

MERCER COUNTY INSURANCE FUND COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022



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, 2023 and 2022, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2023 and 2022, and the 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 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.

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.

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 October 28, 2024, 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, 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
October 28, 2024

**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 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, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 28, 2024.

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 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
October 28, 2024

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, 2023, 2022, and 2021. 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 – These statements present 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 – These statements reflect 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, 2023, 2022, and 2021.

Summary Statements of Net Position			2023 to 2022 Change	
	12/31/2023	12/31/2022	12/31/2021	Amount Percentage
Assets				
Cash & Cash Equivalents	\$ 15,006,528	\$ 2,272,483	\$ 3,233,372	\$ 12,734,045 560%
Investments in Joint Ventures	1,030,876	1,467,683	1,324,993	(436,807) -29.8%
Contributions and Other Receivables	1,216	14,031,048	13,138,697	(14,029,832) -100.0%
Prepaid Expenses	-	1,872	1,872	(1,872) -100.0%
Total Assets	16,038,620	17,773,086	17,698,934	(1,734,466) -9.8%
Liabilities, Reserves, & Net Position				
Liabilities & Reserves				
Loss Reserves	7,739,911	7,545,526	6,697,770	194,385 2.6%
Other Liabilities	572,317	1,773,930	789,096	(1,201,613) -67.7%
Total Liabilities & Reserves	8,312,228	9,319,456	7,486,866	(1,007,228) -10.8%
Net Position - Unrestricted	\$ 7,726,392	\$ 8,453,630	\$ 10,212,068	\$ (727,238) -8.6%

Summary Statements of Revenues, Expenses, and Changes in Net Position			2023 to 2022 Change	
	12/31/2023	12/31/2022	12/31/2021	Amount Percentage
Operating Revenue				
Regular Contributions and Other Revenue	\$ 7,369,746	\$ 6,983,203	\$ 6,513,635	\$ 386,543 5.5%
Operating Expenses:				
Provision for Claims and				
Claims Expense	3,559,497	3,665,202	1,669,469	(105,705) -2.9%
Insurance Premiums	3,483,979	3,113,587	2,741,967	370,392 11.9%
Administrative and Operating	616,701	605,542	595,958	11,159 1.8%
Total Operating Expenses	7,660,177	7,384,331	5,007,394	275,846 3.7%
Operating Income (Loss)	(290,431)	(401,128)	1,506,241	110,697 27.6%
Non-Operating Revenue (Expense):				
New Jersey Counties Excess Joint				
Insurance Fund Dividend	-	97,910	37,740	(97,910) -100.0%
Change in Investment in Joint Venture	(436,807)	142,690	(56,709)	(579,497) -406.1%
Total Non-Operating Revenue (Expense)	(436,807)	240,600	(18,969)	(677,407) -281.5%
Return of Surplus	-	1,597,910	537,741	(1,597,910) -100.0%
Change In Net Position	\$ (727,238)	\$ (1,758,439)	\$ 949,531	\$ 1,031,201 58.6%

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 tenth year of operations were \$16,038,620 and total liabilities and reserves were \$8,312,228 resulting in a surplus in unrestricted net position of \$7,726,392. 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 \$3,483,979. 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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 15,006,528	\$ 2,272,483
Investment in Joint Venture	1,030,876	1,467,683
Contributions Receivable	54	13,933,138
Surplus Return Receivable	-	97,910
Due From Member	1,162	-
Prepaid Expenses	-	1,872
	<hr/>	<hr/>
Total Assets	16,038,620	17,773,086
	<hr/>	<hr/>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	10,428	10,248
Accrued Excess Insurance Payable	2,721	-
Authorized Return of Surplus	-	1,597,910
Other Current Liabilities	326	326
Due to NJCEJIF	558,842	165,446
	<hr/>	<hr/>
Total Liabilities	572,317	1,773,930
	<hr/>	<hr/>
Claims Reserves:		
Case Reserves	5,418,566	6,190,653
IBNR Reserves	2,747,201	1,748,252
Less: Reserve Discount	(169,397)	(156,880)
Less: Excess Recoverable	(256,459)	(236,499)
	<hr/>	<hr/>
Total Reserves	7,739,911	7,545,526
	<hr/>	<hr/>
Total Liabilities and Reserves	8,312,228	9,319,456
	<hr/>	<hr/>
<u>NET POSITION</u>		
Unrestricted	\$ 7,726,392	\$ 8,453,630
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The accompanying Notes to Financial Statements are an integral part of these statements.

MERCER COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenue:		
Regular Contributions	\$ 7,369,746	\$ 6,983,203
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	3,559,497	3,665,202
Premium for Excess Insurance	3,483,979	3,113,587
Administrative Expenses:		
Actuary	8,446	8,281
Auditor	10,647	10,427
Claims Administrator	207,540	201,500
Fund Administrator	180,529	176,989
Miscellaneous Expenses	2,662	4,217
Postage	49	62
Risk Management Consultants	66,000	66,000
Safety Director	140,828	138,066
Total Operating Expenses	7,660,177	7,384,331
Operating Loss	(290,431)	(401,128)
Non-Operating Revenue (Expense):		
New Jersey Counties Excess Joint Insurance Fund Dividend	-	97,910
Change in Investment in Joint Venture	(436,807)	142,690
Total Non-Operating Revenue (Expense)	(436,807)	240,600
Change in Net Position	(727,238)	(160,528)
Net Position - Beginning of Year	8,453,630	10,212,068
Return of Surplus	-	(1,597,910)
Net Position - Ending of Year	\$ 7,726,392	\$ 8,453,630

The accompanying Notes to Financial Statements are an integral part of these statements.

MERCER COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from Operating Activities:		
Receipts from Regular Contributions	\$ 21,302,830	\$ 6,151,022
Payments for Claim Payments	(2,971,716)	(2,893,223)
Payments for Insurance Premiums	(3,483,979)	(3,113,587)
Payments to Professionals and Suppliers	<u>(613,090)</u>	<u>(605,101)</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>14,234,045</u>	<u>(460,889)</u>
Cash Flows Provided By Investing Activities:		
New Jersey Counties Excess Joint Insurance Fund Dividend	<u>97,910</u>	<u>37,740</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(1,597,910)</u>	<u>(537,740)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,734,045	(960,889)
Cash and Cash Equivalents - Beginning of Year	<u>2,272,483</u>	<u>3,233,372</u>
Cash and Cash Equivalents - Ending of Year	<u><u>\$ 15,006,528</u></u>	<u><u>\$ 2,272,483</u></u>
Reconciliation of Operating Loss to		
Cash Flows from Operating Activities:		
Operating Loss	\$ (290,431)	\$ (401,128)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by (Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	13,933,084	(832,181)
Other Assets	(1,162)	-
Prepaid Expenses	1,872	-
Accrued Administrative Expenses	180	115
Accrued Excess Insurance Payable	2,721	-
Other Current Liabilities	-	326
Due to NJCEJIF	393,396	(75,777)
Claims Reserves	<u>194,385</u>	<u>847,756</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u><u>\$ 14,234,045</u></u>	<u><u>\$ (460,889)</u></u>
Supplemental Disclosure - Non-cash Activity:		
Change in Investment in Joint Venture	<u><u>\$ (436,807)</u></u>	<u><u>\$ 142,690</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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 2023, 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 2023 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

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

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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 The Governmental Accounting Standards Board ("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 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. 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.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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 government unit of which the local unit is a part or within which the government unit 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.

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.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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.

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, 2023.

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.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

MERCER COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 3: CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk Related to Deposits (Cont'd)

Of the Commission's bank balance of \$15,380,188 as of December 31, 2023, \$250,000 was insured while \$15,130,188 was collateralized under GUDPA.

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.

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, 2023 and 2022, was \$1,030,876 and \$1,467,683, 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, 2023 and 2022, and for all open Fund years net of excess insurance recoveries:

	<u>2023</u>	<u>2022</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning	\$ 7,545,526	\$ 6,697,770
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	3,866,773	4,161,894
Changes in provision for insured events of prior fund years	(307,276)	(496,692)
Total incurred claims and claims adjustment expenses all fund years	3,559,497	3,665,202
Payments (Net of Recoveries):		
Attributable to insured events of current fund year	801,475	1,168,652
Attributable to insured events of prior fund years	2,563,637	1,648,794
Total payments all fund years	3,365,112	2,817,446
Total unpaid claim and claim adjustment expenses all fund years - Ending	\$ 7,739,911	\$ 7,545,526

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.

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)

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.

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, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Total Assets	\$ 37,123,804	\$ 35,971,605
Total Liabilities	\$ 26,445,980	\$ 20,549,381
Net Position	\$ 10,677,824	\$ 15,422,224
Total Revenue	\$ 36,924,490	\$ 32,398,337
Total Expenses	\$ 41,118,890	\$ 30,532,087
Change in Net Position	\$ (4,744,400)	\$ 1,016,250
Surplus Transfer	\$ 550,000	\$ -
Return of Surplus	\$ -	\$ 850,000

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, 2023 and 2022, were \$3,483,979 and \$3,113,587 respectively.

The NJCEJIF is also due \$558,842 and \$165,446 as of December 31, 2023 and 2022, 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

The Board of Commissioners did not approve a dividend in 2023. 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.

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 a 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.

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, 2023

	<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	\$ 233,830	\$ 899,237	\$ 328,604	\$ 5,970,144	\$ 113,711	\$ 7,545,526
Incurring claims and claims adjustment expenses:						
Provision for insured events of current fund year	493,764	227,327	341,074	2,745,612	58,996	3,866,773
Changes in provision for insured events of prior fund years	(18,387)	12,698	(21,049)	(280,538)		(307,276)
Total incurred claims and claims adjustment expenses all fund years	475,377	240,025	320,025	2,465,074	58,996	3,559,497
Payments (Net of Recoveries):						
Attributable to insured events of current fund year	344,726	6,407	5,085	445,257		801,475
Attributable to insured events of prior fund years	215,436	240,930	25,672	2,081,599		2,563,637
Total payments all fund years	560,162	247,337	30,757	2,526,856	-	3,365,112
Total unpaid claims and claim adjustment expenses - Ending	\$ 149,045	\$ 891,925	\$ 617,872	\$ 5,908,362	\$ 172,707	\$ 7,739,911

MERCER COUNTY INSURANCE FUND COMMISSION
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2023

	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>	<u>2023</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	\$ 7,369,745
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	3,483,979
	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	3,885,766
Unallocated Expenses	533,924	563,618	579,240	562,459	568,264	579,351	586,375	595,967	605,566	616,482
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	3,866,773
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	3,866,773
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	801,475
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	2,182,309	
Two Years Later	1,747,207	1,867,042	2,085,902	1,879,907	2,184,465	2,062,966	2,180,888	2,135,280		
Three Years Later	1,869,285	2,004,477	2,383,270	2,063,031	2,399,145	2,455,793	2,520,727			
Four Years Later	1,919,055	2,384,421	2,876,414	2,246,087	2,584,167	2,623,856				
Five Years Later	2,065,523	2,575,955	3,125,430	2,366,193	2,736,084					
Six Years Later	2,093,734	2,627,592	3,204,599	2,487,736						
Seven Years Later	2,136,650	2,678,553	3,268,644							
Eight Years Later	2,143,901	2,772,954								
Nine Years Later	2,173,161									
Reestimated Ceded Claims and Expenses					986		256,459			
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	3,866,773
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	4,169,264	
Two Years Later	2,689,538	3,057,224	3,045,783	2,604,403	3,157,802	3,442,864	2,830,959	3,169,073		
Three Years Later	2,539,078	2,718,968	2,801,826	2,975,967	2,892,827	3,068,550	3,075,514			
Four Years Later	2,572,026	2,974,317	3,611,043	2,968,111	2,855,867	3,012,142				
Five Years Later	2,410,851	2,890,970	3,643,167	2,797,912	2,821,321					
Six Years Later	2,389,736	2,888,370	3,634,619	2,608,170						
Seven Years Later	2,355,590	2,864,455	3,624,381							
Eight Years Later	2,311,048	2,822,180								
Nine Years Later	2,272,331									
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (1,110,839)	\$ (531,522)	\$ (565,412)	\$ (1,186,062)	\$ (793,835)	\$ (908,568)	\$ (488,786)	\$ (172,925)	\$ 7,370	\$ -

MERCER COUNTY INSURANCE FUND COMMISSION
SUPPLEMENTARY INFORMATION

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2023 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

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	\$ 145,000	\$ 206,000	\$ 133,000	\$ 2,719,000	\$ 58,996	\$ 3,483,979	\$ 623,770	\$ 7,369,745
Incurred Liabilities:								
Claims	493,764	227,327	341,074	2,745,612	58,996			3,866,773
Expenses						3,483,979	616,482	4,100,461
Total Liabilities	493,764	227,327	341,074	2,745,612	58,996	3,483,979	616,482	7,967,234
Underwriting Surplus (Deficit)	(348,764)	(21,327)	(208,074)	(26,612)	-	-	7,288	(597,489)
Adjustments:								
Permanent Transfers								-
Total Adjustments	-	-	-	-	-	-	-	-
Gross Surplus (Deficit)	(348,764)	(21,327)	(208,074)	(26,612)	-	-	7,288	(597,489)
Return of Surplus								-
Net Surplus (Deficit)								
Before Unallocated Investment	\$ (348,764)	\$ (21,327)	\$ (208,074)	\$ (26,612)	\$ -	\$ -	\$ 7,288	(597,489)
Investment in Joint Venture								(409,530)
Net Deficit								<u>\$ (1,007,019)</u>

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

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	\$ 125,000	\$ 156,000	\$ 114,000	\$ 2,806,000	\$ 57,557	\$ 3,113,587	\$ 611,059	\$ 6,983,203
Incurred Liabilities:								
Claims	392,885	148,108	92,040	3,478,674	57,557			4,169,264
Expenses						3,113,587	605,566	3,719,153
Total Liabilities	392,885	148,108	92,040	3,478,674	57,557	3,113,587	605,566	7,888,417
Underwriting Surplus (Deficit)	(267,885)	7,892	21,960	(672,674)	-	-	5,493	(905,214)
Adjustments:								
Permanent Transfers								-
Total Adjustments	-	-	-	-	-	-	-	-
Gross Surplus (Deficit)	(267,885)	7,892	21,960	(672,674)	-	-	5,493	(905,214)
Return of Surplus								-
Net Surplus (Deficit)								
Before Unallocated Investment	\$ (267,885)	\$ 7,892	\$ 21,960	\$ (672,674)	\$ -	\$ -	\$ 5,493	(905,214)
Investment in Joint Venture								134,263
Net Deficit								<u>\$ (770,951)</u>

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

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	140	280,738	23,651	2,808,390	56,154			3,169,073
Expenses						2,741,962	595,967	3,337,929
Total Liabilities	140	280,738	23,651	2,808,390	56,154	2,741,962	595,967	6,507,002
Underwriting Surplus (Deficit)	107,860	(146,738)	80,349	(43,390)	-	-	8,552	6,633
Adjustments:								
Permanent Transfers								-
Total Adjustments	-	-	-	-	-	-	-	-
Gross Surplus (Deficit)	107,860	(146,738)	80,349	(43,390)	-	-	8,552	6,633
Return of Surplus								-
Net Surplus (Deficit)								
Before Unallocated Investment	\$ 107,860	\$ (146,738)	\$ 80,349	\$ (43,390)	\$ -	\$ -	\$ 8,552	6,633
Investment in Joint Venture								(28,258)
Net Deficit								\$ (21,625)

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<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	260,368	159,549	207,015	2,448,582			3,075,514
Expenses					2,738,856	586,375	3,325,231
Total Liabilities	260,368	159,549	207,015	2,448,582	2,738,856	586,375	6,400,745
Underwriting Surplus (Deficit)	(127,555)	(10,549)	(91,015)	620,418	-	5,932	397,231
Adjustments:							
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Surplus (Deficit)	(127,555)	(10,549)	(91,015)	620,418	-	5,932	397,231
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (127,555)	\$ (10,549)	\$ (91,015)	\$ 620,418	\$ -	\$ 5,932	397,231
Investment in Joint Venture							(4,600)
Net Surplus							\$ 392,631

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2023

	<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	58,134	28,923	2,906,032			3,012,142
Expenses					2,582,184	579,351	3,161,535
Total Liabilities	19,053	58,134	28,923	2,906,032	2,582,184	579,351	6,173,677
Underwriting Surplus	55,947	101,866	103,077	1,234,968	-	6,034	1,501,892
Adjustments:							
NJCEJIF Dividend					12,958		12,958
Permanent Transfers							-
Total Adjustments	-	-	-	-	12,958	-	12,958
Gross Surplus	55,947	101,866	103,077	1,234,968	12,958	6,034	1,514,850
Return of Surplus					12,958		12,958
Net Surplus							
Before Unallocated Investment	\$ 55,947	\$ 101,866	\$ 103,077	\$ 1,234,968	\$ -	\$ 6,034	1,501,892
Investment in Joint Venture							217,249
Net Surplus							\$ 1,719,141

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2023

	<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	126,159	12,153	2,607,734			2,821,321
Expenses					2,494,914	568,264	3,063,178
Total Liabilities	75,275	126,159	12,153	2,607,734	2,494,914	568,264	5,884,499
Underwriting Surplus (Deficit)	(858)	30,841	118,847	1,847,266	-	5,271	2,001,367
Adjustments:							
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Surplus (Deficit)	(858)	30,841	118,847	1,847,266	-	5,271	2,001,367
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (858)	\$ 30,841	\$ 118,847	\$ 1,847,266	\$ -	\$ 5,271	2,001,367
Investment in Joint Venture							271,403
Net Surplus							\$ 2,272,770

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2023

	<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	117,121	39,591	2,376,053			2,608,170
Expenses					2,389,428	562,459	2,951,887
Total Liabilities	75,405	117,121	39,591	2,376,053	2,389,428	562,459	5,560,057
Underwriting Surplus	7,595	41,879	94,409	2,332,947	-	5,046	2,481,876
Adjustments:							
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Surplus	7,595	41,879	94,409	2,332,947	-	5,046	2,481,876
Return of Surplus							-
Net Surplus							
Before Unallocated Investment	\$ 7,595	\$ 41,879	\$ 94,409	\$ 2,332,947	\$ -	\$ 5,046	2,481,876
Investment in Joint Venture							308,000
Net Surplus							\$ 2,789,876

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2023

	<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
Incurred Liabilities:							
Claims	99	346,352	268,228	3,009,702			3,624,381
Expenses					2,382,227	579,240	2,961,467
Total Liabilities	99	346,352	268,228	3,009,702	2,382,227	579,240	6,585,848
Underwriting Surplus (Deficit)	80,849	(190,456)	(136,648)	1,606,942	-	4,921	1,365,608
Adjustments:							
NJCEJIF Dividend					107,861		107,861
Permanent Transfers							-
Total Adjustments	-	-	-	-	107,861	-	107,861
Gross Surplus (Deficit)	80,849	(190,456)	(136,648)	1,606,942	107,861	4,921	1,473,469
Return of Surplus			500,000		107,861		607,861
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 80,849	\$ (190,456)	\$ (636,648)	\$ 1,606,942	\$ -	\$ 4,921	865,608
Investment in Joint Venture							188,022
Net Surplus							\$ 1,053,630

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2023

	<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	113,409	6,969	2,700,000			2,822,180
Expenses					2,437,175	563,618	3,000,793
Total Liabilities	1,802	113,409	6,969	2,700,000	2,437,175	563,618	5,822,973
Underwriting Surplus (Deficit)	80,974	42,487	124,611	1,749,750	(1)	12,949	2,010,770
Adjustments:							
NJCEJIF Dividend					30,199		30,199
Permanent Transfers							-
Total Adjustments	-	-	-	-	30,199	-	30,199
Gross Surplus	80,974	42,487	124,611	1,749,750	30,198	12,949	2,040,969
Return of Surplus				1,500,000	30,199		1,530,199
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 80,974	\$ 42,487	\$ 124,611	\$ 249,750	\$ (1)	\$ 12,949	510,770
Investment in Joint Venture							158,483
Net Surplus							\$ 669,253

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, 2023

	<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	2,163,697			2,272,331
Expenses					2,250,964	533,924	2,784,888
Total Liabilities	19,066	78,677	10,891	2,163,697	2,250,964	533,924	5,057,219
Underwriting Surplus	43,823	45,480	116,125	2,192,604	2	34,808	2,432,842
Adjustments:							
NJCEJIF Dividend					189,843		189,843
Permanent Transfers							-
Total Adjustments	-	-	-	-	189,843	-	189,843
Gross Surplus	43,823	45,480	116,125	2,192,604	189,845	34,808	2,622,685
Return of Surplus				2,000,000	189,843		2,189,843
Net Surplus							
Before Unallocated Investment	\$ 43,823	\$ 45,480	\$ 116,125	\$ 192,604	\$ 2	\$ 34,808	432,842
Investment in Joint Venture							195,844
Net Surplus							\$ 628,686

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2023 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<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)	\$ 344,726	\$ 6,407	\$ 5,085	\$ 445,257		\$ 801,475
Case Reserves	149,353	139,292	285,000	980,184		1,553,829
IBNR Reserves	1,000	93,782	61,499	1,368,985	\$ 58,996	1,584,262
Reserve Discount	(1,315)	(12,154)	(10,510)	(48,814)		(72,793)
Subtotal	493,764	227,327	341,074	2,745,612	58,996	3,866,773
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-		-
Limited Incurred Claims	\$ 493,764	\$ 227,327	\$ 341,074	\$ 2,745,612	\$ 58,996	\$ 3,866,773
Number of Claims	13	165	12	198	13	401
Average Cost Per Claim	\$ 37,982	\$ 1,378	\$ 28,423	\$ 13,867	\$ 4,538	\$ 9,643

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<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)	\$ 392,879	\$ 2,356	\$ 33,043	\$ 1,754,031		\$ 2,182,309
Case Reserves	6	35,879		1,557,938		1,593,823
IBNR Reserves		116,754	60,440	202,427	\$ 57,557	437,178
Reserve Discount		(6,881)	(1,443)	(35,722)		(44,046)
Subtotal	392,885	148,108	92,040	3,478,674	57,557	4,169,264
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-		-
Limited Incurred Claims	\$ 392,885	\$ 148,108	\$ 92,040	\$ 3,478,674	\$ 57,557	\$ 4,169,264
Number of Claims	10	176	10	220	13	429
Average Cost Per Claim	\$ 39,289	\$ 842	\$ 9,204	\$ 15,812	\$ 4,427	\$ 9,719

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2023

	<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	\$ 169,063	\$ 4,687	\$ 1,961,390		\$ 2,135,280
Case Reserves		37,000	5,000	706,422		748,422
IBNR Reserves		78,821	14,292	158,442	\$ 56,154	307,709
Reserve Discount		(4,146)	(328)	(17,864)		(22,338)
Subtotal	140	280,738	23,651	2,808,390	56,154	3,169,073
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-		-
Limited Incurred Claims	\$ 140	\$ 280,738	\$ 23,651	\$ 2,808,390	\$ 56,154	\$ 3,169,073
Number of Claims	2	173	9	214	23	421
Average Cost Per Claim	\$ 70	\$ 1,623	\$ 2,628	\$ 13,123	\$ 2,441	\$ 7,527

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2023

	<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	\$ 14,389	\$ 3,093	\$ 2,242,878	\$ 2,520,727
Case Reserves	1	135,505	200,243	382,206	717,955
IBNR Reserves		12,157	5,953	88,844	106,954
Reserve Discount		(2,502)	(2,274)	(8,887)	(13,663)
Subtotal	260,368	159,549	207,015	2,705,041	3,331,973
Excess Insurance Received Recoverable				256,459	256,459
Subtotal	-	-	-	256,459	256,459
Limited Incurred Claims	\$ 260,368	\$ 159,549	\$ 207,015	\$ 2,448,582	\$ 3,075,514
Number of Claims	5	159	10	205	379
Average Cost Per Claim	\$ 52,074	\$ 1,003	\$ 20,702	\$ 11,944	\$ 8,115

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2023

	<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	\$ 31,335	\$ 28,923	\$ 2,544,545	\$ 2,623,856
Case Reserves		12,618		282,365	294,983
IBNR Reserves		14,498		85,632	100,130
Reserve Discount		(317)		(6,510)	(6,827)
Subtotal	19,053	58,134	28,923	2,906,032	3,012,142
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 19,053	\$ 58,134	\$ 28,923	\$ 2,906,032	\$ 3,012,142
Number of Claims	15	240	19	221	495
Average Cost Per Claim	\$ 1,270	\$ 242	\$ 1,522	\$ 13,149	\$ 6,085

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2023

	<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	\$ 2,536,014	\$ 2,736,084
Case Reserves		10,000		48,176	58,176
IBNR Reserves		3,617		25,630	29,247
Reserve Discount		(100)		(1,100)	(1,200)
Subtotal	75,275	126,159	12,153	2,608,720	2,822,307
Excess Insurance Received Recoverable				986	-
Subtotal	-	-	-	986	986
Limited Incurred Claims	\$ 75,275	\$ 126,159	\$ 12,153	\$ 2,607,734	\$ 2,821,321
Number of Claims	31	323	19	212	585
Average Cost Per Claim	\$ 2,428	\$ 391	\$ 640	\$ 12,301	\$ 4,823

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2023

	<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	\$ 95,318	\$ 39,591	\$ 2,277,422	\$ 2,487,736
Case Reserves				64,313	64,313
IBNR Reserves		22,091		35,911	58,002
Reserve Discount		(288)		(1,593)	(1,881)
Subtotal	75,405	117,121	39,591	2,376,053	2,608,170
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 75,405	\$ 117,121	\$ 39,591	\$ 2,376,053	\$ 2,608,170
Number of Claims	13	240	23	173	449
Average Cost Per Claim	\$ 5,800	\$ 488	\$ 1,721	\$ 13,734	\$ 5,809

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2023

	<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	\$ 140,053	\$ 268,228	\$ 2,860,264	\$ 3,268,644
Case Reserves		199,538		127,262	326,800
IBNR Reserves		8,885		24,835	33,720
Reserve Discount		(2,124)		(2,659)	(4,783)
Subtotal	99	346,352	268,228	3,009,702	3,624,381
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 99	\$ 346,352	\$ 268,228	\$ 3,009,702	\$ 3,624,381
Number of Claims	11	238	22	201	472
Average Cost Per Claim	\$ 9	\$ 1,455	\$ 12,192	\$ 14,974	\$ 7,679

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2023

	<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	\$ 2,650,773	\$ 2,772,954
Case Reserves				(1)	(1)
IBNR Reserves				50,000	50,000
Reserve Discount		(1)		(772)	(773)
Subtotal	1,802	113,409	6,969	2,700,000	2,822,180
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 1,802	\$ 113,409	\$ 6,969	\$ 2,700,000	\$ 2,822,180
Number of Claims	9	232	27	216	484
Average Cost Per Claim	\$ 200	\$ 489	\$ 258	\$ 12,500	\$ 5,831

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2014 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 (DATE OF INCEPTION) TO DECEMBER 31, 2023

	<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	\$ 2,064,527	\$ 2,173,161	
Case Reserves				60,263	60,263	
IBNR Reserves				40,000	40,000	
Reserve Discount				(1,093)	(1,093)	
Subtotal	19,066	78,677	10,891	2,163,697	2,272,331	
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 19,066	\$ 78,677	\$ 10,891	\$ 2,163,697	\$ 2,272,331	
Number of Claims	15	326	18	203	562	
Average Cost Per Claim	\$ 1,271	\$ 241	\$ 605	\$ 10,659	\$ 4,043	

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2023 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	<u>Coverages</u>				
	<u>Property</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	NJCEJIF Various Quota Share Insurers	NJCEJIF	NJCEJIF	NJCEJIF Safety National	NJCEJIF Chubb
Number of Participants	2	2	2	2	2
Incurred Liabilities:					
Claims (Schedule C-1)	\$ 493,764	\$ 227,327	\$ 341,074	\$ 2,745,612	\$ 58,996
Administrative Expenses (1)	27,403	38,932	25,136	513,862	11,150
	<u>\$ 521,167</u>	<u>\$ 266,259</u>	<u>\$ 366,210</u>	<u>\$ 3,259,474</u>	<u>\$ 70,146</u>

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

MERCER COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2023

	<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)	\$ 392,885	\$ 148,108	\$ 92,040	\$ 3,478,674	\$ 57,557
Administrative Expenses (1)	23,230	28,991	21,186	521,463	10,696
	<u>\$ 416,115</u>	<u>\$ 177,099</u>	<u>\$ 113,226</u>	<u>\$ 4,000,137</u>	<u>\$ 68,253</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, 2023

	<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-3)	\$ 140	\$ 280,738	\$ 23,651	\$ 2,808,390	\$ 56,154
Administrative Expenses (1)	20,322	25,215	19,570	520,293	10,567
	<u>\$ 20,462</u>	<u>\$ 305,953</u>	<u>\$ 43,221</u>	<u>\$ 3,328,683</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, 2023

	<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-4)	\$ 260,368	\$ 159,549	\$ 207,015	\$ 2,448,582
Administrative Expenses (1)	22,464	25,202	19,620	519,089
	<u>\$ 282,832</u>	<u>\$ 184,751</u>	<u>\$ 226,635</u>	<u>\$ 2,967,671</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, 2023

	<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-5)	\$ 19,053	\$ 58,134	\$ 28,923	\$ 2,906,032
Administrative Expenses (1)	9,639	20,563	16,964	532,186
	<u>\$ 28,692</u>	<u>\$ 78,697</u>	<u>\$ 45,887</u>	<u>\$ 3,438,218</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, 2023

	<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-6)	\$ 75,275	\$ 126,159	\$ 12,153	\$ 2,607,734
Administrative Expenses (1)	8,778	18,520	15,453	525,513
	<u>\$ 84,053</u>	<u>\$ 144,679</u>	<u>\$ 27,606</u>	<u>\$ 3,133,247</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, 2023

	<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
Incurred Liabilities:				
Claims (Schedule C-7)	\$ 75,405	\$ 117,121	\$ 39,591	\$ 2,376,053
Administrative Expenses (1)	9,181	17,587	14,822	520,869
	<u>\$ 84,586</u>	<u>\$ 134,708</u>	<u>\$ 54,413</u>	<u>\$ 2,896,922</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, 2023

	<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-8)	\$ 99	\$ 346,352	\$ 268,228	\$ 3,009,702
Administrative Expenses (1)	9,406	18,114	15,289	536,431
	<u>\$ 9,505</u>	<u>\$ 364,466</u>	<u>\$ 283,517</u>	<u>\$ 3,546,133</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, 2023

	<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-9)	\$ 1,802	\$ 113,409	\$ 6,969	\$ 2,700,000
Administrative Expenses (1)	9,469	18,236	15,392	520,521
	<u>\$ 11,271</u>	<u>\$ 131,645</u>	<u>\$ 22,361</u>	<u>\$ 3,220,521</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, 2023

	<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
Incurring Liabilities:				
Claims (Schedule C-10)	\$ 19,066	\$ 78,677	\$ 10,891	\$ 2,163,697
Administrative Expenses (1)	7,126	14,196	14,522	498,080
	<u>\$ 26,192</u>	<u>\$ 92,873</u>	<u>\$ 25,413</u>	<u>\$ 2,661,777</u>

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

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



Dennis J. Skalkowski
Certified Public Accountant