

New Jersey Utility Authorities Joint Insurance Fund

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AUTHORITY

**IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT, A COPY OF
THIS NOTICE SHOULD BE POSTED ON THE PUBLIC BULLETIN BOARD
WITHIN THE AUTHORITY**

December 18, 2015

Memo to: Member Authorities
New Jersey Utility Authorities Joint Insurance Fund

From: PERMA

Subject: 2016 Budgets

Attached is the approved 2016 budget of the New Jersey Utility Authorities Joint Insurance Fund that was approved at a public meeting on November 17, 2015 at Caesars in Atlantic City, NJ.

Also included is the 2016 budget for the Municipal Excess Liability Joint Insurance Fund (MEL) which was adopted at a public meeting on November 18, 2015 at the Atlantic City Convention Center.

If you have any questions, please contact the Fund Office.

Enclosures

cc: Fund Commissioners
Fund Professionals
Risk Management Consultants

NJUA MUNICIPAL JOINT INSURANCE FUND

2016 PROPOSED BUDGET - OPTION #1 Eq Incr at 4% over budget with Loss Ratio Surcharges.

Print Date: 10-Nov-15

APPROPRIATIONS	Annualized 2015	Projected 2016	\$	%
I. Claims and Excess Insurance	(A)		CHANGE	CHANGE
Claims				
1 Property	384,364	357,000	(27,364)	-7.12%
2 Liability	738,000	682,000	(56,000)	-7.59%
3 Auto	180,000	171,000	(9,000)	-5.00%
4 Workers' Comp.	2,299,000	2,336,000	37,000	1.61%
5 LFC	52,000	52,000	0	0.00%
6 Aggregate XS LFC		110,664	110,664	100.00%
7 Deductible Aggregate	7,500	7,500	0	0.00%
8 Subtotal - Claims	3,660,864	3,716,164	55,300	1.51%
9 Premiums				
10 Property	2,261,030	2,324,158	63,128	2.79%
11 \$10M ex \$1 M Liability	639,644	674,419	34,776	5.44%
12 MEL Ex WC	621,246	573,551	(47,696)	-7.68%
13 MEL Ex Liability	291,213	266,801	(24,412)	-8.38%
14 MEL FFB	13,343	13,838		
15 \$3M X \$2M POL/EPL	130,540	137,581	7,042	5.39%
16 POL/EPL	499,177	512,856	13,679	2.74%
17 Environmental Fund	375,962	377,794	1,832	0.49%
18 SubTotal Premiums	4,832,155	4,880,999	48,845	1.01%
19 Total Loss Fund	8,493,019	8,597,164	104,145	1.23%
20				
21 II. Expenses, Fees & Contingency				
22				
23 Claims Adjustment	216,178	220,502	4,324	2.00%
24 Litigation Mangement	103,107	105,169	2,062	2.00%
25 Safety Director	157,409	160,557	3,148	2.00%
26 Consultant	0			
27 Safety Expo	14,245	14,245	0	0.00%
28 Incentive	2,660	2,660	0	0.00%
29 Breakfast	1,064	1,064	0	0.00%
30 Communication	14,893	14,893	0	0.00%
31 MEL Safety Institute	49,523	51,370	1,847	3.73%
32 Misc	701	701	0	0.00%
33				
34 Administration	262,112	276,607	14,496	5.53%
35 Actuary	32,035	32,675	641	2.00%
36 Auditor	20,135	20,538	403	2.00%
37 Attorney	19,017	19,397	380	2.00%
38 Treasurer	20,041	20,442	401	2.00%
39 Internal Auditor	9,836	10,033	197	2.00%
40 Underwriting Manager	79,905	81,503	1,598	2.00%
41 Director's Fee	19,800	19,800	0	0.00%
42 Contingency	69,840	75,000	5,160	7.39%
43 Producer Commission	611,842	620,701	8,860	1.45%
44 Total Exp. Comms & Surplus	1,704,342	1,747,857	43,515	2.55%
45 Total Loss Fund and Expenses	10,197,361	10,345,021	147,660	1.45%

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
2016 BUDGET FOR ASSESSMENT CALCULATION

	A	B	B-A	B-A
	BUDGET	BUDGET	\$	%
APPROPRIATIONS	2015 ANNUALIZED	2016 PROPOSED	CHANGE	CHANGE
I. CLAIMS AND EXCESS INSURANCE PREMIUMS				
CLAIMS				
Excess Liability:				
JIF to 500K	3,274,846	2,973,166	(301,680)	-9.21%
1.25ML Ex 500K	4,184,376	3,817,169	(367,207)	-8.78%
Excess WC	10,361,895	8,797,817	(1,564,078)	-15.09%
Excess Property 200K Ex 50K	2,516,940	2,023,828	(493,112)	-19.59%
Aggregate Excess LFC	28,244	27,788	(457)	-1.62%
JIF Faithful Performance Bond	209,085	210,665	1,579	0.76%
Statutory Bonds	285,750	292,750	7,000	2.45%
Sub Total	20,861,136	18,143,183	(2,717,953)	-13.03%
PREMIUMS				
3.25ML ex 1.75 ML	5,157,475	5,268,301	110,827	2.15%
Optional Excess Liability	1,880,949	1,835,838	(45,111)	-2.40%
Optional Excess POL/EPL	897,325	895,547	(1,777)	-0.20%
Excess WC	2,807,493	2,865,904	58,411	2.08%
Excess Property	7,896,395	8,702,622	806,227	10.21%
Boiler and Machinery	688,739	759,166	70,427	10.23%
Loss Fund Contingency	481,342	481,538	195	0.04%
Sub Total	19,809,717	20,808,916	999,198	5.04%
Total Claims & Premiums	40,670,853	38,952,099	(1,718,754)	-4.23%
II. EXPENSES				
Claims Adjustment	967,000	990,422	23,422	2.42%
Property Adjustment	160,000	160,000	-	0.00%
Administration	963,408	982,676	19,268	2.00%
Loss Fund Management	145,000	147,900	2,900	2.00%
Actuary	47,225	48,170	945	2.00%
Attorney	42,502	43,352	850	2.00%
Deputy Attorney	1,418	1,448	28	1.97%
Attorney - OPRA	16,000	16,320	320	2.00%
Auditor	27,083	27,625	542	2.00%
Treasurer	23,945	24,424	479	2.00%
Underwriting Manager	498,502	508,472	9,970	2.00%
Reinsurance Manager	287,865	293,622	5,757	2.00%
Safety and Education Committee	190,466	194,275	3,809	2.00%
Computer Services	135,304	138,010	2,706	2.00%
Legislative Committee	25,891	26,409	518	2.00%
Internal Audit Committee	56,722	57,856	1,134	2.00%
Strategic Planning Committee	28,361	28,928	567	2.00%
Coverage Committee	37,567	38,318	751	2.00%
Communications Committee	116,744	119,079	2,335	2.00%
Misc Expense	298,460	289,406	(9,054)	-3.03%
Subtotal	4,069,463	4,136,710	67,247	1.65%
MEL Safety Institute	927,225	933,701	6,476	0.70%
Total Appropriations	45,667,541	44,022,511	(1,645,031)	-3.60%
RMC FEES	346,669	329,553	(17,116)	-4.94%
Grand Total	46,014,210	44,352,063	(1,662,147)	-3.61%