

**OCEAN COUNTY
MUNICIPAL JOINT INSURANCE FUND**

**Financial Statements
and Supplementary Schedules**

For the years ended December 31, 2020 and 2019

(With Independent Auditor's Report thereon)

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

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ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

New Jersey Department of Insurance Fund Code: JIF 1

Joint Insurance Fund Name: Ocean County Municipal Joint Insurance Fund

Street Address: _____ Mail Address: 9 Campus Drive, Suite 216
_____ Parsippany, New Jersey 07054

Primary Location of books and records: 9 Campus Drive, Suite 16, Parsippany, NJ 07054

Statement Contact Person: Pauline Kontomanolis Phone Number: (201) 881-7632

EXECUTIVE COMMITTEE

Chairperson:	<u>Diane Lapp</u>	<u>Charlene Carney</u>
	<u>Veronica Laureigh</u>	<u>Thomas Rodgers</u>
	<u>Joanne Bergin</u>	<u>Michael Gross</u>
	<u>Joseph Kostecki</u>	<u>Robert Singer</u>
	<u>Matthew von der Hayden</u>	_____

State of New Jersey
County of Ocean

Diane Lapp (Chairperson), Veronica Laureigh (Secretary), of the Ocean County Municipal Joint Insurance Fund being duly sworn, each for himself deposes and says that they are the above described executive committee members of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated, and that this annual financial statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 31st day of December 2020, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and believe respectively.

_____	_____
Chairperson	Secretary
(a) Is this an original filing?	<u> X </u> Yes <u> </u> No
(b) If no,	
(i) State the amended number	_____
(ii) Date Filed	_____
(iii) Number of pages attached	_____

Sworn and subscribed to
Before me this _____ day
of _____, 2021

Notary Public

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
Ocean County Municipal Joint Insurance Fund:

Report on the Financial Statements

We have audited the accompanying financial statements of the Ocean County Municipal Joint Insurance Fund (the "Fund"), which comprise of the comparative statements of net position as of December 31, 2020 and 2019, and the related comparative statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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 Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2020 and 2019 and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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. 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.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements taken as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note 13 to the financial statements, during the year ended December 31, 2020, the Fund identified that the Fund's membership in joint insurance funds were not included on the statement of net position, resulting in understated assets and net position. The correction of this error increased prior period assets and net position. This required a restatement of fiscal year 2019 financial statements as reflected in the statement of net position, the statement of activities, and statement of cash flow. Our opinion is not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2021, on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Fund's internal control over financial reporting and compliance.

HOLMAN FRENIA ALLISON, P.C.

Certified Public Accountants

Lakewood, New Jersey
May 31, 2021

INDEPENDENT AUDITOR’S 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

To the Administrative Committee of
Ocean County Municipal Joint Insurance Fund:

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 audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Ocean County Municipal Joint Insurance Fund (the “Fund”), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Fund’s basic financial statements, and have issued our report thereon dated May 31, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund’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 entity’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 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund'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 determination of financial statement amounts. 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 Department of Banking and Insurance and 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 entity'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 prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

Lakewood, New Jersey
May 31, 2021

REQUIRED SUPPLEMENTARY INFORMATION

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
Management Discussion and Analysis

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2020 and 2019. Please read it in conjunction with the basic financial statements, the notes and supplementary schedules that follow this section.

Overview of Basic Financial Statements

The Fund'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 Fund is to provide property and casualty insurance for municipalities and other public entities that are members of the Fund. The Fund 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:

Statement of Net Position— This statement presents information reflecting the Fund's assets, liabilities and net position. Net position represents the amount of total assets less total liabilities.

Statement of Revenue, Expenses, and Changes in Net Position – This statement reflects the Fund'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.

Statement of Cash Flows – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the year.

Financial Highlights

The following tables summarize the financial position and results of operations for the Fund as of and for the years ended December 31, 2020 and 2019.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

Management Discussion and Analysis

SUMMARY OF STATEMENT OF NET POSITION December 31, 2020 and 2019

	2020	2019 <i>(restated)</i>	Increase/ (Decrease)	Percent Change
ASSETS:				
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 31,590,153	\$ 30,990,469	\$ 599,684	1.94%
Claims & Other Miscellaneous Receivables	530,473	2,052	528,421	25751.51%
Investment in Joint Ventures	7,030,139	7,649,629	(619,490)	-8.10%
Total Assets	39,150,765	38,642,150	508,615	1.32%
LIABILITIES:				
Loss Reserves	21,883,911	20,612,800	1,271,111	6.17%
Other Liabilities and Reserves	1,171,312	501,663	669,649	133.49%
Total Liabilities & Reserves	23,055,223	21,114,463	1,940,760	9.19%
UNRESTRICTED NET POSITION	\$ 16,095,542	\$ 17,197,337	\$ (1,101,795)	-6.41%

SUMMARY OF STATEMENT OF NET POSITION December 31, 2019 and 2018

	2019 <i>(restated)</i>	2018 <i>(restated)</i>	Increase/ (Decrease)	Percent Change
ASSETS:				
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 30,990,469	\$ 32,855,567	\$ (1,865,098)	-5.68%
Claims & Other Miscellaneous Receivables	2,052	1,500	552	36.80%
Investment in Joint Ventures	7,649,629	7,959,099	(309,470)	-3.89%
Total Assets	38,642,150	40,816,166	(2,174,016)	-5.33%
LIABILITIES:				
Loss Reserves	20,612,800	21,368,064	(755,264)	-3.53%
Other Liabilities and Reserves	501,663	1,506,727	(1,005,064)	-66.71%
Total Liabilities & Reserves	21,114,463	22,874,791	(1,760,328)	-7.70%
UNRESTRICTED NET POSITION	\$ 17,197,337	\$ 17,941,375	\$ (744,038)	-4.15%

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

Management Discussion and Analysis

SUMMARY OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION

For the years ended December 31, 2020 and 2019

	2020	2019 (restated)	Increase/ (Decrease)	Percent Change
Operating Revenues:				
Assessments and Other Income	\$ 20,048,843	\$ 19,059,077	\$ 989,766	5.19%
Excess Loss Contributions	526,601	721,367	(194,766)	-27.00%
Total Operating Revenue	20,575,444	19,780,444	795,000	4.02%
Expenses:				
Provision for Claims and Claim Adjustment Expense	10,526,792	10,557,424	(30,632)	-0.29%
Insurance premiums	6,666,387	6,629,053	37,334	0.56%
Administrative & Executive	2,796,494	2,744,823	51,671	1.88%
RCF Surplus Trigger Assessment	399,466	330,350	69,116	20.92%
MEL Surplus Trigger Assessment	287,190	-	287,190	100.00%
Total Expenses	20,676,329	20,261,650	414,679	2.05%
Operating Income	(100,885)	(481,206)	380,321	79.03%
Nonoperating Revenue/(Expenses):				
Investment in Joint Ventures	(619,490)	(309,470)	(310,020)	-100.18%
Interest/Dividend Income	960,231	1,209,730	(249,499)	-20.62%
Return of Surplus	(1,341,651)	(1,163,092)	(178,559)	15.35%
Increase/(Decrease) in Net Position	\$ (1,101,795)	\$ (744,038)	\$ (357,757)	-48.08%

SUMMARY OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION

For the years ended December 31, 2019 and 2018

	2019 (restated)	2018	Increase/ (Decrease)	Percent Change
Operating Revenues:				
Assessments and Other Income	\$ 19,059,077	\$ 18,590,336	\$ 468,741	2.52%
Excess Loss Contributions	721,367	749,623	(28,256)	-3.77%
Total Operating Revenue	19,780,444	19,339,959	440,485	2.28%
Expenses:				
Provision for Claims and Claim Adjustment Expense	10,557,424	13,226,907	(2,669,483)	-20.18%
Insurance premiums	6,629,053	6,425,651	203,402	3.17%
Administrative & Executive	2,744,823	2,680,719	64,104	2.39%
RCF Surplus Trigger Assessment	330,350	-	330,350	100.00%
Total Expenses	20,261,650	22,333,277	(2,071,627)	-9.28%
Operating Income	(481,206)	(2,993,318)	2,512,112	83.92%
Nonoperating Revenue/(Expenses):				
Investment in Joint Ventures	(309,470)	(273,093)	(36,377)	13.32%
Interest/Dividend Income	1,209,730	734,864	474,866	64.62%
Return of Surplus	(1,163,092)	(1,051,307)	(111,785)	10.63%
Increase/(Decrease) in Net Position	\$ (744,038)	\$ (3,582,854)	\$ 2,838,816	79.23%

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
Management Discussion and Analysis

The Ocean JIF's total assets increased by 1.32% and its total liabilities increased by 9.19%, resulting in a 6.41% decrease in unrestricted net position for the year ended December 31, 2020.

The provision for claims and claims expense decreased by 0.29%. Insurance premium costs, which are assessments to excess, environmental and residual joint insurance funds that assume risk on behalf of the Ocean JIF, increased by 0.56%. RCF and MEL surplus trigger assessments increased \$69,116 and \$287,190, respectively, for the year ended December 31, 2020.

In 2020 investment and dividend income decreased 20.62% indicating a low interest rate environment.

The Ocean JIF paid a dividend of \$1,000,000 in 2020 and \$900,000 in 2019.

The Ocean JIF's combined surplus for all years decreased by \$1,101,795 for the year ended December 31, 2020.

The future financial position of the Ocean JIF continues to be impacted by trends in medical costs which affect workers' compensation costs. The Ocean JIF continues to attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management.

BASIC FINANCIAL STATEMENTS

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
DECEMBER 31, 2020 AND 2019

ASSETS	2020	2019 <i>(as restated)</i>
Cash and Cash Equivalents	\$ 3,889,338	\$ 1,882,313
Investment	27,628,323	28,942,983
Accrued Interest Receivable	72,492	165,173
Claims & Other Miscellaneous Receivables	530,473	2,052
Investment in Joint Ventures	<u>7,030,139</u>	<u>7,649,629</u>
 Total Assets	 <u>39,150,765</u>	 <u>38,642,150</u>
LIABILITIES		
Accounts Payable	40,577	64,432
Other Liabilities	90	39,429
Surplus Dividend Payable	443,989	397,802
Loss Reserves	21,883,911	20,612,800
RCF Surplus Trigger Assessment	399,466	330,350
MEL Surplus Trigger Assessment	<u>287,190</u>	<u>-</u>
 Total Liabilities & Reserves	 <u>23,055,223</u>	 <u>21,444,813</u>
NET POSITION		
Net Position	<u>16,095,542</u>	<u>17,197,337</u>
 Total Net Position	 <u><u>\$ 16,095,542</u></u>	 <u><u>\$ 17,197,337</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u> <i>(as restated)</i>
Operating Revenues:		
Assessments - Member Contributions	\$ 20,048,843	\$ 19,059,077
Excess Loss Contributions	<u>526,601</u>	<u>721,367</u>
Total Operating Revenues	<u>20,575,444</u>	<u>19,780,444</u>
Expenses:		
Provision for Claims and Claim Adjustment Expense	10,526,792	10,557,424
Administrative & Executive	2,796,494	2,744,823
Excess Insurance Premiums	6,666,387	6,629,053
RCF Surplus Trigger Assessment	399,466	330,350
MEL Surplus Trigger Assessment	<u>287,190</u>	<u>-</u>
Total Expenses	<u>20,676,329</u>	<u>20,261,650</u>
Operating (Loss)/Income	<u>(100,885)</u>	<u>(481,206)</u>
Nonoperating Revenue/(Expenses):		
Investment in Joint Ventures	(619,490)	(309,470)
Investment Income	856,342	946,638
Dividend Income	103,889	263,092
Return of Surplus	<u>(1,341,651)</u>	<u>(1,163,092)</u>
Total Nonoperating Revenue/(Expenses)	<u>(1,000,910)</u>	<u>(262,832)</u>
Change in Net Position	(1,101,795)	(744,038)
Net Position, Beginning of Year	<u>17,197,337</u>	<u>17,941,375</u>
Net Position, End of Year	<u>\$ 16,095,542</u>	<u>\$ 17,197,337</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019 <i>(as restated)</i>
Cash Flows From Operating Activities:		
Receipts From Member Contributions	\$ 20,047,023	\$ 19,779,892
Payment of Claims	(10,526,792)	(10,571,619)
Payment to Vendors	(8,539,127)	(11,120,009)
Net Cash from Operating Activities	981,104	(1,911,736)
Cash Flows From Investing Activities:		
Net Change of Investment Securities	1,314,660	(744,132)
Interest & Investment Income	1,052,912	1,120,532
Return of Surplus	(1,341,651)	(1,163,092)
Net Cash from Investing Activities	1,025,921	(786,692)
Net Change in Cash and Cash Equivalents	2,007,025	(2,698,428)
Cash and Cash Equivalents, Beginning of Period	1,882,313	4,580,741
Cash and Cash Equivalents, End of Period	\$ 3,889,338	\$ 1,882,313

**RECONCILIATION OF OPERATING INCOME/(LOSS) TO CASH PROVIDED/(USED)
BY OPERATING ACTIVITIES:**

Operating (Loss)/Income	\$ (100,885)	\$ (481,206)
Working Capital Changes Which Provided/(Used) by Cash:		
Claims and Other Miscellaneous Receivables	(528,421)	(552)
Accounts Payable	22,332	(948,302)
Other Liabilities	(39,339)	(42,567)
Unearned Contributions	-	(14,195)
Loss Reserves	1,271,111	(755,264)
RCF Surplus Trigger Assessment	69,116	330,350
MEL Surplus Trigger Assessment	287,190	-
Net Cash from Operating Activities	\$ 981,104	\$ (1,911,736)
Supplemental Disclosure - Noncash Activity:		
Change in Investment in Joint Ventures	\$ (619,490)	\$ (309,470)

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**OCEAN COUNTY
MUNICIPAL JOINT INSURANCE FUND**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Ocean County Municipal Joint Insurance Fund (the "Fund") was established on February 1, 1987, in accordance with P.L. 1983, C. 372, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 10 of Title 40A of the New Jersey Statutes". The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against the following:

- a) Property Damage/Faithful Performance and Employee Dishonesty
- b) General Liability
- c) Automobile Liability
- d) Worker's Compensation and Employer's Liability
- e) Public Officials Liability/Employment Practices Liability (POL/EPL)

The participating municipalities are also members of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property coverage and POL/EPL which is purchased by the Fund from a commercial carrier. On July 1, 1995, the Fund became a member of the New Jersey Environmental Risk Management Fund which provides coverage for environmental impairment liability.

A participating municipality must remain in the Fund for the full term of membership unless terminated by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the by-laws or other obligations. Termination may occur after proper notice has been given. The Fund's membership consisted of 31 municipalities at December 31, 2020.

The Fund is administered by PERMA Risk Management Services of Parsippany, New Jersey. Fees paid to the Executive Director encompass all administrative duties which are performed at the Executive Director's office. Accordingly, the Fund does not maintain any fixed assets or incur any payroll expense.

Component Unit

The primary criterion for including activities within the Fund's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the Fund holds the corporate powers of the organization
- ◆ the Fund appoints a voting majority of the organization's board
- ◆ the Fund is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the Fund
- ◆ there is a fiscal dependency by the organization on the Fund

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Component Unit (continued)

Based on the aforementioned criteria, the Fund has no component units and is not includable in any other reporting entity.

Basis of Presentation

The financial statements of the Fund 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. 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.

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.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Income Taxes

The Fund is a tax-exempt organization and is not subject to either federal or state income taxes. The Fund has a federal tax number for the purpose of reporting payments made to the providers of services.

Cash and Cash Equivalents

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 statement 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 government 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 municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Additionally, the Fund has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued)

Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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.

Investments

Among the Fund's investment objectives are preservation of principal, diversification, and maximization of interest yield. The Fund invests in government securities with the intent of holding them until maturity. Investments are reported at fair value. Realized and unrealized gains and losses on investments are recognized as a component of investment income.

Investment Income Allocation

Interest accruals, interest payments on cash instruments, net of investment management fees, and unrealized gains and losses on the fair value of investments are allocated every month based upon each line of coverage's share of opening cash and investment balances.

Assessments

The exact terms and conditions of coverage are detailed in the Fund's Risk Management Plan. Assessments of the participating municipalities are determined by the actuary and certified by a vote of the Fund Commissioners. If the assets of the Fund were to be exhausted, Fund members would be subject to supplemental assessments in the event of such deficiencies.

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims 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. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unpaid Claims Liabilities (continued)

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. The Fund does not discount estimated claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Loss Reserves:

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, Qual-Lynx, Inc.

Claims Incurred But Not Reported (IBNR) Reserve

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary, The Actuarial Advantage Inc. Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Fund 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 Fund 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, 2020. 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 and 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.

Reinsurance

The Fund uses reinsurance agreements to reduce its exposure to large losses. The Fund is liable for the self-insured retention level that it has contracted with member municipalities. Losses in excess of the Fund's self-insured retention are contractual liabilities of the Municipal Excess Liability Joint Insurance Fund. Reinsurance premiums are included in the individual municipalities' assessments for the Municipal Excess Liability Joint Insurance Fund.

The amount of risk retained by the Fund is as follows:

- (a) Property Damage - \$100,000, less standard member deductible per occurrence.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reinsurance (continued)

- (b) General Liability - \$300,000 per occurrence.
- (c) Automobile Liability - \$300,000 per occurrence and \$15,000/\$30,000 for underinsured/uninsured motorist.
- (d) Worker's Compensation/Employer's Liability - \$300,000 per occurrence.
- (e) Faithful Performance and Employee Dishonesty - \$100,000, less standard member deductible per occurrence.

Excess insurance coverage is provided to the Fund's member local units by their membership in the MEL as follows:

- (a) General Liability and Automobile Liability - \$1,450,000 per occurrence, excess the Fund's \$300,000 retention. For General Liability, the \$3,250,000 excess the \$1,750,000 layer is subject to a \$5,000,000 annual aggregate limit per member. Optional limits are available to members upon request.
- (b) Worker's Compensation/Employer's Liability - \$1,700,000 per occurrence, excess the Fund's \$300,000 retention for Employer's Liability/statutory for Worker's Compensation.
- (c) Employment Practices Liability - \$2,000,000 per member annual aggregate limit, subject to a \$20,000-member deductible per occurrence, \$75,000 deductible per occurrence for member local units with unfavorable loss experience and 20% coinsurance of the first \$250,000 of loss. Members without an approved EPL Loss Control/Risk Management Program are subject to a \$100,000 deductible per occurrence and 20% of \$2,000,000. Optional limits are available to members upon request.
- (d) Faithful Performance and Employee Dishonesty - \$950,000 per occurrence, excess the fund's \$50,000 retention.
- (e) Property - \$125,250,000 per occurrence, excess of JIF SIR of \$50,000 and MEL SIR of \$200,000.

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 Fund 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 Board.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

Management of the Fund has made certain estimates and assumptions relating to the reporting of assets, liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Commissioners/Executive Committee. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

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 on investments in debt securities and positive changes in the Fund's investment in joint ventures. Operating expenses include expenses associated with the fund operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative changes in the Fund's investment in joint ventures.

Subsequent Events

The Fund has evaluated subsequent events occurring after December 31, 2020 through the date of May 31, 2021, which is the date the financial statements were available to be issued.

NOTE 2: LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represent an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2020. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any estimated recoveries from excess insurance, salvage or subrogation. The Fund's actuary and servicing agent have estimated the following loss reserves at December 31, 2020 and 2019:

	<u>2020</u>		<u>2019</u>
Case Reserves	\$ 12,933,766	\$	12,757,123
Losses Incurred But Not Reported ("IBNR")	8,950,145		7,855,677
	<hr/>		<hr/>
Total	\$ 21,883,911	\$	20,612,800
	<hr/>		<hr/>

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2: LOSS RESERVES (continued)

The following represents changes in the aggregate reserves for the Fund for the years ended December 31, 2020 and 2019 and for all open Fund years:

	<u>2020</u>	<u>2019</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	\$ 20,612,800	\$ 21,368,064
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	10,848,403	9,393,453
Increases/(Decreases) in Provision for Insured Events of Prior Years	<u>1,730,803</u>	<u>751,777</u>
Total Incurred Claims and Claim Adjustment Expenses	33,192,006	31,513,294
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events for the Current Period	2,659,943	2,471,376
Claims and Claim Adjustment Expenses Attributable to Insured Events for the Prior Years	<u>8,648,152</u>	<u>8,429,118</u>
Total Payments	<u>11,308,095</u>	<u>10,900,494</u>
Total Unpaid Claims and Claim Adjustment Expense, End of Year	<u>\$ 21,883,911</u>	<u>\$ 20,612,800</u>

The Fund also maintains a contract for excess insurance for the Property Fund which covers losses in excess of an amount established between the Fund and the insurer up to the limits of coverage set forth in the insurance contract on a specific occurrence, or per accident or annual aggregate basis.

A contingent liability exists with respect to insurance coverage which would become an actual liability in the event the insuring company might be unable to meet its obligations to the Fund under existing insurance agreements.

NOTE 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund 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 Fund 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 Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as uninsured and uncollateralized.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 3: CASH AND CASH EQUIVALENTS (continued)

Deposits

All deposits of the Fund are insured through federal depository insurance coverage, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Fund's name. The carrying amount of the Fund's cash and cash equivalents at December 31, 2020 and 2019 were \$3,889,338 and \$1,882,313, respectively, and the bank balances were \$4,403,130 and \$2,309,921, respectively. Of the December 31, 2020 bank balance, \$250,000 was covered by federal depository insurance, and the remaining \$2,172,381 was collateralized under GUDPA. Of the December 31, 2019 bank balance, \$250,000 was covered by federal depository insurance and \$2,059,921 was collateralized under GUDPA.

NOTE 4: INVESTMENTS

New Jersey statutes permit the Fund to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of local units or bonds or other obligations of school districts of which the local units are part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by the New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C:52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4: INVESTMENTS (continued)

- (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligation, provided that the investments are purchased through the State Division of Investment and are invested consistent with the rules and regulations of the State Investment Council.

All of the Fund's investments are recorded at fair value based on quoted market prices (Level 1 inputs). The investments are held by the Fund's custodial bank trust department in the Fund's name. The bank's trust department is also its agent in purchasing and selling the securities. The investments are uninsured and unregistered. All of the funds held by the custodial bank are held in a fiduciary account, in the Fund's name, and are backed by the full faith and credit of the U.S. Government. As such, they are protected in the event of bankruptcy of the bank. Investments at December 31, 2020 and 2019 consisted of the following recurring fair value measurements as Level 1 inputs:

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Weighted Average</u> <u>Maturity in Month</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Weighted Average</u> <u>Maturity in Month</u>
United States Treasury Notes	\$ 27,628,323	9.45	\$ 28,942,983	13.55
	<u>\$ 27,628,323</u>	<u>9.45</u>	<u>\$ 28,942,983</u>	<u>13.55</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4: INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Fund may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Fund has no investment policy that would further limit its investment choices.

The Fund does not place a limit on the amount that may be invested in any one issuer. All of the Fund's investments are either in U.S. Treasury Notes or Mortgage Backed Securities.

In accordance with GASB 72, investments are stated at fair value. Investments at December 31, 2020 and 2019 consisted of FNMA, FHLB and FHLMC notes and all of the Fund's investments were in U.S. agencies, which carry the explicit guarantee of the U.S. government. The average maturity of the total portfolio was 3 years.

Fair Value Measurements of Investments

The Fund categorizes its fair value disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Fund has the following recurring fair value measurements as of December 31, 2020 and 2019: United States Treasury Notes of \$27,628,323 and \$28,942,983 are valued using quoted market prices for identical assets (Level 1 inputs).

NOTE 5: MEMBERSHIP IN RESIDUAL CLAIMS FUND

The Fund is a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of assuming and discharging the liabilities associated with loss reserves of participating members from the fund years prior to January 1, 2017. The transfer of these loss reserves to the Residual Fund results in the closing of the pre-2017 fund years. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Residual Fund are elected.

If the assets of the Residual Fund were to be exhausted, members would become jointly and severally liable for the Residual Fund's liabilities and be subject to supplemental assessments in the event of deficiencies. The Residual Fund 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 related to the total assessment of the membership for that fund year.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6: TRANSFERS

An Intertrust Fund Transfer is a transfer of funds from one claim or loss retention fund account in a fiscal year to another account within the same fiscal year. An Interyear Fund Transfer is a transfer from a claim or loss retention trust account for a fiscal year, to a claim or loss retention trust account of similar risk of liability for a different fiscal year. All transfers must be approved by the Commissioners of the Departments of Community Affairs and Insurance.

NOTE 7: DIVIDEND DISTRIBUTION PAYABLE

Section B of N.J.A.C. 11:15-2.21 provides that a joint insurance fund may seek approval from the State of New Jersey Department of Insurance for refunds from any claim fund which has been completed for not less than twenty-four months.

On October 8, 2020, the Fund's Executive Committee authorized a \$1,000,000 dividend from the Closed Fund Year. The fund received distributions of net position from the New Jersey Environmental Risk Management fund of \$341,651 for the year ended December 31, 2020. The participating members offset their subsequent year assessments with the respective share of the distribution. The Dividend Payable balance at December 31, 2020 is \$443,989.

On October 10, 2019, the Fund's Executive Committee authorized a \$900,000 dividend from the Closed Fund Year. The fund received distributions of net position from the New Jersey Environmental Risk Management fund of \$263,092 for the year ended December 31, 2019. The participating members offset their subsequent year assessments with the respective share of the distribution. The Dividend Payable balance at December 31, 2018 is \$397,802.

NOTE 8: DEFICIT FUND EQUITY

At December 31, 2020, the following individual retained earnings accounts were in a deficit position – (see Exhibits C through C-3):

Fund Year 2017

Workers' Compensation Fund	\$ 459,382
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Fund Year 2018

Workers' Compensation Fund	3,317,975
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Fund Year 2020

Property Fund	463,279
Automotive Liability Fund	74,517

Currently, the Fund has no plans to levy an additional assessment to the participating municipalities to eliminate the above deficits. Changes in the loss reserves for each account should eliminate the above deficits; however the Closed Years Contingency Fund will cover any remaining deficits.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9: FUND EQUITY

The State of New Jersey has no statutory minimum fund equity requirements. The combined fund balance of all assessment years is \$9,752,059 and \$9,547,708 at December 31, 2020 and 2019, respectively.

NOTE 10: RELATIONSHIP WITH STATE SCHEDULES

The information in the Fund's financial statements differs from the State Schedules listed in the supplementary data section as Schedules A through F. Specifically, the Schedules present historical information from the inception of each fund year. In addition, the financial statements reflect the Fund's equity interest in joint ventures. The Supplementary Schedules do not reflect the equity interest in joint ventures.

NOTE 11: JOINT VENTURES

Municipal Excess Liability Residual Claims Fund

The Fund is currently a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of assuming and discharging the liabilities associated with loss reserves of participating members. The transfer of loss reserves to the Residual Fund results in the closing of fund years and the unencumbering of the retained earnings related to those closed fund years. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Residual Fund are elected.

As a member of the Residual Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Residual Fund were to be exhausted, members would become jointly and severally liable for the Residual Fund's liabilities.

The Residual Fund 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. In accordance Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for the Fund's membership assessment in the year in which the distribution was declared.

Municipal Excess Liability Joint Insurance Fund

Effective July 1, 1998, the Fund became a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the MEL are elected.

As a member of the MEL, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the MEL were to be exhausted, members would become jointly and severally liable for the MEL's liabilities.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11: JOINT VENTURES (continued)

Municipal Excess Liability Joint Insurance Fund (continued)

The MEL 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.

New Jersey Municipal Environmental Risk Management Fund

Effective January 1, 1995, the Fund became a member of the New Jersey Municipal Environmental Risk Management Fund (the "Environmental Fund"). The Environmental Fund provides its members with various environmental related coverage.

The Environmental Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of joint insurance funds established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Environmental Fund are elected.

As a member of the Environmental Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Environmental Fund were to be exhausted, members would become responsible for their respective shares of the Environmental Fund's liabilities.

The Environmental Fund 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 related to the total assessment of the membership body.

Equity Interest

	<u>2020</u>	<u>2019</u>
Residual Fund	\$ 793,921	\$ 809,940
Environmental Fund	2,693,677	2,596,803
MEL	<u>3,542,541</u>	<u>4,242,886</u>
Total Investment in Joint Ventures	<u>\$ 7,030,139</u>	<u>\$ 7,649,629</u>

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11: JOINT VENTURES (continued)

Selected Financial Information

As of December 31, 2020, the Fund's share of net position in the Residual Fund, the MEL and the Environmental Fund is as follows:

	<u>Residual Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>
Total Assets	<u>\$ 113,821,785</u>	<u>\$ 85,601,144</u>	<u>\$ 34,453,325</u>
Total Liabilities	<u>\$ 101,181,048</u>	<u>\$ 69,349,487</u>	<u>\$ 12,275,343</u>
Net Position	<u>\$ 12,640,737</u>	<u>\$ 16,251,657</u>	<u>\$ 22,177,982</u>
Total Revenue	<u>\$ 28,628,559</u>	<u>\$ 52,502,391</u>	<u>\$ 4,765,059</u>
Total Expenses	<u>\$ 27,440,450</u>	<u>\$ 62,523,370</u>	<u>\$ 905,589</u>
Change in Net Position	<u>\$ 530,539</u>	<u>\$ (10,020,979)</u>	<u>\$ 1,359,470</u>
Distributions to Members	<u>\$ 657,570</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>

As of December 31, 2019, the Fund's share of net position in the Residual Fund, the MEL and the Environmental Fund is as follows:

	<u>Residual Fund</u>	<u>MEL</u>	<u>Environmental Fund</u>
Total Assets	<u>\$ 102,873,503</u>	<u>\$ 80,294,462</u>	<u>\$ 33,215,865</u>
Total Liabilities	<u>\$ 90,763,305</u>	<u>\$ 54,021,826</u>	<u>\$ 12,397,353</u>
Net Position	<u>\$ 12,110,198</u>	<u>\$ 26,272,636</u>	<u>\$ 20,818,512</u>
Total Revenue	<u>\$ 26,956,920</u>	<u>\$ 49,733,294</u>	<u>\$ 5,177,954</u>
Total Expenses	<u>\$ 29,408,357</u>	<u>\$ 51,222,164</u>	<u>\$ 2,479,087</u>
Change in Net Position	<u>\$ 1,001,867</u>	<u>\$ (1,488,870)</u>	<u>\$ 698,867</u>
Distributions to Members	<u>\$ 646,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 12: RISKS AND UNCERTAINTIES

While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the MEL and its affiliated JIFs are in an exceptionally strong position because of decades of conservative financial practices. Management continues to evaluate the impact of the COVID 19 pandemic on workers' compensation and has established a special COVID litigation reserve of \$5.5 million. 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. Fortunately, MEL 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 law suits and the reluctance of the NJ Court System to grant summary judgements when Title 59 immunities should apply. Management also expects a sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance. To mitigate these increases, the MEL is planning a rate adjustment beginning 2022.

NOTE 13: PRIOR PERIOD ADJUSTEMENT

During the year ended December 31, 2020, the Fund identified that the Fund's membership in joint insurance funds were not included on the statement of net position, resulting in understated assets and net position. The correction of this error increased prior period assets and net position. Net position as of January 1, 2019 has been restated as follows:

Net position as previously reported at January 1, 2019	\$ 9,982,276
Investment in Joint Ventures:	
Municipal Excess Liability Residual Claims Fund	858,611
New Jersey Municipal Environmental Risk Management Fund	2,544,223
Municipal Excess liability Joint Insurance Fund	<u>4,556,265</u>
Total prior period restatement	<u>7,959,099</u>
Net position as restated, January 1, 2019	<u><u>\$ 17,941,375</u></u>

SUPPLEMENTARY INFORMATION

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Property Fund	General Liability Fund	Automotive Fund	Workers' Compensation Fund	Total
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	\$ 268,467	\$ 4,666,323	\$ 2,120,565	\$ 13,557,445	\$ 20,612,800
Incurred Claims and Claim Adjustment Expenses:					
Provision for Insured Events of the Current Period	1,358,539	1,672,234	861,695	6,955,935	10,848,403
Increase/(Decrease) in Provision for Insured Events of Prior Years	812,447	(397,963)	(400,753)	1,717,072	1,730,803
Total Incurred Claims and Claim Adjustment Expenses	2,439,453	5,940,594	2,581,507	22,230,452	33,192,006
Payments:					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	915,825	43,776	96,019	1,604,323	2,659,943
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	1,033,701	1,161,245	293,455	6,159,751	8,648,152
Total Payments	1,949,526	1,205,021	389,474	7,764,074	11,308,095
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	\$ 489,927	\$ 4,735,573	\$ 2,192,033	\$ 14,466,378	\$ 21,883,911

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

Fiscal Period Ended December 31, 2020 and Policy Period Ended December 31,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Required Contribution and Investment Revenue:										
Earned	\$ 13,814,735	\$ 19,446,540	\$ 19,446,540	\$ 19,732,663	\$ 20,035,008	\$ 19,837,178	\$ 19,113,857	\$ 18,597,977	\$ 19,051,747	\$ 20,062,992
Ceded	3,761,507	314,208	3,117,796	3,233,351	2,500,709	2,306,095	-	-	-	-
Net Earned	17,576,242	19,760,748	22,564,336	22,968,014	22,535,717	22,143,273	19,113,857	18,597,977	19,051,747	20,062,992
Unallocated Expenses	2,366,297	2,366,297	2,366,297	2,458,990	2,458,990	6,096,850	6,236,656	6,421,876	6,632,828	6,666,387
Estimated Claims and Expenses, End of Policy Year:										
Incurred	7,779,203	11,280,563	8,761,283	8,761,283	9,578,171	9,236,081	10,223,899	12,915,161	9,199,717	10,848,403
Paid (cumulative) as of:										
End of Policy Year	2,781,745	2,781,745	2,798,383	2,665,214	2,719,926	2,468,002	2,618,148	3,246,015	2,471,376	2,659,943
One Year Later	4,467,937	4,467,937	4,606,510	4,642,411	4,421,079	4,263,932	4,835,627	6,105,081	4,385,866	-
Two Years Later	5,326,367	5,326,367	5,773,086	5,643,620	5,576,301	5,862,394	6,373,699	7,800,855	-	-
Three Years Later	6,858,036	6,407,879	6,567,374	6,850,851	7,349,551	7,422,996	7,763,836	-	-	-
Four Years Later	6,858,036	6,407,879	6,567,374	6,850,851	7,349,551	7,422,996	-	-	-	-
Five Years Later	6,858,036	6,407,879	6,567,374	6,850,851	7,349,551	-	-	-	-	-
Six Years Later	6,858,036	6,407,879	6,567,374	6,850,851	-	-	-	-	-	-
Seven Years Later	6,858,036	6,407,879	6,567,374	-	-	-	-	-	-	-
Eight Years Later	6,858,036	6,407,879	-	-	-	-	-	-	-	-
Nine Years Later	6,858,036	-	-	-	-	-	-	-	-	-
Re-estimated Ceded Claims and Expenses	3,761,507	314,208	3,117,796	3,233,351	2,500,709	2,306,095	-	-	-	-
Re-estimated Incurred Claims and Expenses:										
End of Policy Year	8,580,000	8,580,000	11,195,000	10,050,001	9,655,002	9,867,179	9,767,394	11,231,566	9,393,453	10,848,403
One Year Later	8,260,000	8,260,000	10,215,001	9,035,002	9,370,563	9,386,972	10,275,498	13,149,369	9,199,717	-
Two Years Later	7,662,941	7,662,941	10,570,001	8,788,716	9,479,814	9,672,355	10,221,458	12,915,161	-	-
Three Years Later	7,779,203	7,779,203	8,761,283	8,629,716	9,578,171	9,236,081	10,223,899	-	-	-
Four Years Later	7,779,203	7,779,203	8,761,283	8,629,716	9,578,171	9,236,081	-	-	-	-
Five Years Later	7,779,203	7,779,203	8,761,283	8,629,716	9,578,171	-	-	-	-	-
Six Years Later	7,779,203	7,779,203	8,761,283	8,629,716	-	-	-	-	-	-
Seven Years Later	7,779,203	7,779,203	8,761,283	-	-	-	-	-	-	-
Eight Years Later	7,779,203	7,779,203	-	-	-	-	-	-	-	-
Nine Years Later	7,779,203	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (800,797)	\$ 2,700,563	\$ (2,433,717)	\$ (1,420,285)	\$ (76,831)	\$ (631,098)	\$ 456,505	\$ 1,683,595	\$ (193,736)	\$ -

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
HISTORICAL OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FOR PERIOD FEBRUARY 1, 1987 (DATE OF INCEPTION) - DECEMBER 31, 2020**

<u>1. Underwriting Income:</u>		
Regular Contributions (earned)	\$ 439,271,656	
Excess Loss Contributions (earned)	2,673,625	
Supplemental Contributions (earned)	1,000,000	
Dividend Income	1,562,385	
Other Income (except investments)	<u>47,459</u>	
 Total Income		 \$ 444,555,125
 <u>2. Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	193,511,269	
Case Reserves (1)	11,925,087	
IBNR Reserve (1)	<u>8,651,593</u>	
 Limited Incurred Claims (claims-excess)		 \$ 214,087,949
 <u>Expenses:</u>		
Excess Insurance Premiums	117,915,007	
EPL Claims	55,198	
Residual Claims Fund Premium	37,295,438	
Administrative	60,877,067	
RCF Surplus Trigger Assessment	399,466	
MEL Surplus Trigger Assessment	<u>287,190</u>	
 Subtotal Expenses		 <u>216,829,366</u>
 Total Incurred Liabilities (limited claims and expenses)		 <u>430,917,315</u>
 <u>3. Underwriting Surplus/(Deficit) = 1-2</u>		 13,637,810
 <u>4. Investment Income (Earned)</u>		 <u>21,684,001</u>
 <u>5. Gross Statutory Surplus/(Deficit) = 3+4</u>		 35,321,811
 <u>6. Return of Surplus:</u>		
Paid	25,812,329	
Authorized and Unpaid	<u>444,079</u>	
 Subtotal Return of Surplus		 <u>26,256,408</u>
 <u>7. Fund Operating Position</u>		 <u>\$ 9,065,403</u>

(1) Refer to Notes to Financial Statements

SCHEDULE B

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET - STATUTORY BASIS
As of December 31, 2020**

<u>1. Assets:</u>		
Cash and Cash Equivalents (1)	\$	3,889,338
Investments (1)		27,628,323
 <u>Receivables (1):</u>		
Accrued Interest Receivable	\$ 72,492	
Excess Insurance	378,064	
Assessment	<u>152,409</u>	
 Total Receivables		 <u>602,965</u>
 Total Assets		 <u>32,120,626</u>
 <u>2. Liabilities:</u>		
<u>Claims:</u>		
Case Reserves (1)	12,933,766	
IBNR Reserve (1)	<u>8,950,145</u>	
 Subtotal Claims		 21,883,911
 <u>Expenses (Unpaid) (1):</u>		
Administrative	<u>40,577</u>	
 Subtotal Expenses		 40,577
 <u>Other Liabilities:</u>		
Other Payable	90	
RCF Surplus Trigger Assessment	399,466	
MEL Surplus Trigger Assessment	287,190	
Surplus Dividends Payable	<u>443,989</u>	
 Subtotal Other Liabilities		 <u>1,130,735</u>
 Total Liabilities		 <u>23,055,223</u>
 <u>3. Fund Operating Position</u>	 \$	 <u>9,065,403</u>

(1) Refer to Notes to Financial Statements

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
NOTES TO SUPPLEMENTARY INFORMATION

NOTE 1: RELATIONSHIP WITH BASIC FINANCIAL STATEMENTS

The information in the Ocean County Municipal Joint Insurance Fund (the "Fund")'s basic financial statements, Exhibits A-1 through A-3, differs from the accompanying Supplementary Information required by the Division of Banking and Insurance. The Supplementary Information does not reflect the Fund's Investments in Joint Ventures as follows:

	2020	2019
Total Assets - Comparative Statements of Net Position	\$ 39,150,765	\$ 38,642,150
Less Investments in Joint Ventures	(7,030,139)	(7,649,629)
Total Assets - Statutory Basis	\$ 32,120,626	\$ 30,992,521
Net Position - Comparative Statements of Net Position	\$ 16,095,542	\$ 17,197,337
Less Investment in Joint Ventures	(7,030,139)	(7,649,629)
Net Statutory Surplus	\$ 9,065,403	\$ 9,547,708

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- CLOSED YEARS
FOR PERIOD FEBRUARY 1, 1987 - DECEMBER 31, 2020**

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 362,445,083	
Supplemental Contributions	1,000,000	
Dividend Income	1,562,385	
Other Income (except investments)	<u>47,459</u>	
Total Income		\$ 365,054,927
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	<u>170,900,769</u>	
Limited Incurred Claims (claims - excess)		\$ 170,900,769
<u>Expenses:</u>		
Excess Insurance Premiums	91,957,260	
EPL Claims	55,198	
Residual Claims Fund Premium	37,295,438	
Administrative	50,127,447	
RCF Surplus Trigger Assessment	<u>399,466</u>	
Subtotal Expenses		<u>179,834,809</u>
Total Incurred Liabilities (limited claims and expenses)		<u>350,735,578</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		14,319,349
4. <u>Adjustments:</u>		
Investment/Dividend Income (Earned)		<u>20,545,045</u>
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		34,864,394
6. <u>Return of Surplus:</u>		
Paid	25,812,329	
Authorized and Unpaid	<u>444,079</u>	
Subtotal Return of Surplus		<u>26,256,408</u>
7. <u>Fund Operating Position</u>		<u><u>\$ 8,607,986</u></u>

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 HISTORICAL FUND OPERATING RESULTS ANALYSIS - STATUTORY BASIS
 FUND YEAR 2016
 FOR PERIOD JANUARY 1, 2016 - DECEMBER 31, 2020**

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 19,837,178	
Total Income		\$ 19,837,178
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	8,032,738	
Imprest Account Reconciliation (1)	-	
Case Reserves (1)	1,008,679	
IBNR Reserve (1)	298,551	
Limited Incurred Claims (claims - excess)		\$ 9,339,968
<u>Expenses:</u>		
Excess Insurance Premiums	6,096,850	
Administrative	2,484,622	
Subtotal Expenses		8,581,472
Total Incurred Liabilities (limited claims and expenses)		17,921,440
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		1,915,738
4. <u>Adjustments:</u>		
Investment/Dividend Income (Earned)		390,357
Surplus Transfer to Closed Fund Year		(2,306,095)
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		-
6. <u>Return of Surplus:</u>		
Paid	-	
Authorized and Unpaid	-	
Subtotal Return of Surplus		-
7. <u>Fund Operating Position</u>		\$ -

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 HISTORICAL FUND OPERATING RESULTS ANALYSIS - STATUTORY BASIS
 OCEAN AGGREGATE EXCESS LOSS FUND CONTINGENCY
 FOR PERIOD JANUARY 1, 2016 - DECEMBER 31, 2020**

1. <u>Underwriting Income:</u>		
Excess Loss Contributions (earned)	\$ 2,673,625	
Total Income		\$ 2,673,625
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	-	
Limited Incurred Claims (claims - excess)		\$ -
<u>Expenses:</u>		
Excess Insurance Premiums	-	
MEL Surplus Trigger Assessment	287,190	
Subtotal Expenses		287,190
Total Incurred Liabilities (limited claims and expenses)		287,190
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		2,386,435
4. <u>Adjustments:</u>		
Investment/Dividend Income (Earned)		40,245
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		2,426,680
6. <u>Return of Surplus:</u>		
Paid	-	
Subtotal Return of Surplus		-
7. <u>Fund Operating Position</u>		\$ 2,426,680

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2017
 FOR PERIOD JANUARY 1, 2017 - DECEMBER 31, 2020**

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	<u>\$ 19,113,857</u>	
Total Income		\$ 19,113,857
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	7,763,836	
Imprest Account Reconciliation (1)	-	
Case Reserves (1)	1,809,011	
IBNR Reserve (1)	<u>651,052</u>	
Limited Incurred Claims (claims - excess)		\$ 10,223,899
<u>Expenses:</u>		
Excess Insurance Premiums	6,236,656	
Administrative	<u>2,565,635</u>	
Subtotal Expenses		<u>8,802,291</u>
Total Incurred Liabilities (limited claims and expenses)		<u>19,026,190</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		87,667
4. <u>Adjustments:</u>		
Investment/Dividend Income (Earned)		<u>342,864</u>
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		430,531
6. <u>Return of Surplus:</u>		
Paid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
7. <u>Fund Operating Position</u>		<u><u>\$ 430,531</u></u>

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- 2018
FOR PERIOD JANUARY 1, 2018 - DECEMBER 31, 2020**

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	<u>\$ 18,597,977</u>	
Total Income		\$ 18,597,977
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	7,800,855	
Imprest Account Reconciliation (1)	-	
Case Reserves (1)	3,903,342	
IBNR Reserve (1)	<u>1,210,964</u>	
Limited Incurred Claims (claims - excess)		\$ 12,915,161
<u>Expenses:</u>		
Excess Insurance Premiums	6,421,876	
Administrative	<u>2,690,532</u>	
Subtotal Expenses		<u>9,112,408</u>
Total Incurred Liabilities (limited claims and expenses)		<u>22,027,569</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(3,429,592)
4. <u>Adjustments:</u>		
Investment/Dividend Income (Earned)		<u>327,239</u>
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		(3,102,353)
6. <u>Return of Surplus:</u>		
Paid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
7. <u>Fund Operating Position</u>		<u><u>\$ (3,102,353)</u></u>

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- 2019
FOR PERIOD JANUARY 1, 2019 - DECEMBER 31, 2020**

<u>1. Underwriting Income:</u>		
Regular Contributions (earned)	<u>\$ 19,051,747</u>	
Total Income		\$ 19,051,747
<u>2. Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	4,385,866	
Imprest Account Reconciliation (1)	-	
Case Reserves (1)	2,856,897	
IBNR Reserve (1)	<u>1,956,954</u>	
Limited Incurred Claims (claims - excess)		\$ 9,199,717
<u>Expenses:</u>		
Excess Insurance Premiums	6,632,828	
Administrative	<u>2,735,486</u>	
Subtotal Expenses		<u>9,368,314</u>
Total Incurred Liabilities (limited claims and expenses)		<u>18,568,031</u>
<u>3. Underwriting Surplus/(Deficit) = 1-2</u>		483,716
<u>4. Adjustments:</u>		
Investment/Dividend Income (Earned)		<u>323,958</u>
<u>5. Gross Statutory Surplus/(Deficit) = 3+4</u>		807,674
<u>6. Return of Surplus:</u>		
Paid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
<u>7. Fund Operating Position</u>		<u><u>\$ 807,674</u></u>

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- 2020
FOR PERIOD JANUARY 1, 2020 - DECEMBER 31, 2020**

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	<u>\$ 20,062,992</u>	
Total Income		\$ 20,062,992
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	2,659,943	
Imprest Account Reconciliation (1)	-	
Case Reserves (1)	3,355,837	
IBNR Reserve (1)	<u>4,832,623</u>	
Limited Incurred Claims (claims - excess)		\$ 10,848,403
<u>Expenses:</u>		
Excess Insurance Premiums	6,666,387	
Administrative	<u>2,757,967</u>	
Subtotal Expenses		<u>9,424,354</u>
Total Incurred Liabilities (limited claims and expenses)		<u>20,272,757</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(209,765)
4. <u>Adjustments:</u>		
Investment/Dividend Income (Earned)		<u>104,650</u>
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		(105,115)
6. <u>Return of Surplus:</u>		
Paid	<u>-</u>	
Subtotal Return of Surplus		<u>-</u>
7. <u>Fund Operating Position</u>		<u><u>\$ (105,115)</u></u>

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- 2017
FOR PERIOD JANUARY 1, 2017 - DECEMBER 31, 2020**

	Coverages and Other Accounts							
	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	MEL/ Environmental Fund/POL-EPL	General and Administrative Fund	Total	
1. <u>Underwriting Income:</u>								
Regular Contributions (earned)	\$ 958,243	\$ 1,837,045	\$ 632,533	\$ 6,761,000	\$ 6,232,346	\$ 2,692,690	\$ 19,113,857	
Total Income	958,243	1,837,045	632,533	6,761,000	6,232,346	2,692,690	19,113,857	
2. <u>Incurred Liabilities:</u>								
Claims (limited incurred)	532,472	1,650,318	639,324	7,401,785	-	-	10,223,899	
Expenses	20,702	7,500	-	-	6,208,454	2,565,635	8,802,291	
Total Incurred Liabilities	553,174	1,657,818	639,324	7,401,785	6,208,454	2,565,635	19,026,190	
3. <u>Underwriting Surplus/(Deficit)</u>	405,069	179,227	(6,791)	(640,785)	23,892	127,055	87,667	
4. <u>Adjustments:</u>								
Investment Income	26,796	88,383	25,039	181,403	7,347	13,896	342,864	
Total Adjustments	26,796	88,383	25,039	181,403	7,347	13,896	342,864	
5. <u>Gross Statutory Surplus</u>	431,865	267,610	18,248	(459,382)	31,239	140,951	430,531	
6. <u>Return of Surplus</u>	-	-	-	-	-	-	-	
7. <u>Fund Operating Position</u>	\$ 431,865	\$ 267,610	\$ 18,248	\$ (459,382)	\$ 31,239	\$ 140,951	\$ 430,531	

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- 2018
FOR PERIOD JANUARY 1, 2018 - DECEMBER 31, 2020**

	Coverages and Other Accounts							
	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	MEL/ Environmental Fund/POL-EPL	General and Administrative Fund	Total	
<u>1. Underwriting Income:</u>								
Regular Contributions (earned)	\$ 908,941	\$ 1,592,283	\$ 686,295	\$ 6,273,000	\$ 6,341,140	\$ 2,796,318	\$ 18,597,977	
Total Income	908,941	1,592,283	686,295	6,273,000	6,341,140	2,796,318	18,597,977	
<u>2. Incurred Liabilities:</u>								
Claims (limited incurred)	890,860	1,586,105	675,503	9,762,693	-	-	12,915,161	
Expenses	20,733	60,000	-	-	6,341,143	2,690,532	9,112,408	
Total Incurred Liabilities	911,593	1,646,105	675,503	9,762,693	6,341,143	2,690,532	22,027,569	
<u>3. Underwriting Surplus/(Deficit)</u>	(2,652)	(53,822)	10,792	(3,489,693)	(3)	105,786	(3,429,592)	
<u>4. Adjustments:</u>								
Investment Income	6,318	78,924	33,404	171,718	21,205	15,670	327,239	
Total Adjustments	6,318	78,924	33,404	171,718	21,205	15,670	327,239	
<u>5. Gross Statutory Surplus</u>	3,666	25,102	44,196	(3,317,975)	21,202	121,456	(3,102,353)	
<u>6. Return of Surplus</u>	-	-	-	-	-	-	-	
<u>7. Fund Operating Position</u>	\$ 3,666	\$ 25,102	\$ 44,196	\$ (3,317,975)	\$ 21,202	\$ 121,456	\$ (3,102,353)	

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- 2019
FOR PERIOD JANUARY 1, 2019 - DECEMBER 31, 2020**

	Coverages and Other Accounts							
	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	MEL/Environmental Fund/POL-EPL/RCF	General and Administrative Fund	Total	
1. Underwriting Income:								
Regular Contributions (earned)	\$ 876,429	\$ 1,627,755	\$ 744,160	\$ 6,375,000	\$ 6,611,922	\$ 2,816,481	\$ 19,051,747	
Total Income	876,429	1,627,755	744,160	6,375,000	6,611,922	2,816,481	19,051,747	
2. Incurred Liabilities:								
Claims (limited incurred) Expenses	855,744	1,397,249	652,070	6,294,654	-	-	9,199,717	
	20,911	-	-	-	6,611,917	2,735,486	9,368,314	
Total Incurred Liabilities	876,655	1,397,249	652,070	6,294,654	6,611,917	2,735,486	18,568,031	
3. Underwriting Surplus/(Deficit)	(226)	230,506	92,090	80,346	5	80,995	483,716	
4. Adjustments:								
Investment Income	11,686	53,308	23,434	174,293	31,585	29,652	323,958	
Total Adjustments	11,686	53,308	23,434	174,293	31,585	29,652	323,958	
5. Gross Statutory Surplus	11,460	283,814	115,524	254,639	31,590	110,647	807,674	
6. Return of Surplus	-	-	-	-	-	-	-	
7. Fund Operating Position	\$ 11,460	\$ 283,814	\$ 115,524	\$ 254,639	\$ 31,590	\$ 110,647	\$ 807,674	

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - STATUTORY BASIS
FUND YEAR- 2020
FOR PERIOD JANUARY 1, 2020 - DECEMBER 31, 2020**

	Coverages and Other Accounts						
	Property Fund	General Liability Fund	Automotive Liability Fund	Workers' Compensation Fund	MEL/Environmental Fund/POL-EPL/Loss Fund	General and Administrative Fund	Total
<u>1. Underwriting Income:</u>							
Regular Contributions (earned)	\$ 914,437	\$ 1,672,234	\$ 781,480	\$ 6,955,935	\$ 6,810,084	\$ 2,928,822	\$ 20,062,992
Total Income	914,437	1,672,234	781,480	6,955,935	6,810,084	2,928,822	20,062,992
<u>2. Incurred Liabilities:</u>							
Claims (limited incurred)	1,358,539	1,672,234	861,695	6,955,935	-	-	10,848,403
Expenses	21,247	-	-	-	6,645,140	2,757,967	9,424,354
Total Incurred Liabilities	1,379,786	1,672,234	861,695	6,955,935	6,645,140	2,757,967	20,272,757
<u>3. Underwriting Surplus/(Deficit)</u>	(465,349)	-	(80,215)	-	164,944	170,855	(209,765)
<u>4. Adjustments:</u>							
Investment Income	2,070	12,344	5,698	48,819	23,163	12,556	104,650
Total Adjustments	2,070	12,344	5,698	48,819	23,163	12,556	104,650
<u>5. Gross Statutory Surplus</u>	(463,279)	12,344	(74,517)	48,819	188,107	183,411	(105,115)
<u>6. Return of Surplus</u>	-	-	-	-	-	-	-
<u>7. Fund Operating Position</u>	\$ (463,279)	\$ 12,344	\$ (74,517)	\$ 48,819	\$ 188,107	\$ 183,411	\$ (105,115)

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2017
 FOR PERIOD JANUARY 1, 2017 - DECEMBER 31, 2020**

	Coverages				Total
	Property	General Liability	Automotive Liability	Workers' Compensation	
Paid Claims	\$ 532,383	\$ 1,145,667	\$ 459,130	\$ 5,626,656	\$ 7,763,836
Imprest Account	-	-	-	-	-
Case Reserves	89	371,862	135,179	1,301,881	1,809,011
IBNR Reserves	-	132,789	45,015	473,248	651,052
Incurring Claims	<u>\$ 532,472</u>	<u>\$ 1,650,318</u>	<u>\$ 639,324</u>	<u>\$ 7,401,785</u>	<u>\$ 10,223,899</u>
Number of Claims	162	242	135	456	995
Cost/Claim	\$ 3,287	\$ 6,819	\$ 4,736	\$ 16,232	\$ 10,275

SCHEDULE E-2

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2018
 FOR PERIOD JANUARY 1, 2018 - DECEMBER 31, 2020

	Coverages				Total
	Property	General Liability	Automotive Liability	Workers' Compensation	
Paid Claims	\$ 872,412	\$ 578,226	\$ 171,236	\$ 6,178,981	\$ 7,800,855
Imprest Account	-	-	-	-	-
Case Reserves	18,448	669,177	421,502	2,794,215	3,903,342
IBNR Reserves	-	338,702	82,765	789,497	1,210,964
Incurring Claims	\$ 890,860	\$ 1,586,105	\$ 675,503	\$ 9,762,693	\$ 12,915,161
Number of Claims	194	269	177	546	1,186
Cost/Claim	\$ 4,592	\$ 5,896	\$ 3,816	\$ 17,880	\$ 10,890

SCHEDULE E-3

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2019
 FOR PERIOD JANUARY 1, 2019 - DECEMBER 31, 2020

	Coverages				Total
	Property	General Liability	Automotive Liability	Workers' Compensation	
Paid Claims	\$ 831,229	\$ 221,439	\$ 125,054	\$ 3,208,144	\$ 4,385,866
Imprest Account	-	-	-	-	-
Case Reserves	24,515	541,029	192,774	2,098,579	2,856,897
IBNR Reserve	-	634,781	334,242	987,931	1,956,954
Incurring Claims	\$ 855,744	\$ 1,397,249	\$ 652,070	\$ 6,294,654	\$ 9,199,717
Number of Claims	170	244	131	444	989
Cost/Claim	\$ 5,034	\$ 5,726	\$ 4,978	\$ 14,177	\$ 9,302

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2020
 FOR PERIOD JANUARY 1, 2020 - DECEMBER 31, 2020**

	Coverages				Total
	Property	General Liability	Automotive Liability	Workers' Compensation	
Paid Claims	\$ 915,825	\$ 43,776	\$ 96,019	\$ 1,604,323	\$ 2,659,943
Imprest Account	-	-	-	-	-
Case Reserves	441,714	506,775	313,607	2,093,741	3,355,837
IBNR Reserves	1,000	1,121,683	452,069	3,257,871	4,832,623
Incurring Claims	<u>\$ 1,358,539</u>	<u>\$ 1,672,234</u>	<u>\$ 861,695</u>	<u>\$ 6,955,935</u>	<u>\$ 10,848,403</u>
Number of Claims	188	156	116	572	1,032
Cost/Claim	\$ 7,226	\$ 10,719	\$ 7,428	\$ 12,161	\$ 10,512

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR EXPENSE ANALYSIS - STATUTORY BASIS
FUND YEAR- 2017
FOR PERIOD JANUARY 1, 2017 - DECEMBER 31, 2020**

	Paid	Unpaid	Total
<u>Excess Insurance</u>			
Property Premiums	\$ 20,702	\$ -	\$ 20,702
General Liability - Police Accrediation	7,500	-	7,500
MEL Premiums	4,128,745	-	4,128,745
RCF Premium	30,000	-	30,000
POL/EPL Premiums	1,545,649	-	1,545,649
Environmental Premiums	504,060	-	504,060
Excess Insurance Subtotal	<u>6,236,656</u>	<u>-</u>	<u>6,236,656</u>
<u>Administrative Expenses</u>			
Administrator	690,060	-	690,060
Outside Adjuster Reimbursement	67,177	-	67,177
Safety	134,423	-	134,423
MEL Safety Institute	94,979	-	94,979
Executive Director	293,868	-	293,868
Right-To-Know Program	26,990	-	26,990
Legal	42,377	-	42,377
Litigation Management	177,534	-	177,534
Treasurer	35,138	-	35,138
Actuary	45,303	-	45,303
Auditor	20,275	-	20,275
Medical Management	289,534	-	289,534
Risk Manager	611,968	-	611,968
Underwriter Fees	11,543	-	11,543
Other (itemize) *	24,466	-	24,466
Administrative Subtotal	<u>2,565,635</u>	<u>-</u>	<u>2,565,635</u>
Total Expenses	<u>\$ 8,802,291</u>	<u>\$ -</u>	<u>\$ 8,802,291</u>
* Miscellaneous	\$ 23,974	\$ -	\$ 23,974
* Postage	492	-	492
	<u>\$ 24,466</u>	<u>\$ -</u>	<u>\$ 24,466</u>

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR EXPENSE ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2018
 FOR PERIOD JANUARY 1, 2018 - DECEMBER 31, 2020**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Excess Insurance</u>			
Property Premiums	\$ 20,733	\$ -	\$ 20,733
General Liability - Police Accrediation	60,000	-	60,000
MEL Premiums	4,299,169	-	4,299,169
POL/EPL Premiums	1,561,405	-	1,561,405
Environmental Premiums	480,569	-	480,569
Excess Insurance Subtotal	<u>6,421,876</u>	<u>-</u>	<u>6,421,876</u>
<u>Administrative Expenses</u>			
Administrator	703,861	-	703,861
Outside Adjuster Reimbursement	68,521	-	68,521
Safety	233,989	-	233,989
Executive Director	299,746	-	299,746
Right-To-Know Program	34,193	-	34,193
Loss Fund Management	27,793	-	27,793
Legal	43,224	-	43,224
Litigation Management	182,889	-	182,889
Treasurer	35,770	-	35,770
Actuary	46,209	-	46,209
Auditor	20,275	-	20,275
Medical Management	293,877	-	293,877
Risk Manager	624,207	-	624,207
Underwriter Fees	11,744	-	11,744
Other (itemize) *	64,234	-	64,234
Administrative Subtotal	<u>2,690,532</u>	<u>-</u>	<u>2,690,532</u>
Total Expenses	<u>\$ 9,112,408</u>	<u>\$ -</u>	<u>\$ 9,112,408</u>
* Postage	\$ 517	\$ -	\$ 517
* Miscellaneous	63,717	-	63,717
	<u>\$ 64,234</u>	<u>\$ -</u>	<u>\$ 64,234</u>

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR EXPENSE ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2019
 FOR PERIOD JANUARY 1, 2019 - DECEMBER 31, 2020**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Excess Insurance</u>			
Property Premiums	\$ 20,911	\$ -	\$ 20,911
General Liability - Police Accrediation	-	-	-
MEL Premiums	4,438,337	-	4,438,337
RCF Premium	10,000	-	10,000
POL/EPL Premiums	1,687,510	-	1,687,510
Environmental Premiums	476,070	-	476,070
Excess Insurance Subtotal	<u>6,632,828</u>	<u>-</u>	<u>6,632,828</u>
<u>Administrative Expenses</u>			
Administrator	717,938	-	717,938
Outside Adjuster Reimbursement	69,891	-	69,891
Safety	227,314	-	227,314
Executive Director	307,840	-	307,840
Right-to-Know Program	34,877	-	34,877
Legal	44,089	-	44,089
Loss Fund Management	28,348	-	28,348
Litigation Management	183,319	-	183,319
Treasurer	36,485	-	36,485
Actuary	47,133	-	47,133
Auditor	20,680	-	20,680
Medical management	293,877	-	293,877
Risk Manager	636,140	-	636,140
Underwriter Fees	12,009	-	12,009
Other (itemize) *	75,546	-	75,546
Administrative Subtotal	<u>2,735,486</u>	<u>-</u>	<u>2,735,486</u>
Total Expenses	<u>\$ 9,368,314</u>	<u>\$ -</u>	<u>\$ 9,368,314</u>
*Postage	\$ 640	\$ -	\$ 640
*Miscellaneous	74,906	-	74,906
Total Miscellaneous	<u>\$ 75,546</u>	<u>\$ -</u>	<u>\$ 75,546</u>

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 FUND YEAR EXPENSE ANALYSIS - STATUTORY BASIS
 FUND YEAR- 2020
 FOR PERIOD JANUARY 1, 2020 - DECEMBER 31, 2020**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Excess Insurance</u>			
Property Premiums	\$ 21,247	\$ -	\$ 21,247
MEL Premiums	4,427,481	-	4,427,481
RCF Premium	-	-	-
POL/EPL Premiums	1,751,273	-	1,751,273
Environmental Premiums	466,386	-	466,386
Excess Insurance Subtotal	<u>6,666,387</u>	<u>-</u>	<u>6,666,387</u>
<u>Administrative Expenses</u>			
Administrator	732,297	-	732,297
Police Accreditation	35,000	-	35,000
Outside Adjuster Reimbursement	71,289	-	71,289
Safety	239,307	-	239,307
Executive Director	310,992	650	311,642
Loss Fund Management	28,915	-	28,915
Litigation Management	154,312	14,325	168,637
Legal	41,223	3,748	44,971
Training	30,000	-	30,000
Treasurer	37,215	-	37,215
Actuary	48,076	-	48,076
Auditor	-	21,094	21,094
Medical Management	293,877	-	293,877
Risk Manager	658,356	-	658,356
Underwriter Fees	12,250	-	12,250
Other (itemize) *	24,281	760	25,041
Administrative Subtotal	<u>2,717,390</u>	<u>40,577</u>	<u>2,757,967</u>
Total Expenses	<u>\$ 9,383,777</u>	<u>\$ 40,577</u>	<u>\$ 9,424,354</u>
* Postage	\$ 109	\$ 514	\$ 623
* Miscellaneous	24,172	246	24,418
	<u>\$ 24,281</u>	<u>\$ 760</u>	<u>\$ 25,041</u>

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
 PROGRAM SUMMARY - STATUTORY BASIS
 As of December 31, 2020

Fund Retention: Specific	Coverages						Totals
	Property	General Liability	Automotive Liability	Workers' Compensation	Environmental	POL/EPL	
Limits	\$125,000,000 Blanket Limit	\$5,000,000 Per Occurrence Combined Single Limit	\$5,000,000 Per Occurrence Combined Single Limit	Statutory	\$1,000,000 Third Party \$50,000 On Site Cleanup Costs \$1,000,000 Public-Officals Pollution \$ 50,000 De Minimis Abandoned Waste Sites \$1,000,000 Tank Systems	\$2,000,000,000 QBE Insurance	XL Catlin \$3,000,000 1st Party Coverage \$3,000,000 3rd Party Coverage \$25,000 deductible per member \$3,000,000 each/\$6,000,000 policy aggregate
Excess Insurers	Zurich Insurance \$125,000,000 per occurrence-blanket limit in excess of JIF/MEL \$500,000, self-insured retention	Municipal Excess Liability Insurance Fund provides \$1,700,000 in excess of \$300,000 for both liability and workers' compensation. Underwriters at Lloyd's of London (Brit) provides \$3,000,000 in excess of JIF/MEL retention of \$2,000,000 on a pro-rata basis with the MEL (80% Brit/20% MEL) for liability. Safety National provides statutory limits excess of JIF/MEL retention \$2,000,000 for workers' compensation and \$5,000,000 for Employers Liability Munich Re provides optional limits excess of \$5,000,000 up to \$15,000,000 excess of \$5,000,000. Chubb provides a per member option for a shared aggregate limits of \$10,000 excess of \$2,000,000 (if member purchases).	Ascot Specialty Insurance Company provides \$9,000,000 Aggregate Excess Liability - Excess of aggregate claims payment of \$3,000,000.	Underwriters at Lloyd's of London (Brit) provides optional excess liability reinsurance to the Municipal Excess Liability for reinsurance on a pro-rata basis (80% Brit/20% MEL). Member optional limits in layers starting at \$1,000,000 in excess of \$2,000,000 through \$8,000,000.	General Reinsurance offers optional excess limits	Beazley \$6,000,000 policy aggregate	
Number of Participants	31	31	31	31	31	31	31
Incurred Liabilities	\$ 615,000	\$ 1,025,000	\$ 190,000	\$ 3,600,000			\$5,430,000.00
Exposure Units (Population)	1,009,559,540 Property Values	480,440 Population	2,998 Vehicles	295,256,355 Payroll	480,440 Population	Full time Employees - 3,327 Population - 480,440	1,134,298,339
Liabilities/Unit	\$0.001	\$2.133	\$62,541	\$0.013			\$0.005

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS - STATUTORY BASIS
As of December 31, 2020

	Amount
Cash and Cash Equivalents:	
Investors Bank	\$ 893,186
Investors Bank	1,529,195
Wilmington Trust (Cash):	1,980,749
Balance Per Bank	4,403,130
Less: Outstanding Checks	(513,792)
Total cash and cash equivalents	\$ 3,889,338
Investments:	
Wilmington Trust (Investments):	
Investments	\$ 27,628,323
Total investments	\$ 27,628,323

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF ACCOUNTS PAYABLE - STATUTORY BASIS
As of December 31, 2020**

2020 ASSESSMENT YEAR

General and Administrative Fund:	
Legal	\$ 3,748
Litigation Management	14,325
Postage	514
Executive Director	650
Other	246
Auditor	21,094
Total Accounts Payable - Statutory Basis	<u>\$ 40,577</u>

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
ANALYSIS OF OTHER MISCELLANEOUS RECEIVABLES
AND OTHER LIABILITIES - STATUTORY BASIS
As of December 31, 2020**

CLAIMS AND OTHER MISCELLANEOUS RECEIVABLES:

Assessment Receivable	\$	152,409
Excess Recoverable		378,064
		\$ 530,473

OTHER LIABILITIES:

Other Payable	\$	90
		90
		\$ 90

**OCEAN COUNTY
MUNICIPAL JOINT INSURANCE FUND**

**FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
YEAR ENDED DECEMBER 31, 2020**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
COMMENTS AND RECOMMENDATIONS**

DECEMBER 31, 2020

None Noted