

**OCEAN COUNTY  
MUNICIPAL JOINT INSURANCE FUND**

**Financial Statements  
and Supplementary Schedules**

**For the years ended December 31, 2022 and 2021**

**(With Independent Auditor's Report thereon)**

# OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

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## INDEPENDENT AUDITOR'S REPORT

The Administrative Committee of  
of Ocean County Municipal Joint Insurance Fund

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Ocean County Municipal Joint Insurance Fund (hereafter referred to as the "Fund") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of December 31, 2022 and 2021, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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 standards prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit standards prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit standards prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as 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**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **May 2, 2023** on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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*

May 2, 2023  
Lakewood, New Jersey

**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**

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 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, (herein referred to as “ the Fund”), as of and for the year ended December 31, 2022, 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 2, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fund's financial statements are free of 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 Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* and audit requirements as prescribed by the Department of Banking and Insurance and by 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*

May 2, 2023  
Lakewood, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION**

## **OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**

### **Management Discussion and Analysis**

This section of the annual financial report of the Ocean County Municipal Joint Insurance Fund (the “Fund”) presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2022, 2021, and 2020. 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, 2022, 2021 and 2020.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**Management Discussion and Analysis**

**SUMMARY OF COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 28,541,721	\$ 32,802,729	\$ (4,261,008)	(12.99%)
Claims & Other Miscellaneous Receivables	733,195	770,948	(37,753)	(4.90%)
Investment in Joint Ventures	<u>3,845,522</u>	<u>5,958,081</u>	<u>(2,112,559)</u>	<u>(35.46%)</u>
Total Assets	<u>33,120,438</u>	<u>39,531,758</u>	<u>(6,411,320)</u>	<u>(16.22%)</u>
<b>LIABILITIES:</b>				
Loss Reserves	26,402,844	25,658,058	744,786	2.90%
Other Liabilities and Reserves	<u>2,917,516</u>	<u>2,529,221</u>	<u>388,295</u>	<u>15.35%</u>
Total Liabilities & Reserves	<u>29,320,360</u>	<u>28,187,279</u>	<u>1,133,081</u>	<u>4.02%</u>
UNRESTRICTED NET POSITION	<u>\$ 3,800,078</u>	<u>\$ 11,344,479</u>	<u>\$ (7,544,401)</u>	<u>(66.50%)</u>

**SUMMARY OF COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents, Investments and Accrued Interest Receivable	\$ 32,802,729	\$ 31,590,153	\$ 1,212,576	3.84%
Claims & Other Miscellaneous Receivables	770,948	530,473	240,475	45.33%
Investment in Joint Ventures	<u>5,958,081</u>	<u>7,030,139</u>	<u>(1,072,058)</u>	<u>(15.25%)</u>
Total Assets	<u>39,531,758</u>	<u>39,150,765</u>	<u>380,993</u>	<u>0.97%</u>
<b>LIABILITIES:</b>				
Loss Reserves	25,658,058	21,883,911	3,774,147	17.25%
Other Liabilities and Reserves	<u>2,529,221</u>	<u>1,171,312</u>	<u>1,357,909</u>	<u>115.93%</u>
Total Liabilities & Reserves	<u>28,187,279</u>	<u>23,055,223</u>	<u>5,132,056</u>	<u>22.26%</u>
UNRESTRICTED NET POSITION	<u>\$ 11,344,479</u>	<u>\$ 16,095,542</u>	<u>\$ (4,751,063)</u>	<u>(29.52%)</u>

## OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND Management Discussion and Analysis

### SUMMARY COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
<b>Operating Revenues:</b>				
Assessments and Other Income	\$ 21,908,687	\$ 20,380,879	\$ 1,527,808	7.50%
Excess Loss Contributions	-	588,576	(588,576)	(100.00%)
<b>Total Operating Revenue</b>	<u>21,908,687</u>	<u>20,969,455</u>	<u>939,232</u>	<u>4.48%</u>
<b>Expenses:</b>				
Provision for Claims and Claim Adjustment Expense	13,435,558	12,093,093	1,342,465	11.10%
Insurance premiums	7,861,301	6,930,047	931,254	13.44%
MEL 2016-2021 Premium Deferral	-	1,683,620	(1,683,620)	(100.00%)
Administrative & Executive	2,998,644	2,965,111	33,533	1.13%
RCF Surplus Trigger Assessment	-	68,459	(68,459)	(100.00%)
MEL Surplus Trigger Assessment	-	(5,368)	5,368	(100.00%)
Additional Assessment - RCF Assessment	928,175	-	928,175	100.00%
Additional Assessment - MEL Assessment	1,452,767	-	1,452,767	100.00%
<b>Total Expenses</b>	<u>26,676,445</u>	<u>23,734,962</u>	<u>2,941,483</u>	<u>12.39%</u>
<b>Operating Loss</b>	<u>(4,767,758)</u>	<u>(2,765,507)</u>	<u>(2,002,251)</u>	<u>72.40%</u>
<b>Nonoperating Revenue/(Expenses):</b>				
Investment in Joint Ventures	(2,112,559)	(1,072,058)	(1,040,501)	97.06%
Interest/Dividend Income	(228,008)	400,559	(628,567)	(156.92%)
Return of Surplus	(436,076)	(1,314,057)	877,981	(66.81%)
<b>Increase/(Decrease) in Net Position</b>	<u>\$ (7,544,401)</u>	<u>\$ (4,751,063)</u>	<u>\$ (2,793,338)</u>	<u>58.79%</u>

### SUMMARY COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
<b>Operating Revenues:</b>				
Assessments and Other Income	\$ 20,380,879	\$ 20,048,843	\$ 332,036	1.66%
Excess Loss Contributions	588,576	526,601	61,975	11.77%
<b>Total Operating Revenue</b>	<u>20,969,455</u>	<u>20,575,444</u>	<u>394,011</u>	<u>1.91%</u>
<b>Expenses:</b>				
Provision for Claims and Claim Adjustment Expense	12,093,093	10,526,792	1,566,301	14.88%
Insurance premiums	6,930,047	6,666,387	263,660	3.96%
MEL 2016-2021 Premium Deferral	1,683,620	-	1,683,620	100.00%
Administrative & Executive	2,965,111	2,796,494	168,617	6.03%
RCF Surplus Trigger Assessment	68,459	399,466	(331,007)	(82.86%)
MEL Surplus Trigger Assessment	(5,368)	287,190	(292,558)	(101.87%)
<b>Total Expenses</b>	<u>23,734,962</u>	<u>20,676,329</u>	<u>3,058,633</u>	<u>14.79%</u>
<b>Operating Loss</b>	<u>(2,765,507)</u>	<u>(100,885)</u>	<u>(2,664,622)</u>	<u>2641.25%</u>
<b>Nonoperating Revenue/(Expenses):</b>				
Investment in Joint Ventures	(1,072,058)	(619,490)	(452,568)	73.05%
Interest/Dividend Income	400,559	960,231	(559,672)	(58.29%)
Return of Surplus	(1,314,057)	(1,341,651)	27,594	(2.06%)
<b>Increase/(Decrease) in Net Position</b>	<u>\$ (4,751,063)</u>	<u>\$ (1,101,795)</u>	<u>\$ (3,649,268)</u>	<u>331.21%</u>

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**Management Discussion and Analysis**

The Fund's total assets decreased by 16.22% and its total liabilities increased by 4.02%, resulting in a 66.50% decrease in unrestricted net position for the year ended December 31, 2022. The Fund's total assets increased by 0.97% and its total liabilities increased by 22.26%, resulting in a 29.52% decrease in unrestricted net position for the year ended December 31, 2021.

The provision for claims and claims expense increased by 11.10% and 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 13.44%, for the year ended December 31, 2022. The fund was assessed additional assessment for the RCF and MEL of \$928,175 and \$1,452,767, for the year ended December 31, 2022. MEL 2016-2021 Premium Deferral, RCF and MEL Surplus Trigger Assessments, decrease by \$1,683,620, \$68,459 and \$5,368 or 100% of prior year's balance for the year ended December 31, 2022.

The provision for claims and claims expense increased by 14.88% and 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 3.96%, for the year ended December 31, 2021. MEL 2016-2021 Premium Deferral, increased by \$1,683,620 or 100% of prior year's balance for the year ended December 31, 2021. For the year ended December 31, 2021 investment and dividend income decreased 58.29% resulting from a change in investment strategy. During the year ended December 31, 2021, the Fund transferred a portion of its investment portfolio to the Joint Cash Management and Investment Program.

As of December 31, 2022, the Fund did not authorize a dividend from the Closed Fund Year. As of December 31, 2021 the Fund authorized a of \$900,000 from the Closed Fund Year.

The Fund's combined surplus for all years decreased by \$7,544,401 and \$4,751,063 for the years ended December 31, 2022 and 2021, respectively.

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, 2022 AND 2021**

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
	<u>                    </u>	<u>                    </u>
Cash and Cash Equivalents	\$ 12,125,144	\$ 16,345,161
Investment	16,324,402	16,421,810
Accrued Interest Receivable	92,175	35,758
Claims & Other Miscellaneous Receivables	733,195	770,948
Investment in Joint Ventures	3,845,522	5,958,081
	<u>                    </u>	<u>                    </u>
Total Assets	<u>33,120,438</u>	<u>39,531,758</u>
<b>LIABILITIES</b>		
Accounts Payable	100,498	111,300
Other Liabilities	-	107,336
Surplus Dividend Payable	436,076	626,965
Loss Reserves	26,402,844	25,658,058
MEL 2016-2021 Premium Deferral Payable	-	1,683,620
Additional Assessment - RCF Assessment	928,175	-
Additional Assessment - MEL Assessment	1,452,767	-
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>29,320,360</u>	<u>28,187,279</u>
<b>NET POSITION</b>		
Net Position	<u>3,800,078</u>	<u>11,344,479</u>
	<u>                    </u>	<u>                    </u>
Total Net Position	<u>\$ 3,800,078</u>	<u>\$ 11,344,479</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Operating Revenues:		
Assessments - Member Contributions	\$ 21,908,687	\$ 20,380,879
Excess Loss Contributions	-	588,576
	<u>21,908,687</u>	<u>20,969,455</u>
Total Operating Revenues	<u>21,908,687</u>	<u>20,969,455</u>
Expenses:		
Provision for Claims and Claim Adjustment Expense	13,435,558	12,093,093
MEL 2016-2021 Premium Deferral	-	1,683,620
Administrative & Executive	2,998,644	2,965,111
Excess Insurance Premiums	7,861,301	6,930,047
RCF Surplus Trigger Assessment	-	68,459
MEL Surplus Trigger Assessment	-	(5,368)
Additional Assessment - RCF Assessment	928,175	-
Additional Assessment - MEL Assessment	1,452,767	-
	<u>26,676,445</u>	<u>23,734,962</u>
Total Expenses	<u>26,676,445</u>	<u>23,734,962</u>
Operating (Loss)/Income	<u>(4,767,758)</u>	<u>(2,765,507)</u>
Nonoperating Revenue/(Expenses):		
Investment in Joint Ventures	(2,112,559)	(1,072,058)
Investment Income	(228,008)	400,559
Return of Surplus	(436,076)	(1,314,057)
	<u>(2,776,643)</u>	<u>(1,985,556)</u>
Total Nonoperating Revenue/(Expenses)	<u>(2,776,643)</u>	<u>(1,985,556)</u>
Change in Net Position	(7,544,401)	(4,751,063)
Net Position, Beginning of Year	<u>11,344,479</u>	<u>16,095,542</u>
Net Position, End of Year	<u>\$ 3,800,078</u>	<u>\$ 11,344,479</u>

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

**EXHIBIT A-3**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
Cash Flows From Operating Activities:		
Assessments Collected	\$ 21,890,023	\$ 20,728,980
Claims Expense	(12,690,772)	(8,318,946)
Professional and administrative expenses	(3,105,980)	(2,857,865)
Insurance premiums and assessments	(9,555,723)	(7,431,464)
Net Cash from Operating Activities	(3,462,452)	2,120,705
Cash Flows From Investing Activities:		
Purchase of Investment Securities	44,714,179	(1,539,457)
Proceeds from Sales and Maturities of Investment Securities	(44,714,179)	13,015,741
Investment Income/(loss)	(130,600)	172,891
Return of Surplus	(626,965)	(1,314,057)
Net Cash from Investing Activities	(757,565)	10,335,118
Net Change in Cash and Cash Equivalents	(4,220,017)	12,455,823
Cash and Cash Equivalents, Beginning of Period	16,345,161	3,889,338
Cash and Cash Equivalents, End of Period	\$ 12,125,144	\$ 16,345,161

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

Operating Loss	\$ (4,767,758)	\$ (2,765,507)
Working Capital Changes Which Provided/(Used) by Cash:		
Claims and Other Miscellaneous Receivables	(18,664)	(245,843)
Accounts Payable	(10,802)	253,698
Other Liabilities	(107,336)	107,246
MEL 2016-2021 Premium Deferral Payable	(1,683,620)	1,683,620
Loss Reserves	744,786	3,774,147
RCF Surplus Trigger Assessment	-	(399,466)
MEL Surplus Trigger Assessment	-	(287,190)
Additional Assessment - RCF Assessment	928,175	-
Additional Assessment - MEL Assessment	1,452,767	-
Net Cash from Operating Activities	\$ (3,462,452)	\$ 2,120,705
Supplemental Disclosure - Noncash Activity:		
Change in Investment in Joint Ventures	\$ (2,112,559)	\$ (1,072,058)

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, 2022 AND 2021**

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**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS**

**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; and
- 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, 2022.

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)**

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, Fund Accounting

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.

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.

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.

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.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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, 2022. 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.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- 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 – \$125,000,000 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.

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.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2022 through the date of May 2, 2023, 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, 2022. 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, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Case Reserves	\$ 17,219,796	\$ 16,710,129
Losses Incurred but Not Reported ("IBNR")	9,183,048	8,497,929
Total	\$ 26,402,844	\$ 25,658,058

The following represents changes in the aggregate reserves for the Fund for the years ended December 31, 2022 and 2021 and for all open Fund years:



**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 2: LOSS RESERVES (continued)

	<b>2022</b>	<b>2021</b>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	\$ 25,658,058	\$ 21,883,911
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	11,203,606	12,225,888
Increases in Provision for Insured Events of Prior Years	2,231,952	(132,795)
Total Incurred Claims and Claim Adjustment Expenses	39,093,616	33,977,004
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events for the Current Period	2,327,972	2,276,494
Claims and Claim Adjustment Expenses Attributable to Insured Events for the Prior Years	10,362,800	6,042,452
Total Payments	12,690,772	8,318,946
Total Unpaid Claims and Claim Adjustment Expense, End of Year	\$ 26,402,844	\$ 25,658,058

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

Cash and cash equivalents include amounts in deposits, money market accounts, short-term investments with original maturities of three months or less. In addition, certain short-term money market investments are reported at amortized costs and included in the financial statements as cash equivalents.

GASB requires disclosure of the level of custodial credit risk assumed by the Fund in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Fund ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Fund limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in Note 4.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 3: CASH AND CASH EQUIVALENTS (CONTINUED)**

Custodial Credit Risk – The Fund’s policy with respect to custodial credit risk requires that the Fund ensures that Fund’s cash and cash equivalents are only deposited in financial institutions in which New Jersey insurance funds are permitted to invest their cash and cash equivalents.

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral deposits or public funds that exceed insurance limits as follows:

1. The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition; and
2. If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the federal reserve system and has capital funds of not less than \$25,000,000.

As of December 31, 2022 and 2021, cash and cash equivalents of the Fund consisted of the following:

	<b>2022</b>	<b>2021</b>
Checking Accounts	\$ 2,911,628	\$ 6,405,970
Money Market Accounts	–	1,660
JCMI	9,213,516	9,937,531
Total	\$ 12,125,144	\$ 16,345,161

The carrying amount of the Fund's cash and cash equivalents at December 31, 2022 and 2021 were \$12,125,144 and \$16,345,161, respectively. The bank balances as of December 31, 2022 and 2021 were \$12,610,835 and \$16,710,431, respectively. The \$9,213,516 and \$9,937,531 as of December 31, 2022 and 2021, respectively is invested with BNY Mellon and is uninsured and unregistered. As of December 31, 2022 and 2021, \$250,000 was covered by federal depository insurance for each year and the remaining \$3,397,319 and \$6,522,900 was collateralized under GUDPA, respectively.

**Joint Cash Management and Investment Program**

The Joint Cash Management and Investment program (the “JCMI”) was formulated under P.L. 2018 Chapter 40 of the New Jersey Statutes which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. The law provides conservative restrictions as to these investments. Specifically, the investment must be purchased at fair market value, guaranteed as interest and principal, and must have a credit rating of A3 or higher by Moody’s Investor Service, or an A– or higher by Standard and Poors Corporation. The maturity cannot be greater than 20 years. In addition, only 50% of the investment portfolio may be comprised of such long–term investments, without prior approval of the New Jersey Department of Community Affairs.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 3: CASH AND CASH EQUIVALENTS (CONTINUED)**

The JCMI Operating Committee is constituted as follows: Treasurer of the Fund, of the New Jersey Municipal Environmental Risk Management Fund, of the Municipal Excess Liability Residual Claims Fund, and one treasurer representing all local participating Joint Insurance Funds plus the Chair of the Fund Investment Committee or its designee from the Investment Committee. The Investment Committee’s decisions are made at the recommendation of an experienced and licensed Financial Advisor, Asset Manager, presented to the JCMI Operations Committee for approval; all within the guidelines set forth by the law. The results of the operation will be reported on a “unitized” type basis whereby each participating Fund and their investment will be tracked, charted and reported on a monthly basis. That, too, will be maintained, compensated for, monitored and information provided by the JCMI.

In addition to the monthly reporting, the JCMI will also report as follows:

Quarterly – The Asset Manager will provide the JCMI Operations Committee, the Fund and each participating Joint Insurance Fund with detailed information about the program including asset allocation, investment performance, future investment strategies, and other matters of interest to the JCMI Operations Committee. The Financial Advisor shall provide the JCMI Operations Committee with detailed information about the Municipal Bond Anticipation Notes purchased, the rate purchased and the savings to the issuer based on the cover bid made.

Annually – The Custodian will provide an annual summary of all transactions in each fiscal year, together with a report of investment performance for the year by portfolio, to the JCMI Operations Committee and each participating Joint Insurance Fund. Investment objectives will be reviewed to determine if they are being met.

Below is a listing of the total shares for each Joint Insurance Fund in the JCMI program.

<b><u>Joint Insurance Fund Participant:</u></b>	
Municipal Excess Liability Residual Claims Fund	\$ 71,128,849
Municipal Excess Liability Joint Insurance Fund	41,164,838
Morris County Municipal Joint Insurance Fund	25,173,702
New Jersey Municipal Environmental Risk Management Fund	24,224,942
Environmental Joint Insurance Fund	23,970,105
Atlantic County Municipal Joint Insurance Fund	19,396,232
Camden County Municipal Joint Insurance Fund	18,616,986
Burlington County Municipal Joint Insurance Fund	13,865,525
South Bergen Municipal Joint Insurance Fund	13,453,678
Municipal Reinsurance Health Insurance Fund	10,295,237
Ocean County Municipal Joint Insurance Fund	9,213,516
Bergen County Municipal Joint Insurance Fund	8,019,890
Central Jersey Joint Insurance Fund	7,908,054
New Jersey Utility Authorities Joint Insurance Fund	7,442,156
Suburban Metro Municipal Joint Insurance Fund	4,914,813
Monmouth County Municipal Joint Insurance Fund	4,494,053
Professional Municipal Management Joint Insurance Fund	4,434,663
Suburban Municipal Joint Insurance Fund	4,306,026
Bergen Municipal Employee Benefits Fund	2,750,600
Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund	1,110,807
Total	\$ 315,884,672

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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.);
  - 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.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 4: INVESTMENTS (continued)

Investments at December 31, 2022 and 2021 consisted of the following recurring fair value measurements as Level 1 inputs:

	2022	2021
The Fund has various securities held with financial institutions with interest rates from 0.125% – 3.00% per annum, maturing from April, 2023 through July, 2024.	\$ 16,324,402	\$ 16,421,810

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.

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, 2022 and 2021 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.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**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.

**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.

The New Jersey Municipal Environmental Risk Management Fund authorized a refund of the 2000 through 2004, 2010 and 2011 Fund year's surplus accounts. The Fund has reflected a Surplus Dividend Payable in the amount of \$436,076, representing their pro-rated amount of the refund related to the above years, as of December 31, 2022.

On October 14, 2021, 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 \$414,057 for the year ended December 31, 2021. The participating members offset their subsequent year assessments with the respective share of the distribution. The Dividend Payable balance at December 31, 2021 is \$626,965.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 8: DEFICIT FUND EQUITY**

At December 31, 2022, the following individual retained earnings accounts were in a deficit position – (see Exhibits D through D–4):

	<b>Deficit</b>
<u>Fund Year 2019:</u>	
Automotive Liability Fund	\$ 608,214
Work Compensation Fund	114,196
 <u>Fund Year 2020</u>	
Property Fund	186,281
MEL/Environmental Fund/POL–EPL Loss Fund	519,792
 <u>Fund Year 2021</u>	
Property Fund	511,089
Workers’ Compensation Fund	2,765,261
MEL/Environmental Fund/POL–EPL Loss Fund	585,451
 <u>Fund Year 2022</u>	
Property Fund	803,684
Automotive Liability Fund	18,395

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.

**NOTE 9: FUND EQUITY/(DEFICIT)**

The State of New Jersey has no statutory minimum fund equity requirements. The combined fund balance of all assessment years is \$(45,444) and \$5,368,398 at December 31, 2022 and 2021, 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.



**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 11: JOINT VENTURES (CONTINUED)

Municipal Excess Liability Residual Claims Fund (continued)

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 severely 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.

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.



**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 11: JOINT VENTURES (continued)

Equity Interest

	<b>2022</b>	<b>2021</b>
Residual Fund	\$ (386,004)	\$ 49,031
Environmental Fund	1,931,846	2,455,991
MEL	2,299,680	3,453,059
Total Investment in Joint Ventures	\$ 3,845,522	\$ 5,958,081

Selected Financial Information

As of December 31, 2022, the Fund's share of net position in the Residual Fund, the MEL and the Environmental Fund is as follows:

	<b>Residual Fund - Unaudited</b>	<b>MEL - Unaudited</b>	<b>Environmental Fund - Unaudited</b>
Total Assets	\$ 129,720,491	\$ 100,083,983	\$ 30,786,111
Total Liabilities	\$ 136,929,199	\$ 91,242,954	\$ 14,110,115
Net Position	\$ (7,208,708)	\$ 8,841,029	\$ 16,675,996
Total Revenue	\$ 39,694,895	\$ 76,034,073	\$ 2,651,138
Total Expenses	\$ 46,325,292	\$ 82,350,858	\$ 3,337,737
Change in Net Position	\$ (7,315,397)	\$ (6,316,785)	\$ (3,986,599)
Distributions to Members	\$ 685,000	\$ -	\$ 3,300,000

As of December 31, 2021, the Fund's share of net position in the Residual Fund, the MEL and the Environmental Fund is as follows:

	<b>Residual Fund - Audited</b>	<b>MEL - Audited</b>	<b>Environmental Fund - Audited</b>
Total Assets	\$ 117,451,484	\$ 94,866,419	\$ 33,431,539
Total Liabilities	\$ 117,344,795	\$ 79,708,605	\$ 12,768,944
Net Position	\$ 106,689	\$ 15,157,814	\$ 20,662,595
Total Revenue	\$ 23,991,377	\$ 66,909,112	\$ 4,239,301
Total Expenses	\$ 35,854,430	\$ 68,002,943	\$ 2,654,689
Change in Net Position	\$ (12,534,053)	\$ (1,093,831)	\$ (1,515,388)
Distributions to Members	\$ 671,000	\$ -	\$ 3,100,000

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 11: JOINT VENTURES (continued)

Financial statements for the MEL and the Residual Fund are available at the office of the Funds' Executive Director:

Perma Risk Management Services  
9 Campus Drive, Suite 216  
Parsippany, New Jersey, 07054  
(201) 881-7632

NOTE 12: CONTINGENCIES

In the normal course of its operations, the Fund has a number of lawsuits filed by claimants in various stages. Although estimated loss reserves have been established by the Fund, a number of these cases may possibly be settled for amounts in excess of the Fund's loss reserves. No provision for these contingencies has been included in the financial statements since the amounts are not reasonably estimable.

NOTE 13: 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 another sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance. To mitigate these increases, the MEL is planning an additional rate adjustment for 2023.

**SUPPLEMENTARY INFORMATION**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
RECONCILIATION OF CLAIMS LIABILITIES BY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Property Fund</b>	<b>General Liability Fund</b>	<b>Automotive Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	\$ 746,665	\$ 4,940,402	\$ 2,687,692	\$ 17,283,299	\$ 25,658,058
Incurred Claims and Claim Adjustment Expenses:					
Provision for Insured Events of the Current Period	1,719,125	1,647,300	815,730	7,021,451	11,203,606
Increase/(Decrease) in Provision for Insured Events of Prior Years	(168,026)	(589,221)	234,963	2,754,236	2,231,952
Total Incurred Claims and Claim Adjustment Expenses	2,297,764	5,998,481	3,738,385	27,058,986	39,093,616
Payments:					
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	838,189	50,919	65,927	1,372,937	2,327,972
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	469,892	1,966,044	849,401	7,077,463	10,362,800
Total Payments	1,308,081	2,016,963	915,328	8,450,400	12,690,772
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	\$ 989,683	\$ 3,981,518	\$ 2,823,057	\$ 18,608,586	\$ 26,402,844

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

**Fiscal Period Ended December 31, 2022 and Policy Period Ended December 31,**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Required Contribution and Investment Revenue:										
Earned	\$ 19,446,540	\$ 19,732,663	\$ 20,035,008	\$ 19,837,178	\$ 19,113,857	\$ 21,908,687	\$ 19,051,747	\$ 20,062,992	\$ 20,380,879	\$ 21,908,687
Ceded	3,117,796	3,235,351	2,500,709	2,306,095	(98,623)	(4,170,743)	-	-	-	-
Net Earned	22,564,336	22,968,014	22,535,717	22,143,273	19,015,234	17,737,944	19,051,747	20,062,992	20,380,879	21,908,687
Unallocated Expenses	2,566,297	2,458,990	2,458,990	6,096,850	6,236,656	7,861,301	6,632,828	7,371,564	7,677,637	-
Estimated Claims and Expenses, End of Policy Year:										
Incurred	8,761,283	8,629,716	9,578,171	9,236,081	10,223,899	13,426,570	10,349,799	10,063,114	12,379,636	11,203,606
Paid (cumulative) as of:										
End of Policy Year	2,798,383	2,665,214	2,719,926	2,468,002	2,618,148	3,246,015	2,471,376	2,659,943	2,659,943	2,327,972
One Year Later	4,606,510	4,642,411	4,421,079	4,263,932	4,835,627	6,105,081	4,385,866	3,270,867	5,952,949	-
Two Years Later	5,773,086	5,643,620	5,576,301	5,862,394	6,373,699	7,800,855	5,583,301	4,803,643	-	-
Three Years Later	6,567,374	6,850,851	7,349,551	7,422,996	7,349,551	7,763,836	7,771,150	-	-	-
Four Years Later	6,567,374	6,850,851	7,349,551	7,422,996	7,763,836	9,615,280	-	-	-	-
Five Years Later	6,567,374	6,850,851	7,349,551	7,422,996	7,763,836	-	-	-	-	-
Six Years Later	6,567,374	6,850,851	7,349,551	7,422,996	-	-	-	-	-	-
Seven Years Later	6,567,374	6,850,851	7,349,551	-	-	-	-	-	-	-
Eight Years Later	6,567,374	6,850,851	-	-	-	-	-	-	-	-
Nine Years Later	6,567,374	-	-	-	-	-	-	-	-	-
Re-estimated Ceded Claims and Expenses	3,117,796	3,235,351	2,500,709	2,306,095	-	-	-	-	-	-
Re-estimated Incurred Claims and Expenses:										
End of Policy Year	11,195,000	10,050,001	9,655,002	9,867,179	9,767,394	11,231,566	9,393,453	10,848,403	12,225,888	11,203,606
One Year Later	10,215,001	9,035,002	9,370,563	9,386,972	10,275,498	13,149,369	9,199,717	9,570,971	12,379,636	-
Two Years Later	10,570,001	8,788,716	9,479,814	9,672,355	10,221,458	12,915,161	9,303,365	10,063,114	-	-
Three Years Later	8,761,283	8,629,716	9,578,171	9,236,081	10,223,899	13,426,570	10,349,799	-	-	-
Four Years Later	8,761,283	8,629,716	9,578,171	9,236,081	10,223,899	13,426,570	-	-	-	-
Five Years Later	8,761,283	8,629,716	9,578,171	9,236,081	10,223,899	-	-	-	-	-
Six Years Later	8,761,283	8,629,716	9,578,171	9,236,081	-	-	-	-	-	-
Seven Years Later	8,761,283	8,629,716	9,578,171	-	-	-	-	-	-	-
Eight Years Later	8,761,283	8,629,716	-	-	-	-	-	-	-	-
Nine Years Later	8,761,283	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (2,433,717)	\$ (1,420,285)	\$ (76,831)	\$ (631,098)	\$ 456,505	\$ 2,195,004	\$ 956,346	\$ (785,289)	\$ 153,748	\$ -

SCHEDULE A

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
HISTORICAL OPERATING RESULTS ANALYSIS - STATUTORY BASIS  
FOR PERIOD FEBRUARY 1, 1987 (DATE OF INCEPTION) - DECEMBER 31, 2022**

<u>1. Underwriting Income:</u>		
Regular Contributions (earned)	\$ 481,561,224	
Excess Loss Contributions (earned)	3,262,202	
Supplemental Contributions (earned)	1,000,000	
Dividend Income	1,562,385	
Other Income (except investments)	47,458	
Total Income		\$ 487,433,269
 <u>2. Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	215,668,162	
Case Reserves (1)	14,609,052	
IBNR Reserve (1)	8,531,389	
Limited Incurred Claims (claims-excess)		\$ 238,808,603
 <u>Expenses:</u>		
Excess Insurance Premiums	129,443,951	
EPL Claims	55,198	
Residual Claims Fund Premium	42,435,046	
Administrative	66,510,491	
RCF Surplus Trigger Assessment	798,275	
Trigger Assessment Due - MEL	281,820	
MEL Surplus Trigger Assessment	1,683,620	
Additional Assessment - RCF Assessment	928,175	
Additional Assessment - MEL Assessment	1,452,767	
Subtotal Expenses		243,589,343
Total Incurred Liabilities (limited claims and expenses)		482,397,946
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		5,035,323
4. <u>Investment Income (Earned)</u>		20,988,964
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		26,024,287
<u>6. Return of Surplus:</u>		
Paid	25,633,539	
Authorized and Unpaid	436,192	
Subtotal Return of Surplus		26,069,731
7. <u>Fund Operating Position</u>		\$ (45,444)

(1) Refer to Notes to Financial Statements

**SCHEDULE B**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
HISTORICAL BALANCE SHEET - STATUTORY BASIS  
As of December 31, 2022**

<u>1. Assets:</u>		
Cash and Cash Equivalents (1)	\$	12,125,144
Investments (1)		16,324,402
 <u>Receivables (1):</u>		
Accrued Interest Receivable	\$	92,175
Excess Insurance		751,889
Other Assets		(30,257)
Other Receivables		<u>11,563</u>
 Total Receivables		 <u>825,370</u>
 Total Assets		 <u>29,274,916</u>
 <u>2. Liabilities:</u>		
<u>Claims:</u>		
Case Reserves (1)	17,219,796	
IBNR Reserve (1)	<u>9,183,048</u>	
 Subtotal Claims		 26,402,844
 <u>Expenses (Unpaid) (1):</u>		
Administrative	<u>100,498</u>	
 Subtotal Expenses		 100,498
 <u>Other Liabilities:</u>		
Additional Assessment - RCF Assessment	928,175	
Additional Assessment - MEL Assessment	1,452,767	
Surplus Dividends Payable	<u>436,076</u>	
 Subtotal Other Liabilities		 <u>2,817,018</u>
 Total Liabilities		 <u>29,320,360</u>
 <u>3. Fund Operating Position</u>	 <u>\$</u>	 <u>(45,444)</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:

	<u>2022</u>	<u>2021</u>
Total Assets - Comparative Statements of Net Position	\$ 33,120,438	\$ 39,531,758
Less Investments in Joint Ventures	<u>(3,845,522)</u>	<u>(5,958,081)</u>
Total Assets - Statutory Basis	<u>\$ 29,274,916</u>	<u>\$ 33,573,677</u>
Net Position - Comparative Statements of Net Position	\$ 3,800,078	\$ 11,344,479
Less Investment in Joint Ventures	<u>(3,845,522)</u>	<u>(5,958,081)</u>
Net Statutory Surplus	<u>\$ (45,444)</u>	<u>\$ 5,386,398</u>



**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS  
 FUND YEAR- CLOSED YEARS  
 FOR PERIOD FEBRUARY 1, 1987 - DECEMBER 31, 2022**

<u>1. Underwriting Income:</u>		
Regular Contributions (earned)	\$ 400,156,919	
Supplemental Contributions	1,000,000	
Dividend Income	1,562,385	
Other Income (except investments)	47,458	
Total Income		\$ 402,766,762
 <u>2. Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	194,812,448	
Limited Incurred Claims (claims - excess)		\$ 194,812,448
 <u>Expenses:</u>		
Excess Insurance Premiums	101,353,388	
EPL Claims	55,198	
Residual Claims Fund Premium	42,435,046	
Administrative	55,053,306	
RCF Surplus Trigger Assessment	798,275	
Additional Assessment - RCF Premiums	928,175	
Subtotal Expenses		200,623,388
Total Incurred Liabilities (limited claims and expenses)		395,435,836
<u>3. Underwriting Surplus/(Deficit) = 1-2</u>		7,330,926
 <u>4. Adjustments:</u>		
Investment/Dividend Income (Earned)		21,008,392
<u>5. Gross Statutory Surplus/(Deficit) = 3+4</u>		28,339,318
 <u>6. Return of Surplus:</u>		
Paid	25,633,539	
Authorized and Unpaid	436,192	
Subtotal Return of Surplus		26,069,731
<u>7. Fund Operating Position</u>		\$ 2,269,587

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 HISTORICAL FUND OPERATING RESULTS ANALYSIS - STATUTORY BASIS  
 FUND YEAR 2018  
 FOR PERIOD JANUARY 1, 2018 - DECEMBER 31, 2022**

<b>1. <u>Underwriting Income:</u></b>		
Regular Contributions (earned)	\$ 18,597,978	
Total Income		\$ 18,597,978
<b>2. <u>Incurred Liabilities:</u></b>		
<u>Claims:</u>		
Paid	10,703,792	
Case Reserves (1)	2,610,745	
IBNR Reserve (1)	651,659	
Limited Incurred Claims (claims - excess)		\$ 13,966,196
<u>Expenses:</u>		
Excess Insurance Premiums	6,421,876	
Administrative	2,690,531	
Subtotal Expenses		9,112,407
Total Incurred Liabilities (limited claims and expenses)		23,078,603
<b>3. <u>Underwriting Surplus/(Deficit) = 1-2</u></b>		(4,480,625)
<b>4. <u>Adjustments:</u></b>		
Investment/Dividend Income (Earned)		309,882
Surplus Transfer to Closed Fund Year		4,170,743
<b>5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u></b>		-
<b>6. <u>Return of Surplus:</u></b>		
Paid	-	
Authorized and Unpaid	-	
Subtotal Return of Surplus		-
<b>7. <u>Fund Operating Position</u></b>		\$ -

(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, 2018 - DECEMBER 31, 2022**

<b>1. <u>Underwriting Income:</u></b>		
Excess Loss Contributions (earned)	\$ 3,262,201	
Total Income		\$ 3,262,201
 <b>2. <u>Incurred Liabilities:</u></b>		
<u>Claims:</u>		
Paid	-	
Limited Incurred Claims (claims - excess)	\$ -	
 <u>Expenses:</u>		
MEL Premium Deferral	1,683,620	
MEL Surplus Trigger Assessment	281,820	
Subtotal Expenses		1,965,440
Total Incurred Liabilities (limited claims and expenses)		1,965,440
<b>3. <u>Underwriting Surplus/(Deficit) = 1-2</u></b>		1,296,761
 <b>4. <u>Adjustments:</u></b>		
Investment/Dividend Income (Earned)		(5,660)
<b>5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u></b>		1,291,101
 <b>6. <u>Return of Surplus:</u></b>		
Paid	-	
Subtotal Return of Surplus		-
<b>7. <u>Fund Operating Position</u></b>		\$ 1,291,101

(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, 2022**

<u>1. Underwriting Income:</u>		
Regular Contributions (earned)	\$ 19,051,747	
Total Income		\$ 19,051,747
 <u>2. Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	7,771,150	
Case Reserves (1)	1,921,346	
IBNR Reserve (1)	657,303	
Limited Incurred Claims (claims - excess)	\$ 10,349,799	
 <u>Expenses:</u>		
Excess Insurance Premiums	6,632,828	
Administrative	2,735,486	
Subtotal Expenses	9,368,314	
Total Incurred Liabilities (limited claims and expenses)		19,718,113
 <u>3. Underwriting Surplus/(Deficit) = 1-2</u>		 (666,366)
 <u>4. Adjustments:</u>		
Investment/Dividend Income (Earned)		247,893
 <u>5. Gross Statutory Surplus/(Deficit) = 3+4</u>		 (418,473)
 <u>6. Return of Surplus:</u>		
Paid	-	
Subtotal Return of Surplus		-
 <u>7. Fund Operating Position</u>		 \$ (418,473)

(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, 2022**

<u>1. Underwriting Income:</u>		
Regular Contributions (earned)	\$ 20,062,992	
Total Income		\$ 20,062,992
 <u>2. Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	4,803,643	
Case Reserves (1)	4,049,388	
IBNR Reserve (1)	1,210,083	
Limited Incurred Claims (claims - excess)	\$ 10,063,114	
 <u>Expenses:</u>		
Excess Insurance Premiums	7,371,564	
Administrative	2,793,521	
Subtotal Expenses	10,165,085	
Total Incurred Liabilities (limited claims and expenses)		20,228,199
<u>3. Underwriting Surplus/(Deficit) = 1-2</u>		(165,207)
 <u>4. Adjustments:</u>		
Investment/Dividend Income (Earned)		(14,909)
<u>5. Gross Statutory Surplus/(Deficit) = 3+4</u>		(180,116)
 <u>6. Return of Surplus:</u>		
Paid	-	
Subtotal Return of Surplus		-
<u>7. Fund Operating Position</u>		\$ (180,116)

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2021  
 FOR PERIOD JANUARY 1, 2021 - DECEMBER 31, 2022**

<u>1. Underwriting Income:</u>		
Regular Contributions (earned)	\$ 20,380,879	
Total Income		\$ 20,380,879
 <u>2. Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	5,952,949	
Case Reserves (1)	4,601,913	
IBNR Reserve (1)	1,824,774	
Limited Incurred Claims (claims - excess)	\$ 12,379,636	
 <u>Expenses:</u>		
Excess Insurance Premiums	7,677,637	
Administrative	2,930,124	
Subtotal Expenses	10,607,761	
Total Incurred Liabilities (limited claims and expenses)		22,987,397
<u>3. Underwriting Surplus/(Deficit) = 1-2</u>		(2,606,518)
 <u>4. Adjustments:</u>		
Investment/Dividend Income (Earned)		(140,733)
<u>5. Gross Statutory Surplus/(Deficit) = 3+4</u>		(2,747,251)
 <u>6. Return of Surplus:</u>		
Paid	-	
Subtotal Return of Surplus		-
<u>7. Fund Operating Position</u>		\$ (2,747,251)

(1) Refer to Notes to Financial Statements

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
FUND YEAR OPERATING RESULTS ANALYSIS - STATUTORY BASIS  
FUND YEAR- 2022  
FOR PERIOD JANUARY 1, 2022 - DECEMBER 31, 2022**

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$	<u>21,908,687</u>
 Total Income	 \$	 21,908,687
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	2,327,972	
Case Reserves (1)	4,036,405	
IBNR Reserve (1)	<u>4,839,229</u>	
 Limited Incurred Claims (claims - excess)	 \$	 11,203,606
<u>Expenses:</u>		
Excess Insurance Premiums	7,861,301	
Administrative	<u>2,998,035</u>	
 Subtotal Expenses	 <u>10,859,336</u>	
 Total Incurred Liabilities (limited claims and expenses)		 <u>22,062,942</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(154,255)
4. <u>Adjustments:</u>		
Investment/Dividend Income (Earned)		<u>(106,019)</u>
5. <u>Gross Statutory Surplus/(Deficit) = 3+4</u>		(260,274)
6. <u>Return of Surplus:</u>		
Paid	<u>-</u>	
 Subtotal Return of Surplus		 <u>-</u>
7. <u>Fund Operating Position</u>	\$	<u><u>(260,274)</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- 2019  
 FOR PERIOD JANUARY 1, 2019 - DECEMBER 31, 2022

	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. <u>Underwriting Income:</u>								
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. <u>Incurred Liabilities:</u>								
Claims (limited incurred) Expenses	813,373 20,911	1,547,369 -	1,365,666 -	6,623,391 -	- 6,611,917	- 2,735,486	10,349,799 9,368,314	
Total Incurred Liabilities	834,284	1,547,369	1,365,666	6,623,391	6,611,917	2,735,486	19,718,113	
3. <u>Underwriting Surplus/(Deficit)</u>	42,145	80,386	(621,506)	(248,391)	5	80,995	(666,366)	
4. <u>Adjustments:</u>								
Investment Income	10,709	30,915	13,292	134,195	31,575	27,207	247,893	
Total Adjustments	10,709	30,915	13,292	134,195	31,575	27,207	247,893	
5. <u>Gross Statutory Surplus</u>	52,854	111,301	(608,214)	(114,196)	31,580	108,202	(418,473)	
6. <u>Return of Surplus</u>	-	-	-	-	-	-	-	
7. <u>Fund Operating Position</u>	\$ 52,854	\$ 111,301	\$ (608,214)	\$ (114,196)	\$ 31,580	\$ 108,202	\$ (418,473)	



**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - STATUTORY BASIS**  
**FUND YEAR- 2020**  
**FOR PERIOD JANUARY 1, 2020 - DECEMBER 31, 2022**

	<u>Coverages and Other Accounts</u>						
	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Workers' Compensation Fund</u>	<u>MEL/Environmental Loss Fund Contingency Fund</u>	<u>General and Administrative Fund</u>	<u>Total</u>
1. <u>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
2. <u>Incurred Liabilities:</u>							
Claims (limited incurred)	1,081,542	1,475,602	689,362	6,816,608	-	-	10,063,114
Expenses	21,247	-	-	-	7,350,317	2,793,521	10,165,085
Total Incurred Liabilities	1,102,789	1,475,602	689,362	6,816,608	7,350,317	2,793,521	20,228,199
3. <u>Underwriting Surplus/(Deficit)</u>	(188,352)	196,632	92,118	139,327	(540,233)	135,301	(165,207)
4. <u>Adjustments:</u>							
Investment Income (Loss)	2,071	(13,936)	(4,733)	(27,748)	20,441	8,996	(14,909)
Total Adjustments	2,071	(13,936)	(4,733)	(27,748)	20,441	8,996	(14,909)
5. <u>Gross Statutory Surplus</u>	(186,281)	182,696	87,385	111,579	(519,792)	144,297	(180,116)
6. <u>Return of Surplus</u>	-	-	-	-	-	-	-
7. <u>Fund Operating Position</u>	\$ (186,281)	\$ 182,696	\$ 87,385	\$ 111,579	\$ (519,792)	\$ 144,297	\$ (180,116)

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - STATUTORY BASIS**  
**FUND YEAR- 2021**  
**FOR PERIOD JANUARY 1, 2021 - DECEMBER 31, 2022**

	<u>Coverages and Other Accounts</u>						
	<u>Property Fund</u>	<u>General Liability Fund</u>	<u>Automotive Liability Fund</u>	<u>Workers' Compensation Fund</u>	<u>MEL/Environmental Loss Fund Contingency Fund</u>	<u>General and Administrative Fund</u>	<u>Total</u>
1. <u>Underwriting Income:</u>							
Regular Contributions (earned)	\$ 931,549	\$ 1,684,040	\$ 795,562	\$ 6,895,709	\$ 7,073,245	\$ 3,000,774	\$ 20,380,879
Total Income	931,549	1,684,040	795,562	6,895,709	7,073,245	3,000,774	20,380,879
2. <u>Incurred Liabilities:</u>							
Claims (limited incurred) Expenses	1,420,260	824,591	562,249	9,572,536	-	-	12,379,636
	21,549	-	-	-	7,656,088	2,930,124	10,607,761
Total Incurred Liabilities	1,441,809	824,591	562,249	9,572,536	7,656,088	2,930,124	22,987,397
3. <u>Underwriting Surplus/(Deficit)</u>	(510,260)	859,449	233,313	(2,676,827)	(582,843)	70,650	(2,606,518)
4. <u>Adjustments:</u>							
Investment Loss	(829)	(30,384)	(13,427)	(88,434)	(2,608)	(5,051)	(140,733)
Total Adjustments	(829)	(30,384)	(13,427)	(88,434)	(2,608)	(5,051)	(140,733)
5. <u>Gross Statutory Surplus</u>	(511,089)	829,065	219,886	(2,765,261)	(585,451)	65,599	(2,747,251)
6. <u>Return of Surplus</u>	-	-	-	-	-	-	-
7. <u>Fund Operating Position</u>	\$ (511,089)	\$ 829,065	\$ 219,886	\$ (2,765,261)	\$ (585,451)	\$ 65,599	\$ (2,747,251)

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2022  
 FOR PERIOD JANUARY 1, 2022 - DECEMBER 31, 2022

	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)	\$ 943,351	\$ 1,673,438	\$ 802,944	\$ 7,587,000	\$ 7,839,950	\$ 3,062,004	\$ 21,908,687
Total Income	943,351	1,673,438	802,944	7,587,000	7,839,950	3,062,004	21,908,687
2. <u>Incurred Liabilities:</u>							
Claims (limited incurred) Expenses	1,719,125 21,351	1,647,300 -	815,730 -	7,021,451 -	- 7,839,950	- 2,998,035	11,203,606 10,859,336
Total Incurred Liabilities	1,740,476	1,647,300	815,730	7,021,451	7,839,950	2,998,035	22,062,942
3. <u>Underwriting Surplus/(Deficit)</u>	(797,125)	26,138	(12,786)	565,549	-	63,969	(154,255)
4. <u>Adjustments:</u>							
Investment Loss	(6,559)	(11,439)	(5,609)	(53,683)	-	(28,729)	(106,019)
Total Adjustments	(6,559)	(11,439)	(5,609)	(53,683)	-	(28,729)	(106,019)
5. <u>Gross Statutory Surplus</u>	(803,684)	14,699	(18,395)	511,866	-	35,240	(260,274)
6. <u>Return of Surplus</u>	-	-	-	-	-	-	-
7. <u>Fund Operating Position</u>	\$ (803,684)	\$ 14,699	\$ (18,395)	\$ 511,866	\$ -	\$ 35,240	\$ (260,274)

SCHEDULE E-1

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2019  
 FOR PERIOD JANUARY 1, 2019 - DECEMBER 31, 2022

	Coverages				Total
	Property	General Liability	Automotive Liability	Workers' Compensation	
Paid Claims	\$ 813,368	\$ 1,091,105	\$ 816,482	\$ 5,050,195	\$ 7,771,150
Case Reserves	5	333,366	489,540	1,098,435	1,921,346
IBNR Reserve	-	122,898	59,644	474,761	657,303
Incurred Claims	\$ 813,373	\$ 1,547,369	\$ 1,365,666	\$ 6,623,391	\$ 10,349,799
Number of Claims	171	282	141	449	1,043
Cost/Claim	\$ 4,757	\$ 5,487	\$ 9,686	\$ 14,751	\$ 9,923

SCHEDULE E-2

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2020  
 FOR PERIOD JANUARY 1, 2020 - DECEMBER 31, 2022

	Coverages				Total
	Property	General Liability	Automotive Liability	Workers' Compensation	
Paid Claims	\$ 1,076,024	\$ 554,416	\$ 194,771	\$ 2,978,432	\$ 4,803,643
Case Reserves	5,518	644,790	297,024	3,102,056	4,049,388
IBNR Reserves	-	276,396	197,567	736,120	1,210,083
Incurring Claims	\$ 1,081,542	\$ 1,475,602	\$ 689,362	\$ 6,816,608	\$ 10,063,114
Number of Claims	192	208	137	760	1,297
Cost/Claim	\$ 5,633	\$ 7,094	\$ 5,032	\$ 8,969	\$ 7,759

SCHEDULE E-3

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2021  
 FOR PERIOD JANUARY 1, 2021 - DECEMBER 31, 2022**

	Coverages					
	Property	General Liability	Automotive Liability	Workers' Compensation	Total	
Paid Claims	\$ 1,319,202	\$ 127,790	\$ 98,256	\$ 4,407,701	\$ 5,952,949	
Case Reserves	101,058	242,683	171,770	4,086,402	4,601,913	
IBNR Reserves	-	454,118	292,223	1,078,433	1,824,774	
Incurring Claims	\$ 1,420,260	\$ 824,591	\$ 562,249	\$ 9,572,536	\$ 12,379,636	
Number of Claims	156	234	144	685	1,219	
Cost/Claim	\$ 9,104	\$ 3,524	\$ 3,905	\$ 13,975	\$ 10,156	

SCHEDULE E-4

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR CLAIMS ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2022  
 FOR PERIOD JANUARY 1, 2022 - DECEMBER 31, 2022

	Coverages				Total
	Property	General Liability	Automotive Liability	Workers' Compensation	
Paid Claims	\$ 838,189	\$ 50,919	\$ 65,927	\$ 1,372,937	\$ 2,327,972
Case Reserves	879,936	299,011	174,458	2,683,000	4,036,405
IBNR Reserves	1,000	1,297,370	575,345	2,965,514	4,839,229
Incurred Claims	\$ 1,719,125	\$ 1,647,300	\$ 815,730	\$ 7,021,451	\$ 11,203,606
Number of Claims	158	168	149	490	965
Cost/Claim	\$ 10,880.54	\$ 9,805	\$ 5,475	\$ 14,329	\$ 11,610

SCHEDULE F-1

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR EXPENSE ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2019  
 FOR PERIOD JANUARY 1, 2019 - DECEMBER 31, 2022

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Excess Insurance</u>			
Property Premiums	\$ 20,911	\$ -	\$ 20,911
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
	<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
	<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
	<u>75,546</u>	<u>-</u>	<u>75,546</u>
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, 2022**

	<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
POL/EPL Premiums	1,751,273	-	1,751,273
Environmental Premiums	466,386	-	466,386
Additional Assessment - MEL Premium	-	705,177	705,177
Excess Insurance Subtotal	<u>6,666,387</u>	<u>705,177</u>	<u>7,371,564</u>
<u>Administrative Expenses</u>			
Administrator	732,297	-	732,297
Police Accreditation	35,000	-	35,000
Claims Adjuster	-	-	-
Outside Adjuster Reimbursement	71,289	-	71,289
Safety	239,307	-	239,307
Executive Director	311,642	-	311,642
Loss Fund Management	28,915	-	28,915
Litigation Management	168,637	-	168,637
Right-to-Know Program	-	-	-
Legal	44,971	-	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
Right-to-Know Program	35,575	-	35,575
Underwriter Fees	12,250	-	12,250
Other (itemize) *	25,020	-	25,020
Administrative Subtotal	<u>2,793,521</u>	<u>-</u>	<u>2,793,521</u>
Total Expenses	<u>\$ 9,459,908</u>	<u>\$ 705,177</u>	<u>\$ 10,165,085</u>
* Postage	\$ 623	\$ -	\$ 623
* Miscellaneous	24,397	-	24,397
	<u>\$ 25,020</u>	<u>\$ -</u>	<u>\$ 25,020</u>

SCHEDULE F-3

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR EXPENSE ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2021  
 FOR PERIOD JANUARY 1, 2021 - DECEMBER 31, 2022

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Excess Insurance</u>			
Property Premiums	\$ 21,549	\$ -	\$ 21,549
MEL Premiums	4,634,879	-	4,634,879
POL/EPL Premiums	1,811,995	-	1,811,995
Environmental Premiums	461,624	-	461,624
Additional Assesement - MEL Premiur	-	747,590	747,590
Excess Insurance Subtotal	<u>6,930,047</u>	<u>747,590</u>	<u>7,677,637</u>
<u>Administrative Expenses</u>			
Administrator	746,943	-	746,943
Police Accreditation	67,500	-	67,500
Outside Adjuster Reimbursement	72,715	-	72,715
Safety	243,808	-	243,808
Executive Director	318,093	-	318,093
Loss Fund Management	29,493	-	29,493
Litigation Management	192,442	-	192,442
Legal	45,870	-	45,870
Training	30,000	-	30,000
Treasurer	37,959	-	37,959
Actuary	49,038	-	49,038
Auditor	21,516	-	21,516
Medical Management	305,750	-	305,750
Risk Manager	671,523	-	671,523
Right-to-Know Program	46,037	-	46,037
Underwriter Fees	12,495	-	12,495
Other (itemize) *	38,942	-	38,942
Administrative Subtotal	<u>2,930,124</u>	<u>-</u>	<u>2,930,124</u>
Total Expenses	<u>\$ 9,860,171</u>	<u>\$ 747,590</u>	<u>\$ 10,607,761</u>
* Postage	\$ 670	\$ 403	\$ 1,073
* Miscellaneous	38,272	2,104	40,376
	<u>\$ 38,942</u>	<u>\$ 2,507</u>	<u>\$ 41,449</u>

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 FUND YEAR EXPENSE ANALYSIS - STATUTORY BASIS  
 FUND YEAR- 2022  
 FOR PERIOD JANUARY 1, 2022 - DECEMBER 31, 2022**

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
<u>Excess Insurance</u>			
Property Premiums	\$ 21,351	\$ -	\$ 21,351
MEL Premiums	5,469,329	-	5,469,329
POL/EPL Premiums	1,904,302	-	1,904,302
Environmental Premiums	466,319	-	466,319
Excess Insurance Subtotal	<u>7,861,301</u>	<u>-</u>	<u>7,861,301</u>
<u>Administrative Expenses</u>			
Administrator	761,882	-	761,882
Police Accreditation	30,000	-	30,000
Outside Adjuster Reimbursement	74,169	-	74,169
Safety	247,672	-	247,672
Executive Director	324,455	-	324,455
Right-To-Know Program	-	52,022	52,022
Loss Fund Management	27,576	-	27,576
Legal	42,888	3,899	46,787
Training	30,000	-	30,000
Litigation Management	225,037	21,283	246,320
Treasurer	38,718	-	38,718
Actuary	50,019	-	50,019
Auditor	-	21,946	21,946
Medical Management	311,865	-	311,865
Risk Manager	684,953	-	684,953
Underwriter Fees	12,745	-	12,745
Other (itemize) *	35,558	1,348	36,906
Administrative Subtotal	<u>2,897,537</u>	<u>100,498</u>	<u>2,998,035</u>
Total Expenses	<u>\$ 10,758,838</u>	<u>\$ 100,498</u>	<u>\$ 10,859,336</u>
* Postage	\$ 1,080	\$ -	\$ 1,080
* Miscellaneous	34,478	1,348	35,826
	<u>\$ 35,558</u>	<u>\$ 1,348</u>	<u>\$ 36,906</u>

SCHEDULE G

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 PROGRAM SUMMARY - STATUTORY BASIS  
 As of December 31, 2022

	Coverages						
	Property	General Liability	Automotive Liability	Workers' Compensation	Environmental	POI/EPL	Cyber
Limits	\$ 125,000,000	\$ 5,000,000	\$ 5,000,000	Statutory	New Jersey Environmental Risk Management Fund \$1,000,000 Third Party \$50,000 On Site Cleanup Costs \$1,000,000 Public Officials Pollution \$50,000 De-Minimis Abandoned Waste Sites \$1,000,000 Tank Systems	QBE Insurance 2,000,000.00	AXA \$3,000,000 Spec \$6,000,000 Aggregate \$2,000,000 Excess
Fund Retention: Specific	\$ 100,000	\$ 300,000	\$ 300,000	300,000	None	None	None
Excess Insurers	Zurich and various other carriers share \$125,000,000 per occurrence-blanket limit in excess of JIF/MEL \$1,000,000 self-insured retention	Municipal Excess Liability Joint Insurance Fund provides \$4,700,000 in excess of \$300,000 for both liability and automotive, and \$1,700,000 in excess of \$300,000 for Worker's Compensation. The \$3,250,000 excess of \$1,750,000 layer is subject to a \$3,500,000 per member local unit aggregate limit. Safety Manual provides Statutory in excess of \$2,000,000 for Worker's Compensation and \$5,000,000 for Employers Liability. Munich Re/American provides optional excess liability limits up to \$15,000,000 in excess of the standard JIF/MEL liability limit of \$5,000,000.	Ascor Specialty Insurance Company provides \$9,000,000/\$9,000,000 Occurrence/Aggregate Excess that attaches when EJIF claim payments exceed a \$3,000,000 attachment point.	Municipal Excess Liability Joint Insurance Fund Member optional limits in layers starting at \$1,000,000 in excess of \$2,000,000 through \$8,000,000.	Munich Re provides optional excess liability reinsurance to the Municipal Excess Liability Joint Insurance Fund	Cowbell Cyber Security \$3,000,000 spec/\$6,000,000 Aggregate Excess of AXA	
Number of Participants	31	31	31	31	31	31	31
Incurred Liabilities	\$ 1,570,951	\$ 1,599,838	\$ 755,784	\$ 8,320,864	\$ -	\$ -	\$ -
Exposure Units (Population)	1,018,223,331 Property Values	480,440 Population	3,049 Vehicles	310,212,175 Payroll	480,440 Population	Full time Employees - 3,368 Population - 480,440	
Liabilities/Unit	\$ 0.001	\$ 2.133	\$ 62.541	\$ 0.013			

**SCHEDULE H**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS - STATUTORY BASIS  
 As of December 31, 2022**

	<b>Amount</b>
Cash and Cash Equivalents:	
Investors Bank	\$ 3,378,564
Investors Bank	18,755
JCMF	9,213,516
 Balance Per Bank	 12,610,835
 Add: Deposits in Transit	 200
Less: Outstanding Checks	(485,891)
Total cash and cash equivalents	\$ 12,125,144
 Investments:	
Wilmington Trust Investments	\$ 16,324,402
Total investments	\$ 16,324,402

SCHEDULE I

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF ACCOUNTS PAYABLE - STATUTORY BASIS  
As of December 31, 2022

**2020 ASSESSMENT YEAR**

Additional Assessment:	
MEL Premiums	\$ 705,177
	<u>705,177</u>

**2021 ASSESSMENT YEAR**

Additional Assessment:	
MEL Premiums	\$ 747,590
	<u>747,590</u>

**2022 ASSESSMENT YEAR**

General and Administrative Fund:	
Litigation Management	\$ 21,283
Legal	3,899
Auditor	21,946
Right-to-Know Program	52,022
Miscellaneous	1,348
Total Accounts Payable - Statutory Basis	<u>\$ 100,498</u>

**SCHEDULE J**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
ANALYSIS OF OTHER MISCELLANEOUS RECEIVABLES  
AND OTHER LIABILITIES - STATUTORY BASIS  
As of December 31, 2022**

CLAIMS AND OTHER MISCELLANEOUS RECEIVABLES:

Excess Insurance	\$	751,889
Other Assets		(30,257)
Other Receivable		11,563
		<hr/>
	\$	<u>733,195</u>

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

**DECEMBER 31, 2022**

None Noted