

GLOUCESTER COUNTY INSURANCE COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

GLOUCESTER COUNTY INSURANCE COMMISSION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Gloucester County Insurance Commission (the "Commission") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Gloucester County Insurance Commission as of December 31, 2015 and 2014 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Gloucester County Insurance 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 27, 2016 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
October 27, 2016

**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 Commissioners
Gloucester County Insurance 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 Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Gloucester County Insurance Commission (the "Commission") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collective comprise the Commission's basic financial statements, and have issued our report thereon dated October 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
October 27, 2016

GLOUCESTER COUNTY INSURANCE COMMISSION

Management's Discussion and Analysis

Unaudited

This section of the annual financial report of the Commission presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2015, 2014 and 2013. 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 and dental insurance coverage for Gloucester 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 Fund'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 Fund's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The statements of cash flows is presented on the direct method of reporting, which reflects cash flows from operating and noncapital 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, 2015, 2014 and 2013.

Net Position Summary					
	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>Change \$</u>	<u>Change %</u>
Assets:					
Cash & Cash Equivalents	\$5,664,792	\$5,518,168	\$ 4,701,675	\$ 146,624	2.7%
Investment in Joint Venture	1,219,018	1,157,670	977,428	61,348	5.3%
Prepaid Expenses		150		(150)	-100.0%
Receivables	<u>289,260</u>	<u>261,474</u>	<u>545,807</u>	<u>27,786</u>	<u>10.6%</u>
Total Assets	<u>7,173,070</u>	<u>6,937,462</u>	<u>6,224,910</u>	<u>235,608</u>	<u>3.4%</u>
Liabilities, Reserves & Net Position					
Liabilities:					
Loss Reserves	3,098,925	3,558,727	3,654,037	(459,802)	-12.9%
Other Liabilities & Reserves	<u>130,497</u>	<u>53,257</u>	<u>55,885</u>	<u>77,240</u>	<u>145.0%</u>
Total Liabilities and Reserves	<u>3,229,422</u>	<u>3,611,984</u>	<u>3,709,922</u>	<u>(382,562)</u>	<u>-10.6%</u>
Net Position - Unrestricted	<u>\$3,943,648</u>	<u>\$3,325,478</u>	<u>\$ 2,514,988</u>	<u>\$ 618,170</u>	<u>18.6%</u>

Revenues, Expenses, and Changes in Net Position Summary					
	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>Change \$</u>	<u>Change %</u>
Operating Revenue:					
Regular Contributions and Other Income	<u>\$6,368,520</u>	<u>\$6,120,229</u>	<u>\$ 6,561,329</u>	<u>\$ 248,291</u>	<u>4.1%</u>
Operating Expenses:					
Provision for Claims and Claims Expense	2,148,324	1,973,950	2,876,980	174,374	8.8%
Premium for Property and Casualty Excess Insurance Expense	2,670,810	2,707,764	2,559,344	(36,954)	-1.4%
Administrative and Operating Expenses	<u>943,611</u>	<u>659,507</u>	<u>693,188</u>	<u>284,104</u>	<u>43.1%</u>
Total Operating Expenses	<u>5,762,745</u>	<u>5,341,221</u>	<u>6,129,512</u>	<u>421,524</u>	<u>7.9%</u>
Operating Income	605,775	779,008	431,817	(173,233)	-22.2%
Non-Operating Revenue:					
Investment Income			8		
Change in Investment in Joint Venture	<u>61,348</u>	<u>180,242</u>	<u>356,511</u>	<u>(118,894)</u>	<u>-66.0%</u>
Distributions to Members	<u>(48,953)</u>	<u>(148,760)</u>	<u>-</u>	<u>99,807</u>	<u>67.1%</u>
Change In Net Position	<u>\$ 618,170</u>	<u>\$ 810,490</u>	<u>\$ 788,336</u>	<u>\$ (192,320)</u>	<u>-23.7%</u>

Financial Highlights Continued

On March 1, 2010, the Gloucester County Board of Chosen Freeholders adopted a resolution which authorized the establishment of the Gloucester County Insurance 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 Gloucester County Insurance Commission's total assets at the end of the sixth year of operations were \$7,173,070 and total liabilities were \$3,229,422 resulting in unrestricted net position of \$3,943,648. 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 "CEL"), were \$2,670,810. The CEL is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund, the Atlantic County Insurance Commission, Burlington County Insurance Commission, Camden County Insurance Fund Commission, Cumberland County Insurance Commission, Hudson County, Mercer County Insurance Fund Commission, Ocean County, Salem County Insurance Fund Commission and Union County.

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 Fund's Management

This financial report is designed to provide the Gloucester County Insurance Commission members and the Division of Local Government Services, Department of Community Affairs, 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 Gloucester County Insurance Commission office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

GLOUCESTER COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2015 and 2014

	2015			2014		
	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 5,664,792	\$ 228,021	\$ 5,436,771	\$ 5,518,168	\$ 139,721	\$ 5,378,447
Contributions Receivable	4,477		4,477	8,478		8,478
CEL Dividend Receivable	48,953		48,953	-		
Reimbursements Receivable	235,830		235,830	252,996		252,996
Prepaid Expenses	-			150		150
Investment in Joint Venture	1,219,018		1,219,018	1,157,670		1,157,670
	<u>7,173,070</u>	<u>228,021</u>	<u>6,945,049</u>	<u>6,937,462</u>	<u>139,721</u>	<u>6,797,741</u>
<u>LIABILITIES AND RESERVES</u>						
Liabilities:						
Accrued Administrative Expenses	25,542	2,575	22,967	22,607		22,607
Accrued Property and Casualty Excess Insurance	9,843		9,843	30,650		30,650
Claims Payable	46,159	46,159		-		
Authorized Return of Surplus	48,953		48,953	-		
Total Liabilities	<u>130,497</u>	<u>48,734</u>	<u>81,763</u>	<u>53,257</u>	<u>-</u>	<u>53,257</u>
Claims Reserves:						
Case Reserves	1,672,133		1,672,133	2,213,115		2,213,115
IBNR Reserves	1,510,068	40,487	1,469,581	1,584,182	39,509	1,544,673
Less Reserve Discount	(83,276)		(83,276)	(238,570)		(238,570)
Total Reserves	<u>3,098,925</u>	<u>40,487</u>	<u>3,058,438</u>	<u>3,558,727</u>	<u>39,509</u>	<u>3,519,218</u>
Total Liabilities and Reserves	<u>3,229,422</u>	<u>89,221</u>	<u>3,140,201</u>	<u>3,611,984</u>	<u>39,509</u>	<u>3,572,475</u>
<u>NET POSITION</u>						
Unrestricted	<u>\$ 3,943,648</u>	<u>\$ 138,800</u>	<u>\$ 3,804,848</u>	<u>\$ 3,325,478</u>	<u>\$ 100,212</u>	<u>\$ 3,225,266</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

	2015			2014		
	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>
Operating Revenue:						
Regular Contributions	\$ 6,319,567	\$ 588,013	\$ 5,731,554	\$ 6,120,229	\$ 601,789	\$ 5,518,440
CEL Dividend	48,953		48,953			
Total Operating Revenue	6,368,520	588,013	5,780,507	6,120,229	601,789	5,518,440
Operating Expenses:						
Provision for Claims and Claims Adjustment Expenses	2,148,324	477,849	1,670,475	1,973,950	568,026	1,405,924
Premium for Property and Casualty Excess Insurance	2,670,810		2,670,810	2,707,764		2,707,764
Administrative Expenses:						
Actuary	7,803		7,803	7,650		7,650
Attorney	35,130		35,130	31,215		31,215
Auditor	15,306		15,306	18,300		18,300
Claims Administrators	111,169	31,369	79,800	109,482	31,982	77,500
Fund Administrator	142,989	6,367	136,622	139,351	5,407	133,944
Miscellaneous Expenses	5,340		5,340	7,658		7,658
Postage	34		34	11		11
Risk Management Consultants	289,680	33,840	255,840	289,680	33,840	255,840
Saftey Director	268,000		268,000			
Treasurer	12,000		12,000			
Underwriting Manager	56,160		56,160	56,160		56,160
Total Operating Expenses	5,762,745	549,425	5,213,320	5,341,221	639,255	4,701,966
Operating Income (Loss)	605,775	38,588	567,187	779,008	(37,466)	816,474
Non-Operating Revenue:						
Change in Investment in Joint Venture	61,348		61,348	180,242		180,242
Investment Income	-			-		
Total Non-Operating Revenue	61,348	-	61,348	180,242	-	180,242
Change in Net Position	667,123	38,588	628,535	959,250	(37,466)	996,716
Net Position - Beginning of Year	3,325,478	100,212	3,225,266	2,514,988	137,678	2,377,310
Distributions to Members	(48,953)		(48,953)	(148,760)		(148,760)
Net Position - End of Year	\$ 3,943,648	\$ 138,800	\$ 3,804,848	\$ 3,325,478	\$ 100,212	\$ 3,225,266

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

GLOUCESTER COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

	2015			2014		
	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>
Cash Flows Provided By (Used In) Operating Activities:						
Receipts From Regular Contributions	\$ 6,323,568	\$ 588,013	\$ 5,735,555	\$ 6,113,116	\$ 601,789	\$ 5,511,327
Receipts From CEL Dividend	-			148,760		148,760
Payments For Claim Payments	(2,544,801)	(430,712)	(2,114,089)	(1,960,389)	(604,225)	(1,356,164)
Payments For Property and Casualty Excess Insurance	(2,691,617)		(2,691,617)	(2,682,587)		(2,682,587)
Payments To Professionals and Suppliers	(940,526)	(69,001)	(871,525)	(653,647)	(73,869)	(579,778)
Net Cash Flows Provided By (Used In) Operating Activities	146,624	88,300	58,324	965,253	(76,305)	1,041,558
Cash Flows Used in Noncapital Financing Activities:						
Fund Equity Distribution to Participating Members	-			(148,760)		(148,760)
Net Increase (Decrease) in Cash and Cash Equivalents	146,624	88,300	58,324	816,493	(76,305)	892,798
Cash and Cash Equivalents - Beginning of Year	5,518,168	139,721	5,378,447	4,701,675	216,026	4,485,649
Cash and Cash Equivalents - End of Year	<u>\$ 5,664,792</u>	<u>\$ 228,021</u>	<u>\$ 5,436,771</u>	<u>\$ 5,518,168</u>	<u>\$ 139,721</u>	<u>\$ 5,378,447</u>
Reconciliation of Operating Income (Loss) to						
Cash Flows Provided By (Used In) Operating Activities:						
Operating Income (Loss)	\$ 605,775	\$ 38,588	\$ 567,187	\$ 779,008	\$ (37,466)	\$ 816,474
Adjustments to Reconcile Operating Income (Loss) to						
Net Cash Provided By (Used In) Operating Activities:						
Changes in Assets and Liabilities:						
Contributions Receivable	4,001		4,001	(7,113)		(7,113)
Surplus Return Receivable	(48,953)		(48,953)	148,760		148,760
Reimbursements Receivable	17,166		17,166	142,686		142,686
Prepaid Expenses	150		150	(150.00)		(150)
Accrued Administrative Expenses	2,935	2,575	360	6,010	(2,640)	8,650
Accrued Property and Casualty Excess Insurance	(20,807)		(20,807)	25,177		25,177
Claims Payable	46,159	46,159		(33,815)	(33,815)	
Claims Reserves	(459,802)	978	(460,780)	(95,310)	(2,384)	(92,926)
Net Cash Flows Provided By (Used In) Operating Activities	<u>\$ 146,624</u>	<u>\$ 88,300</u>	<u>\$ 58,324</u>	<u>\$ 965,253</u>	<u>\$ (76,305)</u>	<u>\$ 1,041,558</u>
Supplemental Disclosure - Noncash Activity:						
Change in Investment in Joint Venture	<u>\$ 61,348</u>	<u>\$ -</u>	<u>\$ 61,348</u>	<u>\$ 180,242</u>	<u>\$ -</u>	<u>\$ 180,242</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

Effective March 1, 2010, the Gloucester County Insurance 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 Commissioners of 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 2015, Gloucester County, Rowan College at Gloucester County, Gloucester County Improvement Authority, Gloucester County Utility Authority and Gloucester County Library were property and casualty coverage members. Gloucester County, Gloucester County Division of Social Services and Gloucester County Library were health insurance members during 2015. All members joined the Commission on March 1, 2010.

All members' property and casualty assessments, including a reserve for contingencies, are based on annual actuarial assumptions determined by the Commission's Actuary and on monthly and quarterly adjustments determined by the Commission's Actuary and Program Manager based on actual loss experience.

All members' health coverage contributions are assessed monthly based on the members' census data, including a pro rata amount of the current estimates of projected losses, administrative expenses and the cost of stop loss insurance. The Commissioner of Insurance 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 property and casualty coverages to its members:

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

Effective July 1, 2012, the Commission no longer offered medical and prescription coverages to any member. The Commission continues to offer dental coverage to electing members.

Through membership in the New Jersey Counties Excess Joint Insurance Fund (the "CEL"), 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

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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 2015 were as follows:

Property	\$100,000
Auto	\$250,000
General Liability	\$250,000
Workers' Compensation	\$250,000

Coverage in excess of the Commission's retention limits is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Gloucester County Insurance 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 by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. 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.

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Component Unit (Cont'd)

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 not includable in any other reporting entity.

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 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.

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 statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governments units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Cash, Cash Equivalents and Investments (Cont'd)

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.

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 Act. 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.

Property and Casualty 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 fiscal contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Commissioners.

Health Coverage Contributions

During the period coverages were available, members were assessed monthly contributions based on a pro rata amount of the current estimates of projected losses, administrative expenses and the cost of stop loss insurance.

Supplemental Contributions

The Executive Committee 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.

Interest Income Allocation

Interest income was allocated based on the ratio of monthly average invested cash balances by line of coverage to the total amount invested applied to interest income credited for the month.

GLOUCESTER COUNTY INSURANCE 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, 2015. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity and frequency and other factors.

Unpaid Claims Liabilities – Health Coverage

In order to recognize unpaid health coverage losses, a reserve was calculated by the Commission's administrator as of December 31, 2015. Liabilities for unpaid losses represent the estimated liability on claims reported to the Commission plus reserves for claims incurred but not yet reported. The liabilities for claims 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, 2015. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity and frequency and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Excess Coverage – Property and Casualty

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

Subrogation – Property and Casualty

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 fiscal year as certified by an actuary may be declared to be refundable by the Commission. A refund for any fiscal 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/Executive Committee. 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 interest income earned on various interest-bearing accounts and on investments in debt securities and positive changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Operating and Non-Operating Revenues and Expenses (Cont'd)

Operating expenses include expenses associated with the Commission's operations, including claims expense, insurance and administrative expenses. Non-operating expenses include changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. 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 Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the 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 \$5,708,525 as of December 31, 2015, \$250,000 was insured while \$5,458,525 was collateralized under GUDPA.

Of the Commission's bank balance of \$5,559,550 as of December 31, 2014, \$250,000 was insured while \$5,309,550 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 CEL 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 CEL's individual members are based on the member's percentage of assessments. The Commission's allocated share of surplus for the years ended December 31, 2015 and 2014 was \$1,219,018 and \$1,157,670, respectively.

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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 includes 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 Commission during the period ended December 31, 2015 or all open Commission years net of excess insurance recoveries:

	<u>Total</u>	<u>Health</u>	<u>Property and Casualty</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning of Year	\$ 3,558,727	\$ 39,509	\$ 3,519,218
Incurring claims and claims adjustment expenses:			
Provision for insured events of current fund year	2,547,823	514,397	2,033,426
Changes in provision for insured events of prior fund years	<u>(399,311)</u>	<u>(36,360)</u>	<u>(362,951)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>5,707,239</u>	<u>517,546</u>	<u>5,189,693</u>
Payments (Net of Recoveries):			
Claims and claim adjustments expenses:			
Attributable to insured events of current fund year	1,369,502	497,232	872,270
Attributable to insured events of prior fund years	<u>1,238,812</u>	<u>(20,173)</u>	<u>1,258,985</u>
Total Payments all fund years	<u>2,608,314</u>	<u>477,059</u>	<u>2,131,255</u>
Total unpaid claim and claim adjustment expenses all fund years - End of Year	<u><u>\$ 3,098,925</u></u>	<u><u>\$ 40,487</u></u>	<u><u>\$ 3,058,438</u></u>

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES (CONT'D)

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the Commission during the period ended December 31, 2014 for all open Commission years net of excess insurance recoveries:

	<u>Total</u>	<u>Health</u>	<u>Property and Casualty</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 3,654,037	\$ 41,893	\$ 3,612,144
Incurred claims and claims adjustment expenses:			
Provision for insured events of current fund year	2,218,214	535,079	1,683,135
Changes in provision for insured events of prior fund years	(244,264)	32,947	(277,211)
Total incurred claims and claims adjustment expenses all Fund years	<u>5,627,987</u>	<u>609,919</u>	<u>5,018,068</u>
Payments (Net of Recoveries):			
Claims and claim adjustments expenses:			
Attributable to insured events of current fund year	839,645	497,232	342,413
Attributable to insured events of prior fund years	1,229,615	73,178	1,156,437
Total Payments all Fund years	<u>2,069,260</u>	<u>570,410</u>	<u>1,498,850</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	<u>\$ 3,558,727</u>	<u>\$ 39,509</u>	<u>\$ 3,519,218</u>

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

New Jersey Counties Excess Joint Insurance Fund

Effective March 1, 2010, the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund. The CEL 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 property and casualty 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 CEL are elected.

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

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

The CEL 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, 2015 is as follows:

Total Assets	\$ 17,253,582
Total Liabilities	\$ 11,389,410
Net Position	\$ 5,864,172
Total Revenue	\$ 21,242,764
Total Expenses	\$ 20,584,344
Change In Net Position	\$ 690,598
Distributions to Members	\$ 150,000

Financial statements for the New Jersey Counties Excess Joint Insurance Fund are available at the office of the Fund'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 CEL. Excess insurance premiums paid to the CEL for the year ended December 31, 2015 and 2014 were \$2,670,810 and \$2,707,764, respectively.

Note 8: RETURN OF SURPLUS

During the 2015 and 2014, the Board of Commissioners approved dividends in the amount of \$48,953 and \$148,760, respectively.

GLOUCESTER COUNTY INSURANCE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

GLOUCESTER COUNTY INSURANCE COMMISSION
RECONCILIATION OF PROPERTY AND CASUALTY CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - Beginning of Year	\$ 9,475	\$ 1,207,472	\$ 307,645	\$ 1,994,626	\$ 3,519,218
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	165,972	389,560	47,155	1,430,739	2,033,426
Changes in provision for insured events of prior fund years	(6,649)	95,902	(21,617)	(430,587)	(362,951)
Total incurred claims and claims adjustment expenses all Fund years	168,798	1,692,934	333,183	2,994,778	5,189,693
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	141,985		3,276	727,009	872,270
Attributable to insured events of prior fund years	2,826	480,205	249,690	526,264	1,258,985
Total payments all Fund years	144,811	480,205	252,966	1,253,273	2,131,255
Total unpaid claims and claim adjustment expenses - End of Year	\$ 23,987	\$ 1,212,729	\$ 80,217	\$ 1,741,505	\$ 3,058,438

GLOUCESTER COUNTY INSURANCE COMMISSION
RECONCILIATION OF HEALTH CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Medical</u>	<u>Dental</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - Beginning of Year	\$ -	\$ 39,509	\$ 39,509
Incurred claims and claims adjustment expenses:			
Provision for insured events of current fund year		514,397	514,397
Changes in provision for insured events of prior fund years	(188)	(36,360)	(36,548)
Total incurred claims and claims adjustment expenses all Fund years	(188)	517,546	517,358
Payments:			
Claims and claims adjustment expenses (Net of Recoveries):			
Attributable to insured events of current fund year		497,232	497,232
Attributable to insured events of prior fund years	(188)	(20,173)	(20,361)
Total payments all Fund years	(188)	477,059	476,871
Total unpaid claims and claim adjustment expenses - End of Year	\$ -	\$ 40,487	\$ 40,487

GLOUCESTER COUNTY INSURANCE COMMISSION
SIX-YEAR PROPERTY AND CASUALTY CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2015

	FUND YEAR ENDED DECEMBER 31					
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net Earned Required Contribution and Investment Revenue:						
Earned	\$ 4,297,203	\$ 5,533,255	\$ 5,659,948	\$ 5,746,565	\$ 5,518,439	\$ 5,731,555
Ceded	1,583,834	2,307,853	2,425,887	2,559,344	2,707,764	2,670,810
	<u>2,713,369</u>	<u>3,225,402</u>	<u>3,234,061</u>	<u>3,187,221</u>	<u>2,810,675</u>	<u>3,060,745</u>
Unallocated Expenses	<u>478,403</u>	<u>549,614</u>	<u>585,191</u>	<u>583,908</u>	<u>585,996</u>	<u>872,319</u>
Estimated Claims and Expenses, End of Policy Year:						
Incurred	2,120,491	2,667,010	2,065,235	2,101,155	1,683,135	2,033,426
Ceded						
Net Incurred	<u>2,120,491</u>	<u>2,667,010</u>	<u>2,065,235</u>	<u>2,101,155</u>	<u>1,683,135</u>	<u>2,033,426</u>
Paid (Cumulative) as of:						
End of Policy Year	508,994	938,354	487,925	788,347	342,413	588,013
One Year Later	1,067,746	1,330,572	769,532	998,113	574,611	
Two Years Later	1,457,205	1,846,634	1,034,270	1,208,028		
Three Years Later	1,700,443	2,370,813	1,672,599			
Four Years Later	1,858,197	2,578,620				
Five Years Later	<u>1,828,933</u>					
Reestimated Ceded Claims and Expenses						
Reestimated Incurred Claims and Expenses:						
End of Policy Year	2,120,491	2,667,010	2,065,235	2,101,155	1,683,135	2,033,426
One Year Later	1,850,771	2,426,430	1,672,321	1,931,487	1,314,646	
Two Years Later	1,901,994	2,921,378	1,819,083	1,626,725		
Three Years Later	2,022,246	2,750,161	2,173,770			
Four Years Later	1,939,158	2,815,999				
Five Years Later	<u>1,828,933</u>					
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<u>\$ (291,558)</u>	<u>\$ 148,989</u>	<u>\$ 108,535</u>	<u>\$ (474,430)</u>	<u>\$ (368,489)</u>	<u>\$ -</u>

GLOUCESTER COUNTY INSURANCE COMMISSION
SUPPLEMENTARY INFORMATION

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 230,000	\$ 680,000	\$ 91,000	\$ 1,157,000	\$ 2,670,810	\$ 902,745	\$ 5,731,555
Incurring Liabilities:							
Claims	165,972	389,560	47,155	1,430,739			2,033,426
Expenses					2,670,810	872,319	3,543,129
Total Liabilities	165,972	389,560	47,155	1,430,739	2,670,810	872,319	5,576,555
Underwriting Surplus (Deficit)	64,028	290,440	43,845	(273,739)	-	30,426	155,000
Adjustments:							
Investment Income							-
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Statutory Surplus (Deficit)	64,028	290,440	43,845	(273,739)	-	30,426	155,000
Return of Surplus							-
Net Statutory Surplus (Deficit)							
Before Unallocated Investment	\$ 64,028	\$ 290,440	\$ 43,845	\$ (273,739)	\$ -	\$ 30,426	155,000
Investment in Joint Venture							130,229
Net Surplus							\$ 285,229

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 243,372	\$ 774,800	\$ 68,650	\$ 1,107,261	\$ 2,707,764	\$ 616,592	\$ 5,518,439
Incurring Liabilities:							
Claims	81,245	292,320	3,950	937,131			1,314,646
Expenses					2,707,764	584,996	3,292,760
Total Liabilities	81,245	292,320	3,950	937,131	2,707,764	584,996	4,607,406
Underwriting Surplus	162,127	482,480	64,700	170,130	-	31,596	911,033
Adjustments:							
Investment Income							-
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Statutory Surplus	162,127	482,480	64,700	170,130	-	31,596	911,033
Return of Surplus							-
Net Statutory Surplus							
Before Unallocated Investment	\$ 162,127	\$ 482,480	\$ 64,700	\$ 170,130	\$ -	\$ 31,596	911,033
Investment in Joint Venture							216,474
Net Surplus							\$ 1,127,507

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 243,372	\$ 969,800	\$ 68,650	\$ 1,292,157	\$ 2,559,664	\$ 612,922	\$ 5,746,565
Incurred Liabilities:							
Claims	149,379	195,965	26,820	1,254,561			1,626,725
Expenses					2,559,344	583,908	3,143,252
Total Liabilities	149,379	195,965	26,820	1,254,561	2,559,344	583,908	4,769,977
Underwriting Surplus	93,993	773,835	41,830	37,596	320	29,014	976,588
Adjustments:							
Investment Income							-
Permanent Transfers							-
Total Adjustments	-	-	-	-	-	-	-
Gross Statutory Surplus	93,993	773,835	41,830	37,596	320	29,014	976,588
Return of Surplus							-
Net Statutory Surplus							
Before Unallocated Investment	\$ 93,993	\$ 773,835	\$ 41,830	\$ 37,596	\$ 320	\$ 29,014	976,588
Investment in Joint Venture							245,490
Net Surplus							\$ 1,222,078

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 239,354	\$ 969,800	\$ 68,650	\$ 1,292,157	\$ 2,425,887	\$ 621,214	\$ 5,617,062
CEL Dividend					41,957		41,957
Total Income	239,354	969,800	68,650	1,292,157	2,467,844	621,214	5,659,019
Incurred Liabilities:							
Claims	57,908	611,274	297,287	1,207,301			2,173,770
Expenses					2,425,887	585,191	3,011,078
Total Liabilities	57,908	611,274	297,287	1,207,301	2,425,887	585,191	5,184,848
Underwriting Surplus (Deficit)	181,446	358,526	(228,637)	84,856	41,957	36,023	474,171
Adjustments:							
Investment Income	84	368	23	422		32	929
Permanent Transfers							-
Total Adjustments	84	368	23	422	-	32	929
Gross Statutory Surplus (Deficit)	181,530	358,894	(228,614)	85,278	41,957	36,055	475,100
Return of Surplus					41,957		41,957
Net Statutory Surplus (Deficit)							
Before Unallocated Investment	\$ 181,530	\$ 358,894	\$ (228,614)	\$ 85,278	\$ -	\$ 36,055	433,143
Investment in Joint Venture							96,971
Net Surplus							\$ 530,114

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 234,258	\$ 969,800	\$ 68,650	\$ 1,260,640	\$ 2,307,853	\$ 616,141	\$ 5,457,342
CEL Dividend					73,557		73,557
Total Income	234,258	969,800	68,650	1,260,640	2,381,410	616,141	5,530,899
Incurred Liabilities:							
Claims	211,641	729,411	126,796	1,748,151			2,815,999
Expenses					2,307,853	549,614	2,857,467
Total Liabilities	211,641	729,411	126,796	1,748,151	2,307,853	549,614	5,673,466
Underwriting Surplus (Deficit)	22,617	240,389	(58,146)	(487,511)	73,557	66,527	(142,567)
Adjustments:							
Investment Income	60	1,293	79	779	11	134	2,356
Permanent Transfers							-
Total Adjustments	60	1,293	79	779	11	134	2,356
Gross Statutory Surplus (Deficit)	22,677	241,682	(58,067)	(486,732)	73,568	66,661	(140,211)
Return of Surplus					73,557		73,557
Net Statutory Surplus (Deficit)							
Before Unallocated Investment	\$ 22,677	\$ 241,682	\$ (58,067)	\$ (486,732)	\$ 11	\$ 66,661	(213,768)
Investment in Joint Venture							295,736
Net Surplus							\$ 81,968

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2010 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 183,654	\$ 813,038	\$ 57,553	\$ 1,044,196	\$ 1,596,572	\$ 516,041	\$ 4,211,054
CEL Dividend					82,199		82,199
Total Income	183,654	813,038	57,553	1,044,196	1,678,771	516,041	4,293,253
Incurred Liabilities:							
Claims	83,686	374,597	9,579	1,361,071			1,828,933
Expenses					1,583,834	478,403	2,062,237
Total Liabilities	83,686	374,597	9,579	1,361,071	1,583,834	478,403	3,891,170
Underwriting Surplus (Deficit)	99,968	438,441	47,974	(316,875)	94,937	37,638	402,083
Adjustments:							
Investment Income	417	2,051	104	982	135	261	3,950
Permanent Transfers							-
Total Adjustments	417	2,051	104	982	135	261	3,950
Gross Statutory Surplus (Deficit)	100,385	440,492	48,078	(315,893)	95,072	37,899	406,033
Return of Surplus					82,199		82,199
Net Statutory Surplus (Deficit)							
Before Unallocated Investment	\$ 100,385	\$ 440,492	\$ 48,078	\$ (315,893)	\$ 12,873	\$ 37,899	323,834
Investment in Joint Venture							234,118
Net Surplus							\$ 557,952

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<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) \$	141,985		\$ 3,276	\$ 727,009	\$ 872,270
Case Reserves	23,236	\$ 30,702	8,501	442,803	505,242
IBNR Reserves	779	369,298	36,223	280,530	686,830
Reserve Discount	(28)	(10,440)	(845)	(19,603)	(30,916)
Subtotal	165,972	389,560	47,155	1,430,739	2,033,426
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 165,972	\$ 389,560	\$ 47,155	\$ 1,430,739	\$ 2,033,426
Number of Claims	26	79	19	120	244
Average Cost Per Claim	\$ 6,384	\$ 4,931	\$ 2,482	\$ 11,923	\$ 8,334

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<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) \$	81,245	\$ 14,303	\$ 3,950	\$ 475,113	\$ 574,611
Case Reserves		23,555		241,775	265,330
IBNR Reserves		261,912		233,112	495,024
Reserve Discount		(7,450)		(12,869)	(20,319)
Subtotal	81,245	292,320	3,950	937,131	1,314,646
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 81,245	\$ 292,320	\$ 3,950	\$ 937,131	\$ 1,314,646
Number of Claims	27	79	11	105	222
Average Cost Per Claim	\$ 3,009	\$ 3,700	\$ 359	\$ 8,925	\$ 5,922

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<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) \$	149,379	\$ 13,214	\$ 14,413	\$ 1,031,022	\$ 1,208,028
Case Reserves		10,757	6,112	198,131	215,000
IBNR Reserves		176,029	6,434	32,846	215,309
Reserve Discount		(4,035)	(139)	(7,438)	(11,612)
Subtotal	149,379	195,965	26,820	1,254,561	1,626,725
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 149,379	\$ 195,965	\$ 26,820	\$ 1,254,561	\$ 1,626,725
Number of Claims	12	55	14	117	198
Average Cost Per Claim	\$ 12,448	\$ 3,563	\$ 1,916	\$ 10,723	\$ 8,216

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<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) \$	57,908	\$ 307,459	\$ 273,356	\$ 1,033,876	\$ 1,672,599
Case Reserves		301,307	16,534	158,907	476,748
IBNR Reserves		8,234	7,561	21,218	37,013
Reserve Discount		(5,726)	(164)	(6,700)	(12,590)
Subtotal	57,908	611,274	297,287	1,207,301	2,173,770
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 57,908	\$ 611,274	\$ 297,287	\$ 1,207,301	\$ 2,173,770
Number of Claims	18	965	14	145	1,142
Average Cost Per Claim	\$ 3,217	\$ 633	\$ 21,235	\$ 8,326	\$ 1,903

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	<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) \$	211,641	\$ 670,825	\$ 126,796	\$ 1,569,358	\$ 2,578,620
Case Reserves		49,214		160,599	209,813
IBNR Reserves		10,361		25,044	35,405
Reserve Discount		(989)		(6,850)	(7,839)
Subtotal	211,641	729,411	126,796	1,748,151	2,815,999
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 211,641	\$ 729,411	\$ 126,796	\$ 1,748,151	\$ 2,815,999
Number of Claims	32	83	14	147	276
Average Cost Per Claim	\$ 6,614	\$ 8,788	\$ 9,057	\$ 11,892	\$ 10,203

GLOUCESTER COUNTY INSURANCE COMMISSION
 STATEMENT OF FUND YEAR 2010 PROPERTY AND CASUALTY CLAIMS ANALYSIS
 FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<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)	\$ 83,686	\$ 374,597	\$ 9,579	\$ 1,361,071	\$ 1,828,933	
Case Reserves					-	
IBNR Reserves					-	
Reserve Discount					-	
Subtotal	83,686	374,597	9,579	1,361,071	1,828,933	
Excess Insurance Received Recoverable					-	
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ 83,686	\$ 374,597	\$ 9,579	\$ 1,361,071	\$ 1,828,933	
Number of Claims	33	77	16	136	262	
Average Cost Per Claim	\$ 2,536	\$ 4,865	\$ 599	\$ 10,008	\$ 6,981	

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 515,418	\$ 72,595	\$ 588,013
Other Income			-
Investment Income			-
	<hr/>		
Total Income	515,418	72,595	588,013
	<hr/>		
Incurred Liabilities:			
Claims Paid (Net of Refunds)	477,058		477,058
Actuarial Liability	37,339		37,339
Administrative Expenses		71,576	71,576
	<hr/>		
Total Liabilities	514,397	71,576	585,973
	<hr/>		
Net Surplus	\$ 1,021	\$ 1,019	\$ 2,040
	<hr/>		

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 529,626	\$ 72,164	\$ 601,790
Other Income			-
Investment Income			-
	<hr/>		
Total Income	529,626	72,164	601,790
	<hr/>		
Incurred Liabilities:			
Claims Paid (Net of Refunds)	497,232		497,232
Actuarial Liability	1,487		1,487
Administrative Expenses		71,228	71,228
	<hr/>		
Total Liabilities	498,719	71,228	569,947
	<hr/>		
Net Surplus	\$ 30,907	\$ 936	\$ 31,843
	<hr/>		

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 544,814	\$ 121,191	\$ 666,005
Other Income			-
Investment Income			-
	<hr/>		
Total Income	544,814	121,191	666,005
	<hr/>		
Incurred Liabilities:			
Claims Paid (Net of Refunds)	540,221		540,221
Actuarial Liability	1,661		1,661
Administrative Expenses		121,191	121,191
	<hr/>		
Total Liabilities	541,882	121,191	663,073
	<hr/>		
Net Surplus	\$ 2,932	\$ -	\$ 2,932
	<hr/>		

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Medical</u>	<u>Prescription</u>	<u>Dental</u>	<u>Reinsurance</u>	<u>Administrative</u>	<u>Total</u>
Income:						
Regular Contributions	\$ 9,519,776	\$ 4,523,574	\$ 624,391	\$ 849,451	\$ 913,721	\$ 16,430,913
Investment Income	291	79	2	1		373
	<hr/>					
Total Income	9,520,067	4,523,653	624,393	849,452	913,721	16,431,286
	<hr/>					
Incurred Liabilities:						
Claims Paid (Net of Refunds)	9,768,587	4,486,746	538,361			14,793,694
Stop Loss Fees				849,451		849,451
State Surcharge					74,196	74,196
Administrative Expenses					877,313	877,313
	<hr/>					
Total Liabilities	9,768,587	4,486,746	538,361	849,451	951,509	16,594,654
	<hr/>					
Net Surplus (Deficit)	\$ (248,520)	\$ 36,907	\$ 86,032	\$ 1	\$ (37,788)	\$ (163,368)
	<hr/>					

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	<u>Medical</u>	<u>Prescription</u>	<u>Dental</u>	<u>Reinsurance</u>	<u>Administrative</u>	<u>Total</u>
Income:						
Regular Contributions	\$ 21,501,235	\$ 10,826,965	\$ 627,977	\$ 1,848,318	\$ 2,324,618	\$ 37,129,113
Other Income					461	461
Investment Income	655	109	16		2	782
	<hr/>					
Total Income	21,501,890	10,827,074	627,993	1,848,318	2,325,081	37,130,356
	<hr/>					
Incurred Liabilities:						
Claims Paid (Net of Refunds)	24,414,370	9,418,611	579,562			34,412,543
Stop Loss Fees				1,848,318		1,848,318
State Surcharge					161,622	161,622
Administrative Expenses					2,324,618	2,324,618
	<hr/>					
Total Liabilities	24,414,370	9,418,611	579,562	1,848,318	2,486,240	38,747,101
	<hr/>					
Net Surplus (Deficit)	\$ (2,912,480)	\$ 1,408,463	\$ 48,431	\$ -	\$ (161,159)	\$ (1,616,745)
	<hr/>					

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2010 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<u>Medical</u>	<u>Prescription</u>	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:					
Regular Contributions	\$ 18,146,279	\$ 6,581,740	\$ 612,067	\$ 1,789,771	\$ 27,129,857
Investment Income	5,180	474	307	21	5,982
	<hr/>				
Total Income	18,151,459	6,582,214	612,374	1,789,792	27,135,839
	<hr/>				
Incurred Liabilities:					
Claims Paid (Net of Refunds)	14,507,912	7,720,713	459,106		22,687,731
Less Excess Insurance Recoveries	(136,689)				(136,689)
Stop Loss Fees	887,697				887,697
State Surcharge				24,492	24,492
Administrative Expenses				1,790,509	1,790,509
	<hr/>				
Total Liabilities	15,258,920	7,720,713	459,106	1,815,001	25,253,740
	<hr/>				
Net Surplus (Deficit)	\$ 2,892,539	\$ (1,138,499)	\$ 153,268	\$ (25,209)	\$ 1,882,099
	<hr/>				

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich Mitsui Sumitomo Scottsdale Starr	CEL Underwriters at Lloyds National Casualty	CEL Underwriters at Lloyds National Casualty	CEL Wesco Safety National
Number of Participants	5	5	5	5
Incurring Liabilities:				
Claims (Schedule B-1)	\$ 165,972	\$ 389,560	\$ 47,155	\$ 1,430,739
Administrative Expenses (1)	92,972	274,873	36,785	467,689
	<u>\$ 258,944</u>	<u>\$ 664,433</u>	<u>\$ 83,940</u>	<u>\$ 1,898,428</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI Scottsdale	CEL Underwriters at Lloyds National Casualty	CEL Underwriters at Lloyds National Casualty	CEL Wesco Safety National
Number of Participants	5	5	5	5
Incurring Liabilities:				
Claims (Schedule B-2)	\$ 81,245	\$ 292,320	\$ 3,950	\$ 937,131
Administrative Expenses (1)	64,889	206,581	18,304	295,223
	<u>\$ 146,134</u>	<u>\$ 498,901</u>	<u>\$ 22,254</u>	<u>\$ 1,232,354</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	CEL Underwriters at Lloyds Starr Indemnity	CEL Underwriters at Lloyds Starr Indemnity	CEL Wesco Safety National
Number of Participants	5	5	5	5
Incurring Liabilities:				
Claims (Schedule B-3)	\$ 149,379	\$ 195,965	\$ 26,820	\$ 1,254,561
Administrative Expenses (1)	54,925	218,869	15,493	291,620
	<u>\$ 204,304</u>	<u>\$ 414,834</u>	<u>\$ 42,313</u>	<u>\$ 1,546,181</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	CEL Star	CEL Star	CEL Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule B-4)	\$ 57,908	\$ 611,274	\$ 297,287	\$ 1,207,301
Administrative Expenses (1)	54,502	220,828	15,632	294,230
	<u>\$ 112,410</u>	<u>\$ 832,102</u>	<u>\$ 312,919</u>	<u>\$ 1,501,531</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	CEL Star	CEL Star	CEL Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule B-5)	\$ 211,641	\$ 729,411	\$ 126,796	\$ 1,748,151
Administrative Expenses (1)	50,823	210,400	14,894	273,498
	<u>\$ 262,464</u>	<u>\$ 939,811</u>	<u>\$ 141,690</u>	<u>\$ 2,021,649</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2010 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2015

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,500,000	\$20,500,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	CEL Star	CEL Star	CEL Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule B-6)	\$ 83,686	\$ 374,597	\$ 9,579	\$ 1,361,071
Administrative Expenses (1)	41,869	185,357	13,121	238,056
	<u>\$ 125,555</u>	<u>\$ 559,954</u>	<u>\$ 22,700</u>	<u>\$ 1,599,127</u>

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance 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.

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.

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 Public Accountants
& Consultants



James J. Miles, Jr.
Certified Public Accountant