security standards will have a \$35,000 deductible with no coinsurance, members that meet the intermediate standards will have a \$20,000 deductible with no coinsurance, and members that meet the “advanced” cyber security standards will have no deductible assuming compliance with the standards at the time of the incident.
- The JIF continues to fund a Technology Risk Management Director who assists members and their IT professionals in implementing these security standards.

### **EPL/POL/Land Use/VDO**

Overall, the JIF Budget for Employment Practices Liability, Public Officials Liability, Land Use, and Volunteers Directors, & Officers Liability Coverage is increasing 2.90% or \$52,037 for 2025. This is due to improvement of claims experience coupled and utilizing ten (10) years’ claims experience, rather than the five (5) years utilized in prior years. In addition, the revised experience rating model allocates larger increases to members with negative performance (100% loss ratio) in three (3) or more years with increased weighting for members with six (6) years or more of negative performance (100% loss ratio). This change provides relief to members with positive claims experience and those with only one (1) or two (2) poor performing years.

For Fund Year 2025, the JIF EPL/POL/Land Use/VDO insurer Lexington (AIG) is issuing a 3% statewide premium increase. This increase varies JIF by JIF based upon a revised formula for the pricing of all members that includes their individual exposures, loss performance, and the number of years wherein the member had an incurred loss over the preceding ten (10) years. Changes to the allocation for multiple year poor performers were made by the carrier as noted in the accompanying *Assessment Allocation Policy*.

**E-JIF**

Effective May 1, 2005, the JIF became a member of the Environmental Risk Management Joint Insurance Fund (E-JIF). The E-JIF provides its members with a defined Environmental Liability coverage package along with strong risk management programs and other member services including educational and training seminars. The E-JIF Budget increase is 1.2% (\$60,498) over 2024. E-JIF assessments are allocated based upon a member's population with a current rate of \$0.9573 which is a 0% increase over 2024 and includes year 3 of a 3-year phase-in of the 2020 census results. The impact on the JIF is an increase of 0.84% (\$3,176). A copy of the proposed 2025 E-JIF Budget is attached.

**CLOSED YEARS ACCOUNT - JIF DIVIDENDS**

The Finance Committee made a recommendation to release varying amounts of Surplus from Fund Years 2009 through 2019. In arriving at the amount of Surplus to release, the Finance Committee continued its practice of examining the financial development of the most current years to guarantee future consistent releases of Surplus to the membership while providing a cushion against unforeseen events. In addition, the Finance Committee also considered the impact of the 12/31/2022 MEL Supplemental Assessment (\$891,500) and RCF Surplus Trigger Assessment (\$535,303) on the Fund's overall Surplus position. The MEL and RCF *Surplus Strengthening Programs* are detailed in the accompanying *Assessment Allocation Strategy*. The TRICO JIF's financial results as of December 31, 2023 include an unrealized loss in investment income of \$1,514,202. After examining its current Surplus position and the aforementioned factors, the Committee recommended, and the Fund authorized release of \$1,800,000, which is a 12.50% increase (\$200,000) over last year's release. As in prior years, the members will have the option to receive the dividend as a check, credit against their 2025 premium, or to transfer to the Aggregate Excess Loss Contingency Fund for future use.

**RISK MANAGEMENT CONSULTANT FEES**

Members of the Fund contract independently with their respective Risk Management Consultant. The fees associated with these services are built into member assessments and the expense is passed through the Fund Budget.

**FUND YEAR 2025 BUDGET**

The attached draft Budget is submitted for your consideration and introduction at the November 25, 2024 Executive Committee Meeting. A Budget Hearing will be held at the December 16, 2024 Executive Committee meeting.

File: TRICO/2025/Budget

Tab: Budget Message

**GLOUCESTER, SALEM, CUMBERLAND COUNTIES MUNICIPAL JIF  
FUND YEAR 2025 BUDGET  
\$500K SIR (WC/GL/AL) - \$100K SIR (PR)**

	ANNUALIZED BUDGET 2024	RENEWAL BUDGET 2024	CHANGE \$	CHANGE %	Logan Township Refuse Collection	Oldmans Township 1/1/2025	DRAFT BUDGET 2025	CHANGE \$	CHANGE %
<b>PROPERTY</b>	927,055	1,023,934	96,879	10.45%		(6,233)	1,017,701	90,646	9.78%
<b>GENERAL LIABILITY</b>	1,176,660	1,139,455	(37,205)	-3.16%		(7,551)	1,131,904	(44,756)	-3.80%
<b>AUTO LIABILITY</b>	350,959	339,447	(11,512)	-3.28%		(236)	339,211	(11,748)	-3.35%
<b>WORKERS' COMPENSATION</b>	4,511,837	4,728,864	217,027	4.81%		(2,610)	4,726,254	214,417	4.75%
<b>DEDUCTIBLE</b>	1,229,385	1,276,183	46,798	3.81%		(2,936)	1,273,247	43,862	3.57%
<b>LOSS FUND CONTINGENCY</b>	-	-	-	0.00%	9,415		9,415	9,415	100.00%
<b>TOTAL CLAIM LOSS FUNDS</b>	8,195,896	8,507,883	311,987	3.81%	9,415	(19,566)	8,497,732	301,836	3.68%
<b>CLAIMS ADMINISTRATION</b>	593,015	593,015	-	0.00%		(2,576)	590,439	(2,576)	-0.43%
<b>PROFESSIONAL SERVICES</b>	489,148	502,458	13,310	2.72%	-	(4,397)	498,061	8,913	1.82%
- Actuary	36,045	36,766	721	2.00%			36,766	721	2.00%
- Administrative Consultant	47,301	48,247	946	2.00%		(1,340)	46,907	(394)	-0.83%
- Attorney	121,658	124,091	2,433	2.00%			124,091	2,433	2.00%
- Auditor	25,195	25,700	505	2.00%			25,700	505	2.00%
- Safety Director	231,642	239,802	8,160	3.52%		(2,715)	237,087	5,445	2.35%
- Treasurer	15,244	15,548	304	1.99%			15,548	304	1.99%
- Underwriting Manager	12,063	12,304	241	2.00%		(342)	11,962	(101)	-0.84%
<b>ADMINISTRATION</b>	810,012	826,212	16,200	2.00%			826,212	16,200	2.00%
<b>CLAIMS AUDITOR</b>	15,000	15,000	-	0.00%			15,000	-	0.00%
<b>MISCELLANEOUS OPERATING EXPENSES</b>	46,366	47,273	907	1.96%	-	-	47,273	907	1.96%
- Fidelity Bond (Admin/TPA/Treasurer)	2,400	2,400	-	0.00%			2,400	-	0.00%
- JIF Website	6,200	7,000	800	12.90%	-	-	7,000	800	12.90%
- Legal Notices	2,500	2,500	-	0.00%	-	-	2,500	-	0.00%
- Meeting Expense	6,500	6,500	-	0.00%	-	-	6,500	-	0.00%
- Office Supplies	2,500	2,500	-	0.00%	-	-	2,500	-	0.00%
- Other	5,000	5,000	-	0.00%	-	-	5,000	-	0.00%
- Performance Bond (TPA)	900	900	-	0.00%	-	-	900	-	0.00%
- Postage/Copies/Fax	5,000	5,000	-	0.00%	-	-	5,000	-	0.00%
- Printing	8,500	8,500	-	0.00%	-	-	8,500	-	0.00%
- Record Retention Service	1,500	1,500	-	0.00%	-	-	1,500	-	0.00%
- Recording Secretary	5,366	5,473	107	1.99%	-	-	5,473	107	1.99%
<b>TOTAL OPERATING EXPENSES</b>	1,953,541	1,983,958	30,417	1.56%	0	(6,973)	1,976,985	23,444	1.20%
<b>SAFETY PROGRAMS</b>	353,146	356,265	3,119	0.88%	0	(3,262)	353,003	(143)	-0.04%
- Optional Safety Budget	87,000	87,000	-	0.00%		(750)	86,250	(750)	-0.86%
- Safety Incentive Program	161,725	161,725	-	0.00%		(2,000)	159,725	(2,000)	-1.24%
- <b>Training</b>	104,421	107,540	3,119	2.99%	-	(512)	107,028	2,607	2.50%
- Police Risk Services	22,880	24,024	1,144	5.00%			24,024	1,144	5.00%
- Right To Know	56,425	58,400	1,975	3.50%		(512)	57,888	1,463	2.59%
- Training	25,116	25,116	-	0.00%			25,116	-	0.00%
<b>EPL/CYBER</b>	219,956	219,956	-	0.00%	-	(1,000)	218,956	(1,000)	-0.45%
- Cyber Risk Services	150,456	150,456	-	0.00%			150,456	-	0.00%
- EPL/Cyber Incentive Program	69,500	69,500	-	0.00%		(1,000)	68,500	(1,000)	-1.44%
<b>PAYROLL AUDITOR</b>	20,376	20,784	408	2.00%		(577)	20,207	(169)	-0.83%
<b>PROPERTY APPRAISER</b>	38,366	39,000	634	1.65%		(796)	38,204	(162)	-0.42%
<b>TECHNOLOGY RISK SERVICES DIRECTOR</b>	73,628	73,628	-	0.00%		(1,105)	72,523	(1,105)	-1.50%
<b>WELLNESS/WELLNESS INCENTIVE</b>	102,471	102,471	-	0.00%		(551)	101,920	(551)	-0.54%
<b>CONTINGENCY</b>	17,483	17,483	-	0.00%			17,483	-	0.00%
<b>MISCELLANEOUS MEMBER BENEFITS</b>	30,000	30,000	-	0.00%	-	-	30,000	-	0.00%
- AGRIP/PRIMA	18,000	18,000	-	0.00%			18,000	-	0.00%
- Annual Planning Retreat	12,000	12,000	-	0.00%			12,000	-	0.00%
<b>TOTAL MEMBER BENEFITS</b>	855,426	859,587	4,161	0.49%	0	(7,291)	852,296	(3,130)	-0.37%
<b>SUB TOTAL JIF BUDGET</b>	11,004,863	11,351,428	346,565	3.15%	9,415	(33,830)	11,327,013	322,150	2.93%
<b>MUNICIPAL EXCESS LIABILITY JIF</b>	4,607,642	5,190,711	583,069	12.65%	-	(30,000)	5,160,711	553,069	12.00%
- MEL Excess WC & Liability	2,457,640	2,675,521	217,881	8.87%		(8,663)	2,666,858	209,218	8.51%
- <b>MEL Excess Property</b>	2,150,002	2,515,190	365,188	16.99%	-	(21,337)	2,493,853	343,851	15.99%
- Property	2,127,569	2,433,031	305,462	14.36%		(21,271)	2,411,760	284,191	13.36%
- Fidelity/XS Crime	22,433	82,159	59,726	266.24%		(66)	82,093	59,660	265.95%
<b>CYBER JIF Premium</b>	408,409	431,670	23,261	5.70%		(7,807)	423,863	15,454	3.78%
<b>CYBER JIF Commission - RPA</b>	3,142	-	(3,142)	-100.00%			-	(3,142)	-100.00%
<b>CYBER JIF Commission - CSB</b>	3,142	-	(3,142)	-100.00%			-	(3,142)	-100.00%
<b>EPL/POL/LU Premium</b>	1,676,528	1,723,349	46,821	2.79%		(4,385)	1,718,964	42,436	2.53%
<b>EPL/POL/LU Commission - RPA</b>	54,254	56,862	2,608	4.81%		(145)	56,717	2,463	4.54%
<b>EPL/POL/LU Commission - CSB</b>	54,254	56,862	2,608	4.81%		(145)	56,717	2,463	4.54%
<b>EPL/POL Surcharge</b>	1,875	1,809	(66)	0.00%			1,809	(66)	0.00%
<b>ENVIRONMENTAL JIF</b>	376,920	380,096	3,176	0.84%		(1,828)	378,268	1,348	0.36%
<b>SUB TOTAL PREMIUMS</b>	7,186,166	7,841,359	655,193	9.12%	-	(44,310)	7,797,049	610,883	8.50%
<b>SUB TOTAL JIF &amp; EXCESS BUDGET</b>	18,191,029	19,192,787	1,001,758	5.51%	9,415	(78,140)	19,124,062	933,033	5.13%
<b>RISK MANAGEMENT CONSULTANTS</b>	835,446	866,047	30,601	3.66%	601		866,648	31,202	3.73%
<b>TOTAL JIF BUDGET</b>	19,026,475	20,058,834	1,032,359	5.43%	10,016	(78,140)	19,990,710	964,235	5.07%

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND					
2025 BUDGET FOR RATE DEVELOPMENT					
MUNICIPALITIES ONLY - CURRENT DATA					
		A	B	B-A	B-A
		BUDGET	BUDGET		
APPROPRIATIONS		2024 RATES	2025 RATES	\$	%
I. CLAIMS AND EXCESS INSURANCE PREMIUMS		MUNIS ONLY	MUNIS ONLY	CHANGE	CHANGE
CLAIMS					
Excess Liability:					
1	To 500K	4,099,923	3,878,429	(221,494)	-5.4%
2	1.5MIL Ex 500K	8,107,428	8,353,329	245,901	3.0%
3	3MIL ex 2MIL	2,265,824	2,646,722	380,898	16.8%
4	Excess WC	12,249,274	12,549,121	299,847	2.4%
5	Excess Property/Equip Breakdown Claims	9,891,764	11,296,286	1,404,522	14.2%
6	POL/EPL Land Use	1,100,976	1,114,770	13,794	1.3%
7	Aggregate Excess LFC	15,782	16,546	764	4.8%
8	JIF Faithful Performance Bond (Incl XS Crime for FY2025)	210,948	1,107,224	896,276	424.9%
9	Surety Bond	324,503	326,126	1,623	0.5%
10	<b>Sub Total</b>	<b>38,266,422</b>	<b>41,288,553</b>	<b>3,022,131</b>	<b>7.9%</b>
PREMIUMS					
12	Optional Excess Liability	3,738,681	3,897,996	159,315	4.3%
13	Optional Excess POL/EPL	2,185,907	2,237,560	51,653	2.4%
14	Excess WC	3,662,326	3,998,376	336,050	9.2%
15	Excess Property/Equip Breakdown	20,226,523	22,278,957	2,052,434	10.1%
16					
17	Loss Fund Contingency	233,669	236,866	3,197	1.4%
18	<b>Sub Total</b>	<b>30,047,106</b>	<b>32,649,755</b>	<b>2,602,649</b>	<b>8.7%</b>
19	<b>Total Claims &amp; Premiums</b>	<b>68,313,528</b>	<b>73,938,308</b>	<b>5,624,780</b>	<b>8.2%</b>
II. EXPENSES					
22	Claims Adjustment	1,137,684	1,160,438	22,754	2.0%
23	Property Adjustment	183,790	187,466	3,676	2.0%
24	Administration	1,445,461	1,474,370	28,909	2.0%
25	Claims Supervision	510,000	520,200	10,200	2.0%
26	Actuary	55,332	56,439	1,107	2.0%
27	Attorney	49,797	50,793	996	2.0%
28	Deputy Attorney	1,662	1,695	33	2.0%
29	Attorney-OPRA	18,746	19,121	375	2.0%
30	Auditor	31,732	32,367	635	2.0%
31	Treasurer	28,055	28,616	561	2.0%
32	Underwriting Manager	63,875	65,153	1,278	2.0%
33	Reinsurance Manager	337,280	344,026	6,746	2.0%
34	Safety and Education Committee	112,664	114,917	2,253	2.0%
35	Computer Services	155,421	158,529	3,108	2.0%
36	Legislative Committee	29,742	30,337	595	2.0%
37	Internal Audit Committee	65,156	66,459	1,303	2.0%
38	Strategic Planning Committee	32,578	33,230	652	2.0%
39	Coverage Committee	43,152	44,015	863	2.0%
40	Communications Committee	134,102	136,784	2,682	2.0%
41	Expense Contingency	237,993	237,993	-	0.0%
42	<b>Subtotal</b>	<b>4,674,222</b>	<b>4,762,947</b>	<b>88,725</b>	<b>1.9%</b>
43					
44	MEL Safety Institute	1,149,071	1,161,574	12,503	1.1%
45	<b>Total Appropriations</b>	<b>74,136,821</b>	<b>79,862,829</b>	<b>5,726,008</b>	<b>7.7%</b>

MEL RATE TABLES - Municipalities

CLAIMS & EXPENSES						
Attachment Key	Line of Coverage	Layer	RATING BASE	2025	2025 Minimums	
200	Liability Claims To 500K	300 x 200	Population	1.6666		
250		250 x 250		1.2433		
300		200 x 300		0.9013		
350		150 x 350		0.6197		
400		100 x 400		0.3825		
500		0 x 500		0.0000		
500	Liability Claims 1.5MIL Ex 500K	1,500 x 500	Population	1.6914	2307	
750		1,250 x 750		1.5496		
1000		1,000 x 1,000		1.4229		
1500		500 x 1,500		1.1901		
2000	Liability Claims 3MIL ex 2MIL	3,000 x 2,000	Population	0.5497	1025	
SPECIAL EXPOSURES						
		WATER UTILITY	Payroll	0.0112		
		ELECTRIC UTILITY(1)	Payroll to 1MIL	0.0195		
		ELECTRIC UTILITY(2)	Payroll over 1MIL	0.0020		
<u>Allocation to Liability Claims</u>						
	Liability Claims To 500K			67.85%		
	Liability Claims 1.5MIL Ex 500K			32.15%		
SEASONAL SURCHARGE						
				<u>Liability Assessment</u>		
ATL	Allocation to Liability Claims is by % of			Liability Claims	6.00%	
MON	Total			Optional Excess Liability	6.00%	
CNTRL					6.00%	
OCE					6.00%	
200	Workers Comp Claims to 2Mil	1,800 x 200	Payroll	0.006238		
250		1,750 x 250		0.005016		
300		1,700 x 300		0.004098		
350		1,650 x 350		0.003400		
400		1,600 x 400		0.002865		
450		1,550 x 450		0.002434		
500		1,500 x 500		0.002081		
600		1,400 x 600		0.001539		
700		1,300 x 700		0.001160		
750		1,250 x 750		0.001019		
1250		750 x 1,250		0.000377		
2000		0.000000				
100	Property Claims to 250K	150K x 100K	TIV	0.0304		
150		100K x 150K		0.0157		
200		50K x 200K		0.0064		
250	Property Claims 500K x 250K	250K x 250K	TIV	0.0161		
500	Property Claims 500K x 500K	500K x 500K	TIV	0.0108		
1000	Property Claims 1.5MIL x 1MIL	1.5MIL x 1MIL	TIV	0.0119		
POLEPL Land Use				Population	0.2191	
Aggregate Excess LFC						
Suburban Municipal JIF					16545	
JIF Faithful Performance Bond				FT EE	6.3405	
Surety Bond				<u>Base Limit</u>	<u>Optional Limit</u>	
0				500	234	
3001				500	234	
6001				500	234	
10001				1000	468	
15001			Population	1000	468	
20001				1250	585	
30001				1500	702	
40001				2000	936	
50001				2750	1287	
Loss Fund Contingency						
				Population	0.0450	
Loss Fund Contingency OTHER				Total Loss Fund Assmt	0.0392	
MEL Safety Institute				FT Ees	32.99	
Expense Contingency				% of Assessment	0.0933	
PREMIUMS						
				2024 Certified Rate		
Optional Excess Liability						
2		2 MIL EX 5 MIL	Population	0.2505	0.2572	
5		5 MIL EX 5 MIL		0.5050	0.5185	
10		10 MIL EX 5 MIL		0.7555	1159.70449	
15		15 MIL EX 5 MIL State Aggregate (requires 15 Optional)		0.8940	1933.837126	
				% of base premium	43%	
Optional Excess POL/EPL						
1		1MIL Ex 2MIL	Population	0.1544	781.9582987	
2		2MIL Ex 2MIL		0.2556	1294.922943	
3		3MIL Ex 2MIL		0.3288	1665.258393	
4		4MIL Ex 2MIL		0.3880	1965.53038	
8		8MIL Ex 2MIL		0.7433	3765.911166	
Excess Crime				1MIL Ex 1MIL	FT Ees	26.55
Workers Comp Premium				Payroll	0.001098	0.0011524
Property Premiums						
Excess Property				TIV	0.1196	0.12195
Excess Flood - \$25m x \$50 m					0.0106	0.01079
Excess Flood - \$25m x \$75m					0.0000	0.00000



<b>Cyber Risk Management Fund</b>								
<b>Proposed FY2025 Budget</b>								
							<b>Change</b>	
		<b>Expiring Limits</b>	<b>Annualized FY2024</b>	<b>Proposed Limits</b>	<b>Proposed FY2025</b>	<b>\$</b>	<b>%</b>	
<b><u>Claims Fund</u></b>								
1	Retained Claims	300K x 50K	\$ 2,457,232	300K x 50K	\$ 2,535,273	\$ 78,041	3.18%	
2	Excess Insurance		\$ 2,445,290		\$ 2,494,196	\$ 48,906	2.00%	
3	Loss Fund Contingency*		\$ -		\$ 50,000	\$ 50,000	100.00%	
4	<b>Total Claims Fund</b>		<b>\$ 4,902,522</b>		<b>\$ 5,079,469</b>	<b>\$ 176,947</b>	<b>3.61%</b>	
5								
6	<b><u>Expenses</u></b>							
7	Risk Control Services							
8	Cyber Hygiene Training		\$ 636,656		\$ 655,706	\$ 19,050	2.99%	
9	External Scanning		\$ 283,168		\$ 288,831	\$ 5,663	2.00%	
10	Consulting		\$ 62,722		\$ 63,976	\$ 1,254	2.00%	
11	Local JIF Coordination		\$ 156,799		\$ 159,935	\$ 3,136	2.00%	
12	<b>Sub Total Risk Control</b>		<b>\$ 1,139,345</b>		<b>\$ 1,168,448</b>	<b>\$ 29,103</b>	<b>2.55%</b>	
13	Administration							
14	Executive Director		\$ 127,500		\$ 130,050	\$ 2,550	2.00%	
15	Deputy Ex Director		\$ 51,000		\$ 52,020	\$ 1,020	2.00%	
16	Planning Consultant		\$ 30,600		\$ 31,212	\$ 612	2.00%	
17	Attorney		\$ 51,000		\$ 52,020	\$ 1,020	2.00%	
18	Underwriting Manager		\$ 51,000		\$ 52,020	\$ 1,020	2.00%	
19	Treasurer		\$ 25,500		\$ 26,010	\$ 510	2.00%	
20	Actuary		\$ 25,500		\$ 26,010	\$ 510	2.00%	
21	Auditor		\$ 25,500		\$ 26,010	\$ 510	2.00%	
22	Claims Adjuster		\$ 25,500		\$ 26,010	\$ 510	2.00%	
23	QPA		\$ 15,300		\$ 15,606	\$ 306	2.00%	
24								
25	<b>Sub Total Administration</b>		<b>\$ 428,400</b>		<b>\$ 436,968</b>	<b>\$ 8,568</b>	<b>2.00%</b>	
26								
27	General Contingency*		\$ -		\$ 50,186	\$ 50,186		
28								
29	<b>Total Expenses &amp; Contingency</b>		<b>\$ 1,567,745</b>		<b>\$ 1,655,602</b>	<b>\$ 87,857</b>	<b>5.60%</b>	
30								
31	<b>Total Budget</b>		<b>\$ 6,470,267</b>		<b>\$ 6,735,071</b>	<b>\$ 264,804</b>	<b>4.09%</b>	

\*Loss Fund & General contingency were re-allocated to Excess Insurance to reflect the annualized premium paid

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND**

**2025 PROPOSED BUDGET BASED ON 2020 CENSUS**

8/21/2024 10:36		2024	2,025		
		TOTAL	TOTAL	CHANGE	CHANGE
I. Claims and Excess Insurance				\$	%
Claims					
1	Third Party (Non-Site Specific)	471,826	495,965	24,139	5.1%
2	On Site Cleanup (Site Specific)	255,789	257,901	2,112	0.8%
3	PO Pollution Liability	161,408	158,708	(2,700)	-1.7%
4	Tank Systems	238,394	243,022	4,628	1.9%
5	DMA Waste Sites (Superfund Buyout)	1,355,925	1,324,224	(31,701)	-2.3%
6	LFC	21,739	24,439	2,700	12.4%
7	<b>Total Loss Fund</b>	<b>2,505,081</b>	<b>2,504,259</b>	<b>(822)</b>	<b>0.0%</b>
8					
9	II. Expenses, Fees & Contingency				
10	Professional Services				
11	Actuary	62,500	63,750	1,250	2.0%
12	Attorney	103,945	106,024	2,079	2.0%
13	Auditor	17,973	18,332	359	2.0%
14	Executive Director	384,036	391,717	7,681	2.0%
15	Treasurer	22,166	22,610	444	2.0%
16	Legislative Agent	45,000	45,000	-	0.0%
17	Underwriting Managers	304,173	310,256	6,083	2.0%
18	Environmental Services	543,587	554,458	10,871	2.0%
19	Claims Administration	35,927	36,645	718	2.0%
20	QPA	5,000	5,100	100	2.0%
21					
22	<b>Subtotal - Contracted Prof Svcs</b>	<b>1,524,307</b>	<b>1,553,892</b>	<b>29,585</b>	<b>1.9%</b>
23					
24	Non-Contracted Services				
25	Expenses contingency	32,845	32,845	-	0.0%
26	Member Testing	18,808	20,000	1,192	6.3%
27					
28	<b>Subtotal - Non-contracted svcs</b>	<b>51,653</b>	<b>52,845</b>	<b>1,192</b>	<b>2.3%</b>
29					
30	<b>Subtotal-Contracted/Non-contracted svcs</b>	<b>1,575,960</b>	<b>1,606,737</b>	<b>30,777</b>	<b>2.0%</b>
31					
32	Excess Aggregate Insurance	610,866	641,409	30,543	5.0%
33					
34	General Contingency	180,172	180,172	-	0.0%
35					
36	<b>Total Exp, Fees &amp; Contingency</b>	<b>2,366,998</b>	<b>2,428,318</b>	<b>61,320</b>	<b>2.6%</b>
37					
38	<b>TOTAL JIF APPROPRIATIONS</b>	<b>4,872,079</b>	<b>4,932,577</b>	<b>60,498</b>	<b>1.2%</b>
39					
40	<i>*LFC = Members not based on population (i.e. Parking Au</i>		-		