

MERCER COUNTY INSURANCE FUND COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

MERCER COUNTY INSURANCE FUND COMMISSION

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Mercer County Insurance Fund Commission
9 Campus Drive, Suite 216
Parsippany, NJ 07054

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Mercer County Insurance Fund Commission (the "Commission"), a component unit of Mercer County, New Jersey as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Commission'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 Commission as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the 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 Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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.

Responsibilities of Management for the Financial Statements (Cont'd)

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 Commission'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 opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Commission'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 Commission'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 listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board that considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Cont'd)

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, on our consideration of the Commission'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's 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 Commission's internal control over financial reporting and compliance.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 18, 2023

**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**

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Mercer County Insurance Fund Commission
9 Campus Drive, Suite 216
Parsippany, NJ 07054

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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Mercer County Insurance Fund Commission (the "Commission"), a component unit of Mercer County, New Jersey as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 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 Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 18, 2023

MERCER COUNTY INSURANCE FUND COMMISSION

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Mercer County Insurance Fund Commission (the "Commission") presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2022, 2021, and 2020. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Commission'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 Commission is to provide property and casualty insurance coverage for Mercer County Proper and its inter-agencies that are members of the Commission. The Commission 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:

Comparative Statements of Net Position – This statement presents information reflecting the Commission's assets, liabilities and net position. Net position represents the amount of total assets, less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – This statement reflects the Commission'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.

Comparative Statements of Cash Flows – The comparative statements of cash flows are presented on the direct method of reporting, which reflects cash flows from operating, investing, and non-capital financing 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 net position and results of operations for the Commission as of and for the years ended December 31, 2022, 2021, and 2020.

Summary Statements of Net Position	12/31/2022	12/31/2021	12/31/2020	2022 to 2021 Change	
				Amount	Percentage
Assets					
Cash & Cash Equivalents	\$ 2,272,483	\$ 3,233,372	\$ 3,014,978	\$ (960,889)	-30%
Investments in Joint Ventures	1,467,683	1,324,993	1,381,702	142,690	10.8%
Contributions and Other Receivables	14,031,048	13,142,441	14,793,899	888,607	6.8%
Prepaid Expenses	1,872	1,872	1,872	-	0%
Total Assets	17,773,086	17,700,806	19,190,579	72,280	0.4%
Liabilities, Reserves, & Net Position					
Liabilities & Reserves					
Loss Reserves	7,545,526	6,697,770	8,147,012	847,756	12.7%
Other Liabilities	1,773,930	789,096	1,779,158	984,834	124.8%
Total Liabilities & Reserves	9,319,456	7,486,866	9,926,170	1,832,590	24.5%
Net Position - Unrestricted	\$ 8,453,630	\$ 10,213,940	\$ 9,264,409	\$ (1,760,310)	-17.2%

Summary Statements of Revenues, Expenses, and Changes in Net Position	12/31/2022	12/31/2021	12/31/2020	2022 to 2021 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions and Other Revenue	\$ 6,983,203	\$ 6,513,635	\$ 6,797,976	\$ 469,568	7.2%
Operating Expenses:					
Provision for Claims and					
Claims Expense	3,665,202	1,669,469	4,655,907	1,995,733	119.5%
Insurance Premiums	3,113,587	2,741,967	2,738,856	371,620	13.6%
Administrative and Operating	605,543	595,958	586,376	9,585	1.6%
Total Operating Expenses	7,384,332	5,007,394	7,981,139	2,376,938	47.5%
Operating Income (Loss)	(401,129)	1,506,241	(1,183,163)	(1,907,370)	-126.6%
Non-Operating Revenue (Expense):					
New Jersey Counties Excess Joint					
Insurance Fund Dividend	97,910	37,740	90,043	60,170	159.4%
Change in Investment in Joint Venture	142,690	(56,709)	17,727	199,399	351.6%
Total Non-Operating Revenue (Expense)	240,600	(18,969)	107,770	259,569	1368.4%
Return of Surplus	1,597,910	537,741	1,590,044	1,060,169	197.2%
Change In Net Position	\$ (1,758,439)	\$ 949,531	\$ (2,665,437)	\$ (2,707,970)	-285.2%

Financial Highlights Continued

On November 11, 2013, the Mercer County Board of County Commissioners adopted a resolution, which authorized the establishment of the Mercer County Insurance Fund Commission. The Commission was established under N.J.S.A. 40A:10-6, which authorizes a governing body of any local unit to establish an Insurance Commission for the purposes provided by law. This was based on the County's determination that cost savings and efficiencies can be achieved if the County Proper and its inter-agencies share the cost of insurance, claim management and services, a safety and loss control program, and consolidation of insurance policies.

The Mercer County Insurance Fund Commission's total assets at the end of the ninth year of operations were \$17,773,086 and total liabilities and reserves were \$9,319,456 resulting in a surplus in unrestricted net position of \$8,453,630. The Investment in Joint Ventures represents the Commission's share of net position in the New Jersey Counties Excess Joint Insurance Fund.

Insurance premiums, representing the assessment paid to the New Jersey Counties Excess Joint Insurance Fund ("the NJCEJIF"), were \$3,113,587. The NJCEJIF is a cost-sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund: Atlantic County Insurance Commission, Camden County Insurance Commission, Cumberland County Insurance Commission, Burlington County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Monmouth County, Ocean County Insurance Fund Commission, and Union County Insurance Fund Commission.

Economic Conditions

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

Contacting the Commission's Management

This financial report is designed to provide the Mercer County Insurance Fund Commission members and the Division of Local Government Services, Department of Community Affairs of the State of New Jersey with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Mercer County Insurance Fund Commission office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

MERCER COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,272,483	\$ 3,233,372
Investment in Joint Venture	1,467,683	1,324,993
Contributions Receivable	13,933,138	13,100,957
Surplus Return Receivable	97,910	37,740
Prepaid Expenses	<u>1,872</u>	<u>1,872</u>
Total Assets	<u>17,773,086</u>	<u>17,698,934</u>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	10,248	10,133
Authorized Return of Surplus	1,597,910	537,740
Other Current Liabilities	326	-
Due to NJCEJIF	<u>165,446</u>	<u>241,223</u>
Total Liabilities	<u>1,773,930</u>	<u>789,096</u>
Claims Reserves:		
Case Reserves	6,190,653	5,471,728
IBNR Reserves	1,748,252	1,550,622
Less: Reserve Discount	(156,880)	(121,656)
Less: Excess Recoverable	<u>(236,499)</u>	<u>(202,924)</u>
Total Reserves	<u>7,545,526</u>	<u>6,697,770</u>
Total Liabilities and Reserves	<u>9,319,456</u>	<u>7,486,866</u>
<u>NET POSITION</u>		
Unrestricted	<u>\$ 8,453,630</u>	<u>\$ 10,212,068</u>

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

MERCER COUNTY INSURANCE FUND COMMISSION
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 Revenue:		
Regular Contributions	\$ 6,983,203	\$ 6,513,635
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	3,665,202	1,669,469
Premium for Excess Insurance	3,113,587	2,741,967
Administrative Expenses:		
Actuary	8,281	7,959
Auditor	10,427	10,221
Claims Administrator	201,500	201,500
Fund Administrator	176,989	173,519
Miscellaneous Expenses	4,217	1,351
Postage	62	49
Risk Management Consultants	66,000	66,000
Safety Director	138,066	135,359
Total Operating Expenses	7,384,331	5,007,394
Operating Income (Loss)	(401,128)	1,506,241
Non-Operating Revenue (Expense):		
New Jersey Counties Excess Joint Insurance Fund Dividend	97,910	37,740
Change in Investment in Joint Venture	142,690	(56,709)
Total Non-Operating Revenue (Expense)	240,600	(18,969)
Change in Net Position	(160,528)	1,487,272
Net Position - Beginning of Year	10,212,068	9,262,537
Return of Surplus	(1,597,910)	(537,741)
Net Position - Ending of Year	\$ 8,453,630	\$ 10,212,068

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

MERCER COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash flows from Operating Activities:		
Receipts from Regular Contributions	\$ 6,151,022	\$ 8,114,661
Payments for Claim Payments	(2,893,223)	(3,056,488)
Payments for Insurance Premiums	(3,113,587)	(2,741,967)
Payments to Professionals and Suppliers	<u>(605,101)</u>	<u>(597,811)</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>(460,889)</u>	<u>1,718,395</u>
Cash Flows Provided By Investing Activities:		
New Jersey Counties Excess Joint Insurance Fund Dividend	<u>37,740</u>	<u>90,044</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(537,740)</u>	<u>(1,590,045)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(960,889)	218,394
Cash and Cash Equivalents - Beginning of Year	<u>3,233,372</u>	<u>3,014,978</u>
Cash and Cash Equivalents - Ending of Year	<u><u>\$ 2,272,483</u></u>	<u><u>\$ 3,233,372</u></u>
Reconciliation of Operating Income (Loss) to		
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (401,128)	\$ 1,506,241
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(832,181)	1,601,026
Prepaid Expenses	-	(1,872)
Accrued Administrative Expenses	115	19
Other Current Liabilities	326	
Due to NJCEJIF	(75,777)	62,223
Claims Reserves	<u>847,756</u>	<u>(1,449,242)</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u><u>\$ (460,889)</u></u>	<u><u>\$ 1,718,395</u></u>
Supplemental Disclosure - Non-cash Activity:		
Change in Investment in Joint Venture	<u><u>\$ 142,690</u></u>	<u><u>\$ (56,709)</u></u>

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

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

On November 11, 2013, the Mercer County Insurance Fund Commission (the "Commission") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government," and supplementing Chapter 10 of Title 40A:10-6. The Commission is operated in accordance with regulations of the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost, as well as providing stability in coverage.

The Board of County Commissioners of the Commission are appointed by the County Executive. The Commission may approve subsequent membership by a majority vote of the Commissioners or may terminate any member by a majority vote, after proper notice has been given. Early terminations require prior approval by the Commissioners.

During 2022, members of the Commission included Mercer County and Mercer County Improvement Authority.

All members' assessments, including a reserve for contingencies, are based on annual actuarial assumptions determined by the Commission's actuary. The Commissioners may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission offers the following primary insurance coverage to its members:

- Workers' Compensation including Employers' Liability
- General Liability other than motor vehicles
- Property damage other than motor vehicles
- Automobile Liability and damage

Through membership in the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"), the Commission offers the following ancillary insurance coverage to its members:

- Public Officials Liability/Employment Practices Liability
- Crime
- Pollution Liability
- Medical Professional Liability
- Employed Lawyers Liability
- Cyber Liability

The Commission provides coverage on a self-insured basis and secures excess insurance in a form and an amount from an insurance company acceptable to the Commissioner of Insurance.

PROPERTY AND CASUALTY INSURANCE

The limits of Commission liability per occurrence for property and casualty coverages net of member entity deductibles for 2022 were as follows:

Property	\$250,000
Auto	\$250,000
General Liability	\$250,000
Workers' Compensation	\$300,000
Public Officials Liability/Employment Practices Liability	\$250,000

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION (CONT'D)

Coverage in excess of the Commission's retention limits is provided through the Commission's membership in the NJCEJIF.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Mercer County Insurance Fund Commission in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the primary entity's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria the Commission has no component units and is a component unit of Mercer County, New Jersey.

Basis of Presentation

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to enterprise funds of State and Local Governments on a going concern basis. 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.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. Member Assessments are recognized as revenue at the time of assessment.

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

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the comparative statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally-insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents, and Investments (Cont'd)

Additionally, the Commission has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Annual Contributions

Annual contributions are based on loss funds as determined by the Commission's actuary and are received in three installments. Total contributions are recognized as earned revenue evenly over the annual contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Commissioners.

Supplemental Assessments

The Board of County Commissioners shall by majority vote levy upon the participating county agencies additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Commission's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Unpaid Claims Liabilities

The Commission establishes property and casualty claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) 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. 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. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. **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, Inservco, Inc.

B. **Claims Incurred But Not Reported (IBNR) Reserve**

In order to recognize claims incurred but not reported, a reserve is calculated by the Commission's actuary, The Actuarial Advantage, Inc.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unpaid Claims Liabilities (Cont'd)

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Commission 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 Commission 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, 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.

Excess Coverage

Coverage in excess of the Commission's self-insured retention limit is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund as described in Note 6.

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Refunds

As per Article VIII of the Commission's Rules and Regulations, any monies for a fund year in excess of the amount necessary to fund all obligations for that year as certified by an actuary may be declared to be refundable by the Commission. A refund for any year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual contribution.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations submitted and approved by a majority of the Commissioners. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

The Commission is exempt from income taxes under Section 115 of the Internal Revenue Code.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Commission 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.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of positive changes in the Commission's investment in the NJCEJIF. Operating expenses include expenses associated with the Commission operations, including claims expense, insurance, and administrative expenses. Non-operating expenses include negative changes in the Commission's investment in the NJCEJIF.

Use of Estimates

Management of the Commission has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, and expenses to prepare these financial statements in conformity with GAAP. Actual results may differ from those estimates.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation ("FDIC"). Public funds owned by the Commission in excess of FDIC-insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Commission's bank balance of \$2,642,160 as of December 31, 2022, \$250,000 was insured while \$2,392,160 was collateralized under GUDPA.

Of the Commission's bank balance of \$3,433,993 as of December 31, 2021, \$250,000 was insured while \$3,183,993 was collateralized under GUDPA.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENT IN JOINT VENTURE

As discussed in Note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund. The NJCEJIF is carrying the individual fund year surplus as unrestricted net position on the Comparative Statements of Net Position. The allocations of those funds attributed to the NJCEJIF's individual members are based on the member's percentage of assessments. The Commission's allocated share of surplus as of December 31, 2022 and 2021, was \$1,467,683 and \$1,324,993, respectively.

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Commission establishes a liability for both reported and unreported insured events, which include estimates of future payments of losses and related allocated claim adjustment expenses. The following represents changes in those aggregate undiscounted reported and unreported liabilities for the years ended December 31, 2022 and 2021, and for all open Fund years net of excess insurance recoveries:

	<u>2022</u>	<u>2021</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning	\$ 6,697,770	\$ 8,147,012
Incurring claims and claims adjustment expenses:		
Provision for insured events of current fund year	4,161,894	3,341,998
Changes in provision for insured events of prior fund years	<u>(496,692)</u>	<u>(1,672,529)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>3,665,202</u>	<u>1,669,469</u>
Payments (Net of Recoveries):		
Attributable to insured events of current fund year	1,168,652	997,016
Attributable to insured events of prior fund years	<u>1,648,794</u>	<u>2,121,695</u>
Total payments all fund years	<u>2,817,446</u>	<u>3,118,711</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 7,545,526</u>	<u>\$ 6,697,770</u>

Note 6: MEMBERSHIP IN JOINT INSURANCE FUND

New Jersey Counties Excess Joint Insurance Fund

Effective January 1, 2014, the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund. The NJCEJIF is a risk-sharing public entity risk pool that is a self-administered group of county insurance fund commissions established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective insurance fund commission for the purpose of creating a governing body from which officers for the NJCEJIF are elected.

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

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 6: MEMBERSHIP IN JOINT INSURANCE FUND (CONT'D)

New Jersey Counties Excess Joint Insurance Fund (Cont'd)

The NJCEJIF 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.

Selected Financial Information

Selected summarized financial information for the New Jersey Counties Excess Joint Insurance Fund as of December 31, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Total Assets	<u>\$ 35,971,605</u>	<u>\$ 33,498,183</u>
Total Liabilities	<u>\$ 20,549,381</u>	<u>\$ 19,092,209</u>
Net Position	<u>\$ 15,422,224</u>	<u>\$ 14,405,974</u>
Total Revenue	<u>\$ 32,398,337</u>	<u>\$ 27,823,315</u>
Total Expenses	<u>\$ 30,532,087</u>	<u>\$ 28,099,491</u>
Change in Net Position	<u>\$ 1,016,250</u>	<u>\$ (1,026,176)</u>
Return of Surplus	<u>\$ 850,000</u>	<u>\$ 750,000</u>

Financial statements for the New Jersey Counties Excess Joint Insurance Fund are available at the office of the Commission's Executive Director:

PERMA
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

Note 7: RELATED-PARTY TRANSACTIONS

As disclosed in Note 6, the Commission is a member of the New Jersey Counties Excess Liability Joint Insurance Fund and, accordingly, has an ownership interest in the NJCEJIF. Excess insurance premiums paid to the NJCEJIF for the years ended December 31, 2022 and 2021, were \$3,113,587 and \$2,741,967, respectively.

The NJCEJIF is also due \$165,446 and \$241,223 as of December 31, 2022 and 2021, respectively, from the Commission for the reimbursement of property claim payments.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 8: RETURN OF SURPLUS

During 2022, Board of County Commissioners approved a surplus distribution of \$1,597,910, representing \$1,500,000 paid from the 2014, 2015, and 2016 fund years and a pass through of \$97,910 in NJCEJIF dividends paid from the 2014 and 2016 fund years.

During 2021, Board of County Commissioners approved a surplus distribution of \$537,740, representing \$500,000 paid from the 2014 and 2015 fund years and a pass through of \$37,740 in NJCEJIF dividends paid from the 2014 and 2016 fund years.

Note 9: SUBSEQUENT EVENTS

COVID-19 Pandemic

While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the Commission and its affiliated excess insurer, the New Jersey Counties Excess Joint Insurance Fund are in an exceptionally strong position because of years of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation on the Commission.

Claims Activity

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. The Commission's 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 lawsuits and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply.

Excess Reinsurance Premiums

Although there are signs of insurance marketplace stabilization, Management also expects another increase in excess and reinsurance premiums especially for cyber liability insurance. To mitigate the increase, the New Jersey Counties Excess Joint Insurance Fund is planning a rate adjustment beginning in 2023.

MERCER COUNTY INSURANCE FUND COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

MERCER COUNTY INSURANCE FUND COMMISSION
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - Beginning	\$ 33,572	\$ 988,982	\$ 242,147	\$ 5,376,915	\$ 56,154	\$ 6,697,770
Incurred claims and claims adjustment expenses:						
Provision for insured events of current fund year	409,287	156,367	115,838	3,422,845	57,557	4,161,894
Changes in provision for insured events of prior fund years	(31,586)	(93,102)	7,137	(379,141)		(496,692)
Total incurred claims and claims adjustment expenses all fund years	377,701	63,265	122,975	3,043,704	57,557	3,665,202
Payments (Net of Recoveries):						
Attributable to insured events of current fund year	177,443	2,235	8,128	980,846		1,168,652
Attributable to insured events of prior fund years		150,775	28,390	1,469,629		1,648,794
Total payments all fund years	177,443	153,010	36,518	2,450,475	-	2,817,446
Total unpaid claims and claim adjustment expenses - Ending	\$ 233,830	\$ 899,237	\$ 328,604	\$ 5,970,144	\$ 113,711	\$ 7,545,526

MERCER COUNTY INSURANCE FUND COMMISSION
NINE-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2022

	FUND YEARS ENDED DECEMBER 31								
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net Earned Required Contribution and Investment Revenue:									
Earned	\$ 7,679,904	\$ 7,863,942	\$ 8,059,317	\$ 8,041,933	\$ 7,885,866	\$ 7,688,527	\$ 6,797,976	\$ 6,513,635	\$ 6,983,203
Ceded	2,250,964	2,437,175	2,382,227	2,389,428	2,494,914	2,582,184	2,738,856	2,741,962	3,113,587
	5,428,940	5,426,767	5,677,090	5,652,505	5,390,952	5,106,343	4,059,120	3,771,673	3,869,616
Unallocated Expenses	533,919	563,619	279,240	562,459	568,264	579,351	586,379	595,967	605,338
Estimated Claims and Expenses, End of Policy Year:									
Incurred	3,383,170	3,353,702	4,189,793	3,794,232	3,615,156	3,920,710	3,635,703	3,341,998	4,161,894
Ceded							71,403		
Net Incurred	3,383,170	3,353,702	4,189,793	3,794,232	3,615,156	3,920,710	3,564,300	3,341,998	4,161,894
Paid (Cumulative) as of:									
End of Policy Year	1,145,419	847,758	1,115,309	854,583	1,141,743	1,064,184	737,313	997,016	1,168,651
One Year Later	1,489,441	1,628,411	1,718,985	1,456,623	1,802,543	1,869,057	1,923,794	1,553,379	
Two Years Later	1,747,207	1,867,042	2,085,902	1,879,907	2,184,465	2,062,966	2,180,888		
Three Years Later	1,869,285	2,004,477	2,383,270	2,063,031	2,399,145	2,455,793			
Four Years Later	1,919,055	2,384,421	2,876,414	2,246,087	2,584,167				
Five Years Later	2,065,523	2,575,955	3,125,430	2,366,193					
Six Years Later	2,093,734	2,627,592	3,204,599						
Seven Years Later	2,136,650	2,678,553							
Eight Years Later	2,143,901								
Reestimated Ceded Claims and Expenses			50,000		986		185,513		
Reestimated Incurred Claims and Expenses:									
End of Policy Year	3,383,170	3,353,702	4,189,793	3,794,232	3,615,156	3,920,710	3,564,300	3,341,998	4,161,894
One Year Later	3,070,799	3,063,631	3,338,369	2,643,184	3,178,963	3,957,159	2,734,034	3,356,349	
Two Years Later	2,689,538	3,057,224	3,045,783	2,604,403	3,157,802	3,442,864	2,830,959		
Three Years Later	2,539,078	2,718,968	2,801,826	2,975,967	2,892,827	3,068,550			
Four Years Later	2,572,026	2,974,317	3,611,043	2,968,111	2,855,867				
Five Years Later	2,410,851	2,890,970	3,643,167	2,797,912					
Six Years Later	2,389,736	2,888,370	3,634,619						
Seven Years Later	2,355,590	2,864,455							
Eight Years Later	2,311,048								
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (1,072,122)	\$ (489,247)	\$ (555,174)	\$ (996,320)	\$ (759,289)	\$ (852,160)	\$ (733,341)	\$ 14,351	\$ -

MERCER COUNTY INSURANCE FUND COMMISSION
SUPPLEMENTARY INFORMATION

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>							
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:								
Regular Contributions	\$ 125,000	\$ 156,000	\$ 114,000	\$ 2,806,000	\$ 57,557	\$ 3,113,587	\$ 611,059	\$ 6,983,203
Total Income	125,000	156,000	114,000	2,806,000	57,557	3,113,587	611,059	6,983,203
Incurred Liabilities:								
Claims	409,287	156,367	115,838	3,422,845	57,557			4,161,894
Expenses						3,113,587	605,338	3,718,925
Total Liabilities	409,287	156,367	115,838	3,422,845	57,557	3,113,587	605,338	7,880,819
Underwriting Surplus (Deficit)	(284,287)	(367)	(1,838)	(616,845)	-	-	5,721	(897,616)
Adjustments:								
Permanent Transfers								-
Total Adjustments	-	-	-	-	-	-	-	-
Gross Surplus (Deficit)	(284,287)	(367)	(1,838)	(616,845)	-	-	5,721	(897,616)
Return of Surplus								-
Net Surplus (Deficit)								
Before Unallocated Investment	\$ (284,287)	\$ (367)	\$ (1,838)	\$ (616,845)	\$ -	\$ -	\$ 5,721	(897,616)
Investment in Joint Venture								127,664
Net Deficit								\$ (769,952)

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:								
Regular Contributions	\$ 108,000	\$ 134,000	\$ 104,000	\$ 2,765,000	\$ 56,154	\$ 2,741,962	\$ 604,519	\$ 6,513,635
Incurred Liabilities:								
Claims	2,124	121,710	22,636	3,153,725	56,154			3,356,349
Expenses						2,741,962	595,967	3,337,929
Total Liabilities	2,124	121,710	22,636	3,153,725	56,154	2,741,962	595,967	6,694,278
Underwriting Surplus (Deficit)	105,876	12,290	81,364	(388,725)	-	-	8,552	(180,643)
Adjustments:								
Permanent Transfers								-
Total Adjustments	-	-	-	-	-	-	-	-
Gross Surplus (Deficit)	105,876	12,290	81,364	(388,725)	-	-	8,552	(180,643)
Return of Surplus								-
Net Surplus (Deficit)								
Before Unallocated Investment	\$ 105,876	\$ 12,290	\$ 81,364	\$ (388,725)	\$ -	\$ -	\$ 8,552	(180,643)
Investment in Joint Venture								(20,017)
Net Deficit								\$ (200,660)

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 132,813	\$ 149,000	\$ 116,000	\$ 3,069,000	\$ 2,738,856	\$ 592,307	\$ 6,797,976
Incurring Liabilities:							
Claims	260,369	108,041	204,692	2,257,857			2,830,959
Expenses					2,738,856	586,379	3,325,235
Total Liabilities	260,369	108,041	204,692	2,257,857	2,738,856	586,379	6,156,194
Underwriting Surplus (Deficit)	(127,556)	40,959	(88,692)	811,143	-	5,928	641,782
Adjustments:							
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Surplus (Deficit)	(127,556)	40,959	(88,692)	811,143	-	5,928	641,782
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (127,556)	\$ 40,959	\$ (88,692)	\$ 811,143	\$ -	\$ 5,928	641,782
Investment in Joint Venture							(75,534)
Net Surplus							\$ 566,248

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 75,000	\$ 160,000	\$ 132,000	\$ 4,141,000	\$ 2,582,184	\$ 585,385	\$ 7,675,569
Incurring Liabilities:							
Claims	19,053	71,945	28,923	2,948,629			3,068,550
Expenses					2,582,184	579,351	3,161,535
Total Liabilities	19,053	71,945	28,923	2,948,629	2,582,184	579,351	6,230,085
Underwriting Surplus	55,947	88,055	103,077	1,192,371	-	6,034	1,445,484
Adjustments:							
NJCEJIF Dividend					12,958		12,958
Permanent Transfers							-
Total Adjustments	-	-	-	-	12,958	-	12,958
Gross Surplus	55,947	88,055	103,077	1,192,371	12,958	6,034	1,458,442
Return of Surplus					12,958		12,958
Net Surplus							
Before Unallocated Investment	\$ 55,947	\$ 88,055	\$ 103,077	\$ 1,192,371	\$ -	\$ 6,034	1,445,484
Investment in Joint Venture							236,177
Net Surplus							\$ 1,681,661

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 74,417	\$ 157,000	\$ 131,000	\$ 4,455,000	\$ 2,494,914	\$ 573,535	\$ 7,885,866
Incurring Liabilities:							
Claims	75,275	136,244	12,153	2,632,195			2,855,867
Expenses					2,494,914	568,264	3,063,178
Total Liabilities	75,275	136,244	12,153	2,632,195	2,494,914	568,264	5,919,045
Underwriting Surplus (Deficit)	(858)	20,756	118,847	1,822,805	-	5,271	1,966,821
Adjustments:							
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Surplus (Deficit)	(858)	20,756	118,847	1,822,805	-	5,271	1,966,821
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (858)	\$ 20,756	\$ 118,847	\$ 1,822,805	\$ -	\$ 5,271	1,966,821
Investment in Joint Venture							271,909
Net Surplus							<u>\$ 2,238,730</u>

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 83,000	\$ 159,000	\$ 134,000	\$ 4,709,000	\$ 2,389,428	\$ 567,505	\$ 8,041,933
Incurring Liabilities:							
Claims	75,405	282,738	40,180	2,399,589			2,797,912
Expenses					2,389,428	562,459	2,951,887
Total Liabilities	75,405	282,738	40,180	2,399,589	2,389,428	562,459	5,749,799
Underwriting Surplus (Deficit)	7,595	(123,738)	93,820	2,309,411	-	5,046	2,292,134
Adjustments:							
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Surplus (Deficit)	7,595	(123,738)	93,820	2,309,411	-	5,046	2,292,134
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 7,595	\$ (123,738)	\$ 93,820	\$ 2,309,411	\$ -	\$ 5,046	2,292,134
Investment in Joint Venture							296,684
Net Surplus							<u>\$ 2,588,818</u>

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 80,948	\$ 155,896	\$ 131,580	\$ 4,616,644	\$ 2,382,227	\$ 584,161	\$ 7,951,456
Incurring Liabilities:							
Claims	99	345,428	268,228	3,020,864			3,634,619
Expenses					2,382,227	579,240	2,961,467
Total Liabilities	99	345,428	268,228	3,020,864	2,382,227	579,240	6,596,086
Underwriting Surplus (Deficit)	80,849	(189,532)	(136,648)	1,595,780	-	4,921	1,355,370
Adjustments:							
NJCEJIF Dividend					107,861		107,861
Permanent Transfers							-
Total Adjustments	-	-	-	-	107,861	-	107,861
Gross Surplus (Deficit)	80,849	(189,532)	(136,648)	1,595,780	107,861	4,921	1,463,231
Return of Surplus			500,000		107,861		607,861
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 80,849	\$ (189,532)	\$ (636,648)	\$ 1,595,780	\$ -	\$ 4,921	855,370
Investment in Joint Venture							190,652
Net Surplus							\$ 1,046,022

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 80,948	\$ 155,896	\$ 131,580	\$ 4,449,750	\$ 2,437,174	\$ 576,567	\$ 7,831,915
Other Income	1,828						1,828
Total Income	82,776	155,896	131,580	4,449,750	2,437,174	576,567	7,833,743
Incurred Liabilities:							
Claims	1,802	113,410	6,969	2,742,274			2,864,455
Expenses					2,437,175	563,619	3,000,794
Total Liabilities	1,802	113,410	6,969	2,742,274	2,437,175	563,619	5,865,249
Underwriting Surplus (Deficit)	80,974	42,486	124,611	1,707,476	(1)	12,948	1,968,494
Adjustments:							
NJCEJIF Dividend					30,199		30,199
Permanent Transfers							-
Total Adjustments	-	-	-	-	30,199	-	30,199
Gross Surplus	80,974	42,486	124,611	1,707,476	30,198	12,948	1,998,693
Return of Surplus				1,500,000	30,199		1,530,199
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 80,974	\$ 42,486	\$ 124,611	\$ 207,476	\$ (1)	\$ 12,948	468,494
Investment in Joint Venture							189,562
Net Surplus							\$ 658,056

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2014 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 (DATE OF INCEPTION) TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 62,322	\$ 124,157	\$ 127,016	\$ 4,356,301	\$ 2,250,966	\$ 568,732	\$ 7,489,494
Other Income	567						567
Total Income	62,889	124,157	127,016	4,356,301	2,250,966	568,732	7,490,061
Incurred Liabilities:							
Claims	19,066	78,677	10,891	2,202,414			2,311,048
Expenses					2,250,964	533,919	2,784,883
Total Liabilities	19,066	78,677	10,891	2,202,414	2,250,964	533,919	5,095,931
Underwriting Surplus	43,823	45,480	116,125	2,153,887	2	34,813	2,394,130
Adjustments:							
NJCEJIF Dividend					189,843		189,843
Permanent Transfers							-
Total Adjustments	-	-	-	-	189,843	-	189,843
Gross Surplus	43,823	45,480	116,125	2,153,887	189,845	34,813	2,583,973
Return of Surplus				2,000,000	189,843		2,189,843
Net Surplus							
Before Unallocated Investment	\$ 43,823	\$ 45,480	\$ 116,125	\$ 153,887	\$ 2	\$ 34,813	394,130
Investment in Joint Venture							250,587
Net Surplus							\$ 644,717

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 177,443	\$ 2,235	\$ 8,128	\$ 980,846		\$ 1,168,652
Case Reserves	233,042	31,800	27,684	1,986,247		2,278,773
IBNR Reserves	1,000	131,379	83,592	507,027	\$ 57,557	780,555
Reserve Discount	(2,198)	(9,047)	(3,566)	(51,275)		(66,086)
Subtotal	409,287	156,367	115,838	3,422,845	57,557	4,161,894
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-		-
Limited Incurred Claims	\$ 409,287	\$ 156,367	\$ 115,838	\$ 3,422,845	\$ 57,557	\$ 4,161,894
Number of Claims	95	68	9	211	10	393
Average Cost Per Claim	\$ 4,308	\$ 2,300	\$ 12,871	\$ 16,222	\$ 5,756	\$ 10,590

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 140	\$ 1,130	\$ 4,687	\$ 1,547,422		\$ 1,553,379
Case Reserves	2,001	19,501		1,431,633		1,453,135
IBNR Reserves		106,949	18,411	207,907	\$ 56,154	389,421
Reserve Discount	(17)	(5,870)	(462)	(33,237)		(39,586)
Subtotal	2,124	121,710	22,636	3,153,725	56,154	3,356,349
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-		-
Limited Incurred Claims	\$ 2,124	\$ 121,710	\$ 22,636	\$ 3,153,725	\$ 56,154	\$ 3,356,349
Number of Claims	102	75	9	214	19	419
Average Cost Per Claim	\$ 21	\$ 1,623	\$ 2,515	\$ 14,737	\$ 2,955	\$ 8,010

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 260,367	\$ 13,394	\$ 2,336	\$ 1,904,791	\$ 2,180,888
Case Reserves	2	28,369	200,000	455,423	683,794
IBNR Reserves		68,565	5,953	94,393	168,911
Reserve Discount		(2,287)	(3,597)	(11,237)	(17,121)
Subtotal	260,369	108,041	204,692	2,443,370	3,016,472
Excess Insurance Received Recoverable				185,513	-
Subtotal	-	-	-	185,513	185,513
Limited Incurred Claims	\$ 260,369	\$ 108,041	\$ 204,692	\$ 2,257,857	\$ 2,830,959
Number of Claims	78	87	10	205	380
Average Cost Per Claim	\$ 3,338	\$ 1,242	\$ 20,469	\$ 11,014	\$ 7,450

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 19,053	\$ 25,953	\$ 28,923	\$ 2,381,864	\$ 2,455,793
Case Reserves		17,507		490,184	507,691
IBNR Reserves		29,253		87,392	116,645
Reserve Discount		(768)		(10,811)	(11,579)
Subtotal	19,053	71,945	28,923	2,948,629	3,068,550
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 19,053	\$ 71,945	\$ 28,923	\$ 2,948,629	\$ 3,068,550
Number of Claims	126	130	20	221	497
Average Cost Per Claim	\$ 151	\$ 553	\$ 1,446	\$ 13,342	\$ 6,174

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 75,275	\$ 112,642	\$ 12,153	\$ 2,384,097	\$ 2,584,167
Case Reserves		2,610		184,375	186,985
IBNR Reserves		21,263		69,144	90,407
Reserve Discount		(271)		(4,435)	(4,706)
Subtotal	75,275	136,244	12,153	2,633,181	2,856,853
Excess Insurance Received Recoverable				986	-
Subtotal	-	-	-	986	986
Limited Incurred Claims	\$ 75,275	\$ 136,244	\$ 12,153	\$ 2,632,195	\$ 2,855,867
Number of Claims	196	166	19	212	593
Average Cost Per Claim	\$ 384	\$ 821	\$ 640	\$ 12,416	\$ 4,816

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 75,405	\$ 51,560	\$ 39,591	\$ 2,199,637	\$ 2,366,193
Case Reserves		210,656		167,096	377,752
IBNR Reserves		22,091	592	35,911	58,594
Reserve Discount		(1,569)	(3)	(3,055)	(4,627)
Subtotal	75,405	282,738	40,180	2,399,589	2,797,912
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 75,405	\$ 282,738	\$ 40,180	\$ 2,399,589	\$ 2,797,912
Number of Claims	136	117	24	173	450
Average Cost Per Claim	\$ 554	\$ 2,417	\$ 1,674	\$ 13,870	\$ 6,218

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 99	\$ 116,324	\$ 268,228	\$ 2,819,948	\$ 3,204,599
Case Reserves		223,268		230,132	453,400
IBNR Reserves		8,885		24,835	33,720
Reserve Discount		(3,049)		(4,051)	(7,100)
Subtotal	99	345,428	268,228	3,070,864	3,684,619
Excess Insurance Received Recoverable				50,000	-
Subtotal	-	-	-	50,000	50,000
Limited Incurred Claims	\$ 99	\$ 345,428	\$ 268,228	\$ 3,020,864	\$ 3,634,619
Number of Claims	121	130	23	201	475
Average Cost Per Claim	\$ 1	\$ 2,657	\$ 11,662	\$ 15,029	\$ 7,652

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>	
Paid Claims (Net of Recoveries)	\$ 1,802	\$ 113,410	\$ 6,969	\$ 2,556,372	\$ 2,678,553	
Case Reserves				129,345	129,345	
IBNR Reserves				60,000	60,000	
Reserve Discount				(3,443)	(3,443)	
Subtotal	1,802	113,410	6,969	2,742,274	2,864,455	
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 1,802	\$ 113,410	\$ 6,969	\$ 2,742,274	\$ 2,864,455	
Number of Claims	101	144	28	216	489	
Average Cost Per Claim	\$ 18	\$ 788	\$ 249	\$ 12,696	\$ 5,858	

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 (DATE OF INCEPTION) TO DECEMBER 31, 2022

	<u>Coverages</u>					
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>	
Paid Claims (Net of Recoveries)	\$ 19,066	\$ 78,677	\$ 10,891	\$ 2,035,267	\$ 2,143,901	
Case Reserves				119,779	119,779	
IBNR Reserves				50,000	50,000	
Reserve Discount				(2,632)	(2,632)	
Subtotal	19,066	78,677	10,891	2,202,414	2,311,048	
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 19,066	\$ 78,677	\$ 10,891	\$ 2,202,414	\$ 2,311,048	
Number of Claims	96	249	18	207	570	
Average Cost Per Claim	\$ 199	\$ 316	\$ 605	\$ 10,640	\$ 4,054	

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY	\$5,250,000
Fund Retention	\$250,000	\$250,000	\$250,000	\$300,000	\$250,000
Excess Insurers (2)	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Munich Re Old Republic	NJCEJIF Munich Re Old Republic	NJCEJIF Munich Re Safety National Old Republic	NJCEJIF Chubb
Number of Participants	2	2	2	2	2
Incurring Liabilities:					
Claims (Schedule C-1)	\$ 409,287	\$ 156,367	\$ 115,838	\$ 3,422,844	\$ 57,557
Administrative Expenses (1)	17,231	21,379	165,928	391,846	8,959
	<u>\$ 426,518</u>	<u>\$ 177,746</u>	<u>\$ 281,766</u>	<u>\$ 3,814,690</u>	<u>\$ 66,516</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with AXIS Surplus (30%), Aspen Specialty (20%), Velocity Risk (20%), Endurance America Specialty (10%), Interstate Fire & Casualty (10%) and RSUI Indemnity (10%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>				
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY	\$5,250,000
Fund Retention	\$250,000	\$250,000	\$250,000	\$300,000	\$250,000
Excess Insurers (2)	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Munich Re Old Republic	NJCEJIF Munich Re Old Republic	NJCEJIF Munich Re Safety National Old Republic	NJCEJIF Chubb
Number of Participants	2	2	2	2	2
Incurred Liabilities:					
Claims (Schedule C-2)	\$ 2,124	\$ 121,710	\$ 22,636	\$ 3,153,725	\$ 56,154
Administrative Expenses (1)	20,322	25,215	19,570	520,293	10,567
	<u>\$ 22,446</u>	<u>\$ 146,925</u>	<u>\$ 42,206</u>	<u>\$ 3,674,018</u>	<u>\$ 66,721</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with AXIS Surplus (30%), Aspen Specialty (20%), Velocity Risk (20%), Endurance America Specialty (10%), Interstate Fire & Casualty (10%) and RSUI Indemnity (10%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2020 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$250,000	\$250,000	\$250,000	\$300,000
Excess Insurers (2)	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Safety National Old Republic
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule C-3)	\$ 260,369	\$ 108,041	\$ 204,692	\$ 2,257,857
Administrative Expenses (1)	22,464	25,202	19,620	519,093
	<u>\$ 282,833</u>	<u>\$ 133,243</u>	<u>\$ 224,312</u>	<u>\$ 2,776,950</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with AXIS Surplus (30%), Aspen Specialty (20%), Velocity Risk (20%), Endurance America Specialty (10%), Interstate Fire & Casualty (10%) and RSUI Indemnity (10%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2019 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers (2)	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National Argonaut
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule C-4)	\$ 19,053	\$ 71,945	\$ 28,923	\$ 2,948,629
Administrative Expenses (1)	9,639	20,563	16,964	532,186
	<u>\$ 28,692</u>	<u>\$ 92,508</u>	<u>\$ 45,887</u>	<u>\$ 3,480,815</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with AXIS Surplus (30%), Aspen Specialty (20%), Velocity Risk (20%), Endurance America Specialty (10%), Interstate Fire & Casualty (10%) and RSUI Indemnity (10%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2018 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers (2)	Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National Argonaut
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule C-5)	\$ 75,275	\$ 136,244	\$ 12,153	\$ 2,632,195
Administrative Expenses (1)	8,778	18,520	15,453	525,513
	<u>\$ 84,053</u>	<u>\$ 154,764</u>	<u>\$ 27,606</u>	<u>\$ 3,157,708</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with AXIS Surplus (30%), Aspen Specialty (20%), Velocity Risk (20%), Endurance America Specialty (10%), Interstate Fire & Casualty (10%) and RSUI Indemnity (10%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2017 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers (2)	Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	2	2	2	2
Incurring Liabilities:				
Claims (Schedule C-6)	\$ 75,405	\$ 282,738	\$ 40,180	\$ 2,399,589
Administrative Expenses (1)	9,181	17,587	14,822	520,869
	<u>\$ 84,586</u>	<u>\$ 300,325</u>	<u>\$ 55,002</u>	<u>\$ 2,920,458</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with AXIS Surplus (30%), Aspen Specialty (20%), Velocity Risk (20%), Endurance America Specialty (10%), Interstate Fire & Casualty (10%) and RSUI Indemnity (10%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2016 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers (2)	Zurich Mitsui Sumitomo Scottsdale Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule C-7)	\$ 99	\$ 345,428	\$ 268,228	\$ 3,020,864
Administrative Expenses (1)	9,406	18,114	15,289	536,431
	<u>\$ 9,505</u>	<u>\$ 363,542</u>	<u>\$ 283,517</u>	<u>\$ 3,557,295</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with Aspen Specialty (20%), AXIS Surplus (20%), United Specialty (20%), Endurance America Specialty (10%), Interstate Fire & Casualty (10%), RSUI Indemnity (10%) and Westchester Surplus (10%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2015 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property (2)</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers (2)	Zurich Mitsui Sumitomo Scottsdale Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule C-8)	\$ 1,802	\$ 113,410	\$ 6,970	\$ 2,742,273
Administrative Expenses (1)	9,469	18,236	15,392	520,522
	<u>\$ 11,271</u>	<u>\$ 131,646</u>	<u>\$ 22,362</u>	<u>\$ 3,262,795</u>

(1) Allocated on the basis of assessments and transfers by coverage.

(2) There is also an Excess Flood/Earthquake policy placed with AXIS Surplus (33.34%), RSUI Indemnity (33.33%) and Westchester Surplus (33.33%) included with Property Coverage.

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2014 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2014 (DATE OF INCEPTION) TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich Underwriters at Lloyds RSUI Scottsdale	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	2	2	2	2
Incurred Liabilities:				
Claims (Schedule C-9)	\$ 19,066	\$ 78,677	\$ 10,891	\$ 2,202,414
Administrative Expenses (1)	7,126	14,195	14,522	498,076
	<u>\$ 26,192</u>	<u>\$ 92,872</u>	<u>\$ 25,413</u>	<u>\$ 2,700,490</u>

(1) Allocated on the basis of assessments and transfers by coverage.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Accountants
& Consultants

A handwritten signature in dark ink, reading "Dennis J. Skalkowski". The signature is written in a cursive, flowing style.

Dennis J. Skalkowski
Certified Public Accountant